

**COMPLETED ACQUISITION BY LIGHTCATCH LIMITED (TRADING AS
BETFRED) OF TOTE (SUCCESSOR COMPANY) LIMITED**

**PROPOSED UNDERTAKINGS IN LIEU OF A REFERENCE TO BE GIVEN
BY LIGHTCATCH LIMITED TO THE OFFICE OF FAIR TRADING
PURSUANT TO SECTION 73 OF THE ENTERPRISE ACT 2002**

WHEREAS:

- (a) On 13 July 2011 Lightcatch Limited (*Lightcatch*) completed its acquisition of the Tote (Successor Company) Limited (*the Tote*) from the Secretary of State for Culture, Media and Sport.
- (b) The OFT believes that, as a consequence of that transaction, a relevant merger situation in the UK has been created.
- (c) The OFT has a duty to refer a merger to the Competition Commission (*CC*) for further investigation where it believes that it is or may be the case that the creation of that merger situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the UK for goods or services.
- (d) Under section 73 of the Act the OFT may, instead of making such a reference and for the purpose of remedying, mitigating or preventing the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it, or may be expected to result from it, accept undertakings to take such action as it considers appropriate, from such of the parties concerned as it considers appropriate, in particular having regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it.
- (e) The OFT considers that, in the absence of appropriate undertakings, it would be under a duty to refer the acquisition of the Tote by Lightcatch to the CC.
- (f) The OFT further considers that the undertakings given below by Lightcatch are appropriate to remedy, mitigate or prevent the substantial lessening of competition, or any adverse effect which may be expected to result from it, as specified in the Decision.

NOW THEREFORE Lightcatch hereby gives to the OFT the following undertakings for the purpose of remedying, mitigating or preventing the substantial lessening of competition, or any adverse effect which may be expected to result from it.

1. EFFECTIVE DATE OF THE UNDERTAKINGS

1.1 These undertakings shall take effect from the date that, having been signed by Lightcatch, they are accepted by the OFT.

2. DIVESTMENT OF THE DIVESTMENT LBOs

2.1 Lightcatch shall, prior to acceptance of these undertakings by the OFT, enter into a legally binding agreement (or agreements) to divest, to the satisfaction of the OFT, each of the Divestment LBOs as a going concern to the Divestment Purchaser on terms approved by the OFT in advance of acceptance of these undertakings.

2.2 Without prejudice to the generality of paragraph 2.1 above, Lightcatch shall use all reasonable endeavours to ensure the transfer of Key Staff with the divestment of the Divestment LBOs.

2.3 Lightcatch shall be deemed to have complied with the obligation at paragraphs 2.1 and 2.2 if, prior to acceptance of these undertakings by the OFT, Lightcatch has entered into a legally binding agreement (or agreements) with the Divestment Purchaser, conditional on OFT approval, provided that the completion of the divestment of each of the Divestment LBOs contemplated by such agreement(s) takes place:

- (a) within a period not exceeding three months after the approval of the Divestment Purchaser by the OFT (or within three months of the effective date of these undertakings, as set out in paragraph 1.1 above, whichever is the later), or
- (b) within a period not exceeding 10 Working Days after all the necessary approvals and consents from third parties have been obtained,

whichever is later.

2.4 Without prejudice to the generality of paragraph 2.1 above, Lightcatch shall take the following measures to the extent legally permissible and thought necessary in the reasonable opinion of the OFT to effect the divestment of the Divestment LBOs in accordance with the provisions of these undertakings:

- (a) the transfer or vesting of property, assets, rights, personnel, liabilities or obligations (including without prejudice any contracts, licences, authorisations, permits or consents);
- (b) the adjustment of contracts, whether by discharge or reduction or assignment of any liability or obligation or otherwise;
- (c) the creation, allotment, transfer, surrender or cancellation of any shares, stock or securities; and
- (d) the formation or winding up of a company,

provided that, for the avoidance of doubt, nothing in this paragraph 2.4 shall be interpreted as (i) preventing or precluding Lightcatch from using the Tote (or similar) brands or other intellectual property, or (ii) requiring Lightcatch to transfer or licence any such brands or other intellectual property to a third party.

2.5 Where Lightcatch divests a Divestment LBO, over which it holds or the Tote held a freehold interest, by way of the grant of a long lease on normal commercial terms of not less than ten years duration to the Divestment Purchaser, it shall in addition sell the freehold interest in that Divestment LBO to a person independent of and unconnected to Lightcatch and the Group of Interconnected Bodies Corporate to which Lightcatch belongs and any Associated Person or Affiliate of Lightcatch or such Group of Interconnected Bodies Corporate, with the completion of that sale occurring within a period not exceeding three months from the date of the commencement of the lease.

2.6 Lightcatch shall ensure that each sale and purchase agreement entered into for the purposes of paragraphs 2.1 and 2.3 above includes a warranty that the Divestment Purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the relevant Divestment LBOs as part of a viable and active business in competition with Lightcatch and other competitors in the supply of betting and gaming services.

2.7 In the event that Lightcatch fails to divest one or more of the Divestment LBOs in accordance with paragraphs 2.1, 2.2, 2.3 and 2.5 above, the OFT may, whether or not initiating the Trustee Functions set out below, require Lightcatch to divest that or those remaining Divestment LBOs as a going concern at no minimum price to a purchaser or purchasers approved by the OFT.

3. APPROVAL OF DIVESTMENT PURCHASER AND TERMS OF DIVESTMENT

3.1 For the purposes of the OFT approving a Divestment Purchaser in accordance with these undertakings, Lightcatch shall, save as required or permitted by the OFT, satisfy the OFT that:

- (a) the acquisition by the Divestment Purchaser remedies, mitigates or prevents the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it, or may be expected to result from it, in particular having regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it;
- (b) the Divestment Purchaser is independent of and unconnected to Lightcatch and the Group of Interconnected Bodies Corporate to which Lightcatch belongs and any Associated Person or Affiliate of Lightcatch or such Group of Interconnected Bodies Corporate;
- (c) the Divestment Purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the relevant Divestment LBOs as part of a viable and active business in competition with Lightcatch and other competitors in the supply of betting and gaming services;
- (d) the Divestment Purchaser is reasonably to be expected to obtain all necessary approvals, licences and consents from any regulatory or other authority including landlord's consent to the transfer of any leasehold interest; and

- (e) the acquisition by the Divestment Purchaser of the relevant Divestment LBOs does not create a realistic prospect of a substantial lessening of competition within any market or markets in the UK.

3.2 The OFT may require Lightcatch to provide it with such information and documentation as it may reasonably require to satisfy the OFT that the proposed purchaser will fulfil the requirements set out in paragraph 3.1 above.

4. APPOINTMENT OF A TRUSTEE

4.1 The provisions of paragraphs 4.2 to 4.7 below shall only apply where:

- (a) Lightcatch has not satisfied all or any part of the obligation to divest each of the Divestment LBOs in accordance with paragraphs 2.1, 2.2, 2.3 and 2.5 above; or
- (b) the OFT has reasonable grounds for believing that Lightcatch will not satisfy all or any part of the obligation to divest each of the Divestment LBOs in accordance with paragraphs 2.1, 2.2, 2.3 and 2.5 above.

4.2 Within 15 Working Days of the OFT notifying in writing Lightcatch that it must do so, Lightcatch shall propose to the OFT for approval:

- (a) the names of at least two individuals to exercise the Trustee Functions; and
- (b) the full terms of a mandate in accordance with which the Trustee shall carry out the Trustee Functions.

4.3 Lightcatch and/or any individuals nominated pursuant to paragraph 4.2 shall satisfy the OFT that, save as required or permitted by the OFT:

- (a) such nominated individuals are each EU nationals with the necessary qualifications to carry out their mandates, and employees or partners of an investment bank, bank, building society or law firm or accountancy firm with an established reputation either nationwide or in a substantial part of the UK or in another EU member state;
- (b) such nominated individuals are each independent of Lightcatch and of the Group of Interconnected Bodies Corporate to which Lightcatch belongs and of any Associated Person or Affiliate of Lightcatch or of such Group of Interconnected Bodies Corporate and of any proposed purchasers of the Divestment LBOs;
- (c) such nominated individuals are, in the reasonable opinion of Lightcatch, appropriate to be appointed as Trustee; and
- (d) such nominated individuals neither are nor are likely to become exposed, either directly or indirectly, to a conflict of interest that impairs or may be likely to impair their objectivity or independence in discharging the Trustee Functions.

4.4 Within 20 Working Days of the OFT approving, at its discretion, one or more of the persons nominated by Lightcatch and their proposed mandates pursuant to paragraph 4.2 above, and subject to any modifications the OFT deems necessary for the Trustee to carry out the Trustee Functions, Lightcatch shall use its best endeavours to appoint from the persons so approved one person to carry out the Trustee Functions in accordance with the mandate approved by the OFT pursuant to paragraph 4.2.

4.5 In the event that:

- (a) Lightcatch fails to propose any person or persons in accordance with paragraph 4.2 above;
- (b) none of the persons proposed by Lightcatch pursuant to paragraph 4.2 is approved by the OFT; or
- (c) Lightcatch is unable for any reason to appoint within the time limit stipulated in paragraph 4.4 any such person following approval by the OFT,

Lightcatch shall use its best endeavours to appoint from persons nominated by the OFT one person to carry out the Trustee Functions on the terms of a mandate approved by the OFT. Lightcatch shall use its best endeavours to make such appointment within seven Working Days of receiving the nominations from the OFT.

4.6 The appointment of the Trustee pursuant to paragraph 4.4 or 4.5 shall be irrevocable unless:

- (a) a conflict of interest that impairs or may be likely to impair the objectivity or independence of the Trustee in discharging the Trustee Functions arises;
- (b) the Trustee ceases to perform the Trustee Functions; or
- (c) the OFT is otherwise satisfied that there is good cause for the appointment to be terminated in advance of the satisfactory fulfilment of the Trustee Functions.

4.7 In the event that the appointment of the Trustee is terminated in accordance with paragraph 4.6 above, Lightcatch shall, if requested to do so in writing by the OFT, use its best endeavours to appoint from persons nominated by the OFT one person to carry out the Trustee Functions in accordance with such mandate as is approved by the OFT. Lightcatch shall use its best endeavours to make such appointment within seven Working Days of receiving the nominations from the OFT. Where required by the OFT, the outgoing Trustee shall continue as Trustee until a new Trustee is in place and a full handover of all relevant information has taken place.

5. THE MANDATE

5.1 The terms of the mandate proposed by Lightcatch pursuant to paragraph 4.2 above shall, at a minimum, contain all provisions necessary to enable the Trustee to carry out the Trustee Functions including, without limitation to the generality of this paragraph:

- (a) an exclusive, irrevocable mandate to sell any of the Divestment LBOs as required by paragraph 6.1 below to a purchaser or purchasers approved in writing in advance by the OFT at no minimum price and on such reasonable terms and conditions as the Trustee considers appropriate to effect an expedient sale;
- (b) a mandate to take any other steps necessary for, or incidental to, the Trustee's mandate under subparagraph (a) above;
- (c) a comprehensive power of attorney to the Trustee (including the authority to grant sub-powers of attorney to the Trustee's officers, employees and agents) to enable it to take all steps necessary or appropriate to effect the sale of such Divestment LBOs;
- (d) a mandate to comply with any orders and/or directions given by the OFT; and
- (e) a mandate to appoint at Lightcatch's expense such advisers as the Trustee reasonably considers necessary or appropriate in connection with the performance of the Trustee Functions.

6. FUNCTIONS OF TRUSTEE

6.1 The Trustee shall seek to procure, within such period as may be specified in writing by the OFT, the completion of the sale of the Divestment LBOs at no minimum price, to a purchaser or purchasers approved by the OFT in accordance with paragraph 6.3 below.

6.2 Without prejudice to the generality of paragraph 6.1, the Trustee shall take any of the measures set out in paragraphs 2.4 above in relation to the Divestment LBOs to the extent to which such measures may be necessary to effect the divestment of the Divestment LBOs in accordance with that provision.

6.3 The Trustee shall not sell or permit the divestment of any of the Divestment LBOs to a proposed purchaser unless it has obtained the OFT's prior written approval in respect of the identity of that proposed purchaser. The Trustee shall notify the OFT of the identity of a proposed purchaser as soon as reasonably practicable prior to the signing of a legally enforceable agreement and in any event at least 20 Working Days in advance of the proposed completion of the proposed sale and purchase agreement in question.

6.4 Pending the divestment of the Divestment LBOs pursuant to paragraph 6.1 above, the Trustee shall monitor Lightcatch's compliance with their obligations under paragraphs 7.1 and 7.2 of these undertakings and shall take such measures as it considers necessary to ensure such compliance.

6.5 The Trustee may give written directions to Lightcatch to take such steps as may be specified or described in the directions for the purpose of securing Lightcatch's compliance with its obligations under these undertakings or enabling the Trustee to carry out the Trustee Functions. The Trustee may not require Lightcatch to accept any actual or contingent liability towards a purchaser or otherwise in

connection with the divestment of the Divestment LBOs which would be unusual in scope, duration or financially having regard to the price and usual market practice in relation to similar disposals.

6.6 The Trustee shall, as soon as reasonably practicable, comply at all times with any reasonable instructions or written directions made by the OFT for the purposes of carrying out or securing compliance with the undertakings (or any matter incidental thereto) and shall provide to the OFT such information and reports in relation to the carrying out of the Trustee Functions as the OFT may require. The Trustee shall promptly report in writing to the OFT if the Trustee concludes on reasonable grounds that Lightcatch is failing to comply with any of its obligations under these undertakings.

6.7 For the purpose of fulfilling the Trustee Functions, the Trustee shall not be bound by instructions of Lightcatch nor shall the Trustee Functions be extended or varied in any way by Lightcatch save with the prior express written consent of the OFT.

7. OBLIGATIONS OF LIGHTCATCH FOLLOWING APPOINTMENT OF TRUSTEE

7.1 Lightcatch shall not give any instruction or request to the Trustee which conflicts with the Trustee Functions.

7.2 Lightcatch shall take all such steps as are reasonably necessary to enable the Trustee to carry out the Trustee Functions, including but not limited to:

- (a) complying with such written directions as the Trustee may from time to time give pursuant to paragraph 6.5 above; and
- (b) providing the Trustee with all such assistance and information as it may reasonably require in carrying out the Trustee Functions.

8. REMUNERATION OF TRUSTEE

8.1 Lightcatch shall pay the Trustee a reasonable remuneration for the services it provides in carrying out the Trustee Functions, and shall pay the Trustee in a way that does not impede the independent and effective fulfilment of the Trustee Functions, which shall be set out in the Trustee's mandate referred to in paragraph 5.1 above.

9. INTERIM ACTION

9.1 Pending the divestment of the Divestment LBOs to the satisfaction of the OFT in accordance with the provisions of these undertakings, Lightcatch shall ensure that:

- (a) without accepting any duty to make any substantial capital investment additional to investment arrangements in place at the time the Acquisition completed, each of the Divestment LBOs is maintained as a going concern and sufficient resources are made available for the development of each of the Divestment LBOs on the basis of its pre-merger plans;

- (b) except in the ordinary course of business, no substantive changes are made to the organisational structure of the Divestment LBOs or the management responsibilities within the Divestment LBOs;
- (c) except with the prior written consent of the OFT, the Divestment LBOs are maintained and preserved, including facilities and goodwill;
- (d) the nature, description, range and standard of goods and services currently supplied by the Divestment LBOs are maintained and preserved;
- (e) except in accordance with paragraphs 2.1 to 2.5 above, no assets of the Divestment LBOs are disposed of, and no Interest in such assets is created or disposed of, other than in the ordinary course of business; and
- (f) all reasonable steps are taken to encourage all Key Staff to remain with the Divestment LBOs,

provided that, upon divestment of any of the Divestment LBOs, any records or copies (electronic or otherwise) of Confidential Information held by Lightcatch in relation to that Divestment LBO (or vice versa) shall be returned to the relevant business and any copies destroyed.

10. CONTINUED SEPARATION

10.1 Except with the prior written consent of the OFT, following the divestment of a Divestment LBO, Lightcatch or any member of the Group of Interconnected Bodies Corporate to which Lightcatch belongs:

- (a) shall not, directly or indirectly, hold, acquire or re-acquire:
 - (i) any Interest in that Divestment LBO other than (a) any freehold interest in the property associated with a Divestment LBO pending divestment of that freehold proprietary interest pursuant to paragraph 2.5, or (b) any leasehold reversionary interest in the property associated with a Divestment LBO where that Divestment LBO is divested by way of granting a sublease, or (c) any overriding leasehold interest reversionary to a leasehold interest of that Divestment LBO granted pursuant to section 19 Landlord and Tenant (Covenants) Act 1995; or (d) any leasehold interest in a property associated with a Divestment LBO following a default by the owner of the relevant Divestment LBO in complying with the terms of the relevant lease;
 - (ii) any Interest in any company carrying on or having Control of that Divestment LBO (other than (a) any investments made in the ordinary course of the operation of any of the employee benefit and pension schemes of Lightcatch or of any members of the Group of Interconnected Bodies Corporate to which Lightcatch belongs which are managed on a discretionary basis; or (b) any investments made in the ordinary course of the operation of any of the other employee benefit and pension schemes of Lightcatch or of any members of the

Group of Interconnected Bodies Corporate to which Lightcatch belongs of not more than three per cent in aggregate of the issued equity share capital in any such company, whose shares are listed or dealt with on any recognised investment exchange, which carries no more than three per cent of the voting rights exercisable at meetings of such company); or

- (iii) other than in the ordinary course of business, any of the assets of the Divestment LBO;
- (b) shall procure that no employee or director of Lightcatch or of any member of the Group of Interconnected Bodies Corporate to which Lightcatch belongs, for so long as they are an employee or director of Lightcatch or of any member of the Group of Interconnected Bodies Corporate to which Lightcatch belongs, holds or is nominated to any directorship or managerial position in that Divestment LBO or any company or other undertaking utilising or having Control of that Divestment LBO without the OFT's prior written consent.
- (c) shall not participate in the formulation of, or (other than in the ordinary course of business) influence or attempt to influence, the policy of that Divestment LBO or any company or other undertaking carrying on or having Control of that Divestment LBO; and
- (d) shall not enter into or carry out any agreement or arrangement with any person, if the carrying out of the agreement or arrangement is intended to result or will result in any Associated Person or Affiliate of Lightcatch or of any member of the Group of Interconnected Bodies Corporate to which Lightcatch belongs directly or indirectly acquiring that Divestment LBO or doing any of the things listed in subparagraphs (a), (b) and (c) above.

10.2 Where Lightcatch, or any member of the Group of Interconnected Bodies Corporate to which Lightcatch belongs, divests a Divestment LBO by way of granting a sub-lease and remains the landlord of the Divestment Purchaser (or the Divestment Purchaser's successor where the property associated with the Divestment LBO continues to be used for carrying on the business of a licensed betting office), then for the duration of the sub-lease, Lightcatch shall within 10 Working Days of being requested to do so (unless agreed otherwise by the OFT):

- (a) consent to any matter requiring landlord's approval under the terms of the sub-lease between Lightcatch and the Divestment Purchaser (except where Lightcatch is required to obtain such consent from another person); and/or
- (b) pass on any request for consent to the freehold owner of the property or relevant third party, as appropriate.

11. NEW DIVESTMENT IF LIGHTCATCH OBTAINS POSSESSION OF A DIVESTMENT LBO

11.1 In the event that, following divestment of a Divestment LBO in a manner that has involved Lightcatch assigning an existing lease or granting a sub-lease to the

Divestment Purchaser, Lightcatch benefits from or becomes subject to an Occupation Interest (so long as Lightcatch so benefits or becomes so subject during the term of the lease assigned or sub-lease granted by Lightcatch as part of such divestment), Lightcatch shall:

- (a) within 10 Working Days of becoming aware that it is so benefitting or is so subject inform the OFT in writing of that fact; and
- (b) using its best endeavours and acting in good faith comply with such written directions as the OFT may give to Lightcatch to effect a new divestment of the Occupation Interest to a new purchaser approved by the OFT in accordance with the provisions of these undertakings, provided always that such written directions must be of a similar nature to those contained in these undertakings with regard to the original divestment of the Divestment LBO.

11.2 In determining, for the purposes of paragraph 11.1(b), whether to require Lightcatch to effect a new divestment of the Occupation Interest to a new purchaser approved by the OFT in accordance with the provisions of these undertakings, the OFT may have regard to any change of circumstances since the Decision.

11.3 In the event that Lightcatch fails to divest the Occupation Interest in accordance with paragraph 11.1 above, the OFT may require Lightcatch to divest the Occupation Interest at no minimum price to a purchaser approved by the OFT.

11.4 Lightcatch shall notify the OFT in writing of the identity of each proposed purchaser that makes a written offer for the Occupation Interest together with the value and terms of such written offers as soon as reasonably practicable following the receipt of such offers and in any event within 10 Working Days of receipt of such written offers.

11.5 In the event that the OFT gives written directions under paragraph 11.1 for Lightcatch to effect a new divestment of the Occupation Interest, paragraphs 3, 4, 5, 6, 7 and 8 shall apply to the new divestment in the same way that they applied to the original divestment obligation save that references to 'Divestment LBO' in those paragraphs shall be construed as references to 'Occupation Interest'.

12. COMPLIANCE

12.1 Lightcatch shall comply, using all reasonable endeavours, with such written directions as the OFT may from time to time give:

- (a) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings; or
- (b) to do or refrain from doing anything so specified or described which it might be required by these undertakings to do or to refrain from doing.

12.2 Lightcatch shall procure that any member of the same Group of Interconnected Bodies Corporate as Lightcatch complies with these undertakings as if it had given them and actions and omissions of the members of the same Group of Interconnected

Bodies Corporate as Lightcatch shall be attributed to Lightcatch for the purposes of these undertakings.

12.3 Where any Affiliate of Lightcatch is not a member of the same Group of Interconnected Bodies Corporate as Lightcatch, Lightcatch shall use its best endeavours to procure that any such Affiliate shall comply with these undertakings as if it had given them.

13. EXTENSION OF TIME LIMITS

13.1 The OFT may, in response to a written request from Lightcatch, or otherwise at its own discretion, grant an extension to any time period referred to in these undertakings.

14. PROVISION OF INFORMATION

14.1 Lightcatch shall furnish promptly to the OFT such information within its possession or control, or the possession or control of a member of the same Group of Interconnected Bodies Corporate as Lightcatch, as the OFT considers necessary in relation to or in connection with the implementation and/or enforcement of and/or the compliance with these undertakings, including for the avoidance of doubt, any Confidential Information.

15. INTERPRETATION

15.1 The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

15.2 References in these undertakings to any English law term for any legal status, interest, concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English law term.

15.3 In these undertakings the word “including” shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word and the word “include” and its derivatives shall be construed accordingly.

15.4 For the purposes of these undertakings:

“Acquisition” means the acquisition by Lightcatch of the Tote pursuant to a share purchase agreement dated 3 June 2011, completed on 13 July 2011;

“the Act” means the Enterprise Act 2002;

“Affiliate” of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

“Associated Person” means a person or persons associated with Lightcatch within the meaning of section 127(4) of the Act and includes any Subsidiary of such a person or persons;

“business” has the meaning given by section 129(1) and (3) of the Act;

“CC” means the Competition Commission;

“Confidential Information” means any business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature;

“Control” shall be construed in accordance with section 26 of the Act, and in the case of a body corporate, a person shall be deemed to Control it if he holds, or has an interest in, shares of that body corporate amounting to 10 per cent or more of its issued share capital or carrying an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

“Decision” means the OFT’s decision under section 22 of the Act dated 16 December 2011 in connection with the Acquisition;

“divestment” shall include, in addition to the sale of freehold property, the transfer of a leasehold interest or the grant of a long lease on normal commercial terms of not less than 10 years duration or the grant of a sub-lease on terms not materially different from the terms of the head lease (including as to duration) and the word "divest" and its derivatives shall be construed accordingly; and "purchase", "purchaser", "acquire" and "acquisition" and "attempted divestment" shall be construed to include both freehold and leasehold transactions;

“Divestment LBO” means each LBO listed in Annex 1, and **“Divestment LBOs”** shall be construed accordingly;

“Divestment Purchaser” means Stan James (Abingdon) Limited;

“Group of Interconnected Bodies Corporate” has the meaning given in section 129(2) of the Act; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

“Interest” includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders’ meetings; and for this purpose “an interest in shares” includes an entitlement by a person other than the registered holder, to exercise any right conferred by the holding of these shares or an entitlement to Control the exercise of such right;

“Key Staff” means staff within each individual Divestment LBO in positions of executive or managerial responsibility and/or whose performance affects the viability of the relevant Divestment LBO;

“LBO” means licensed betting office and includes, in respect of each licensed betting office, the whole or substantially the whole of the rights, assets, interests and obligations solely of or associated with that licensed betting office as operated at the date of entry into a legally binding agreement to divest that licensed betting office, including without prejudice to the foregoing, save as required or permitted by the OFT:

- (a) where specific solely to the individual licensed betting office, and capable of being transferred, all or substantially all tangible and intangible assets which contribute to the current operation or are necessary to ensure the viability or competitiveness of the licensed betting office;
- (b) where specific solely to the individual licensed betting office, and capable of being transferred, all or substantially all licenses, permits, consents and authorisations issued by any governmental organisation for the benefit of the licensed betting office;
- (c) where specific solely to the individual licensed betting office, and capable of being transferred, all or substantially all contracts, leasehold interests, commitments and customer orders of or associated with the licensed betting office;
- (d) where specific solely to the individual licensed betting office, all customer, credit and other records of the licensed betting office; and
- (e) where specific solely to the individual licensed betting office, capable of being transferred and willing to transfer, the personnel of the licensed betting office.

“Lightcatch” means Lightcatch Limited and its subsidiaries;

“Occupation Interest” means an interest in the property associated with a Divestment LBO by virtue of which Lightcatch enjoys an unconditional right or is under an unconditional obligation to occupy the property provided always that: (i) the original purchaser (or his successor) is not in occupation of the property; and/or (ii) before such interest in the property arose, the most recent use to which the property had been put was that of carrying on a licensed betting office;

“OFT” means the Office of Fair Trading;

“Subsidiary” shall be construed in accordance with section 1159 of the Companies Act 2006, unless otherwise stated;

“the Tote” means Tote (Successor Company) Limited;

“Trustee” means the person appointed pursuant to paragraph 4.4, 4.5 or 4.7 to carry out the Trustee Functions;

“Trustee Functions” means the functions set out in paragraphs 5 and 6;

“UK” means the United Kingdom of Great Britain and Northern Ireland;

"Working Day" means any day of the week other than a Saturday or a Sunday or any day that is a public holiday in England;

FOR AND ON BEHALF OF LIGHTCATCH

..... Signature

..... Name

..... Title

..... Date

Authorised Signatory

ANNEX 1 – DIVESTMENT LBOs

Local area market		LBOs
1	Walton, Liverpool	Tote LBO at 146/148 County Road
2	Hastings	Tote LBO at 86 Queens Road
3	Leigh	Tote LBO at 92 Bradshaw Gate
4	Cottingham, Hull	Tote LBO at 68 King Street
5	Seven Kings, Ilford	Betfred LBO at 12 Cameron Road
6	Brownhills, Walsall	Tote LBO at 38 High Street
7	Pendlebury, Manchester	Tote LBO at 696-698 Bolton Road
8	Wythenshaw, Manchester	Betfred LBO at Unit C, Haletop Civic Centre
9	Rusholme, Manchester	Tote LBO at 353 Claremont Road
10	Pontefract	Tote LBO at 17 Shoemarket
11	Cosham, Portsmouth	Tote LBO at 7 High Street
12	Kirkintilloch, Glasgow	Tote LBO at 4 Catherine Street
13	Belle Vale, Liverpool	Tote LBO at Unit 9, Belle Vale Shopping Centre, Childwall Valley Road
14	Blackpool	Tote LBO at 49 Highfield Road
15	Shanklin, Isle of Wight	Tote LBO at 51 High Street
16	Kirkby, Liverpool	Tote LBO at 1-3 Market Square
17	Truro	Betfred LBO at 4 Back Quay
18	Waterloo, Liverpool	Tote LBO at 3 Brighton Road
19	High Wycombe	Tote LBO at 49/50 Oxford Street
20	Wolverhampton	Tote LBO at 114 Salop Street
21	Lincoln	Tote LBO at 11a St Mary's Street
22	Epsom	Tote LBO at 4/6 High Street
23	Leicester	Tote LBO at 16 Market Street
24	Levenshulme, Manchester	Tote LBO at 805 Stockport Road
25	Farnworth, Bolton	Tote LBO at 1a Slater Street