

**REFERENCE RELATING TO THE ANTICIPATED MERGER BETWEEN
LADBROKES PLC AND CERTAIN BUSINESSES OF GALA CORAL GROUP
LIMITED**

**Notice of acceptance of interim undertakings pursuant to section 80 of the
Enterprise Act 2002**

On 24 July 2015, Ladbrokes plc ('Ladbrokes') agreed to merge with certain businesses ('Coral') of Gala Coral Group Limited ('Gala Coral') by way of the acquisition by Ladbrokes of the entire issued share capital of GC Group (Jersey) Limited, which is the holding company of Coral.

On 11 January 2016, the Competition and Markets Authority ('CMA') made a reference (the 'Reference') to its chair in accordance with section 33(1) of the Enterprise Act 2002 (the 'Act') for the constitution of a Group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to investigate and report on the proposed merger between Ladbrokes and Coral. The (extended) statutory deadline expires on 19 August 2016.

On 20 May 2016, the CMA published its provisional findings to the effect that the anticipated merger, if carried into effect, will result in the creation of a relevant merger situation, which may be expected to result in a substantial lessening of competition within certain local markets in Great Britain for the supply of gambling products in licensed betting offices and in the national market for the supply of gambling products in Great Britain as a result of the aggregated loss of competition at the local level.

The CMA wishes to ensure that no action is taken pending final determination of the Reference which might prejudice the Reference or impede the taking of any action by the CMA which may be justified by the CMA's decisions on the Reference. The Reference has not yet been finally determined in accordance with section 79(1) and (2) of the Act.

Now pursuant to section 80(2) of the Act, for the purpose of preventing pre-emptive action, the CMA accepts the following undertakings ('Interim Undertakings') from Ladbrokes and Gala Coral as set out in Annex A below and accordingly these Interim Undertakings come into force pursuant to section 80(5)(a) of the Act with immediate effect.

Signed by authority of the CMA

Martin Cave

Group Chair

18 July 2016

Annex A

MERGER BETWEEN LADBROKES PLC AND CERTAIN BUSINESSES OF GALA CORAL GROUP LIMITED

Undertakings given by Ladbrokes plc and Gala Coral Group Limited pursuant to section 80 of the Enterprise Act 2002

Whereas:

- (a) on 24 July 2015, Ladbrokes plc (**'Ladbrokes'**) agreed to merge with certain businesses (**'Coral'**) of Gala Coral Group Limited (**'Gala Coral'**) by way of the acquisition by Ladbrokes of the entire issued share capital of GC Group (Jersey) Limited, which is the holding company of Coral;
- (b) on 11 January 2016, the Competition and Markets Authority (**'CMA'**) made a reference (the **'Reference'**) to its chair in accordance with section 33(1) of the Enterprise Act 2002 (the **'Act'**) for the constitution of a Group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to investigate and report on the proposed merger between Ladbrokes and Coral (**'the Transaction'**);
- (c) on 20 May 2016, the CMA published its provisional findings *inter alia* to the effect that the Transaction, if carried into effect, will result in the creation of a relevant merger situation, which may be expected to result in a substantial lessening of competition (**'SLC'**) within 659 local markets in Great Britain for the supply of gambling products in licensed betting offices (**'LBOs'**) and in the national market for the supply of gambling products in Great Britain as a result of the aggregated loss of competition at the local level;
- (d) the CMA wishes to ensure that no action is taken pending final determination of the Reference which might prejudice the Reference or impede the taking of any action by the CMA under Part 3 of the Act which may be justified by the CMA's decisions on the Reference; and
- (e) the Reference has not been finally determined in accordance with section 79(1) and (2) of the Act.

Now for the purpose of preventing pre-emptive action in accordance with section 80(2) of the Act, Ladbrokes and Gala Coral give to the CMA the following Interim Undertakings.

Commencement and application

- 1 These Interim Undertakings shall come into force when accepted in accordance with section 80(5)(a) of the Act.
- 2 These Interim Undertakings are given by Ladbrokes and its subsidiaries and by Gala Coral and its subsidiaries.
- 3 These Interim Undertakings shall terminate when the Reference is finally determined in accordance with section 79(1) and (2) of the Act or earlier if agreed by Ladbrokes and Gala Coral and the CMA.

Management of the Ladbrokes and Coral businesses until final determination of the Reference

- 4 Except with the prior written consent of the CMA, Ladbrokes and Gala Coral shall not, during the specified period, exercise any voting rights or take any action which might prejudice the Reference or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on the Reference, including any action which might:
 - (a) lead to the integration of the Ladbrokes business with the Coral business;
 - (b) transfer the control of the Coral business to Ladbrokes; or
 - (c) otherwise impair the ability of the Coral business or the Ladbrokes business to compete independently in any of the markets affected by the Transaction.
- 5 Further and without prejudice to the generality of paragraph 4 and subject to paragraph 6 Ladbrokes and Gala Coral shall at all times during the specified period procure that, except with the prior written consent of the CMA, at each of their LBOs located within the SLC Areas or to the extent that specific LBOs have been approved for divestment by the CMA, those LBOs (the **Relevant LBOs**):
 - (a) the Coral business is carried on separately from the Ladbrokes business and the Coral business's separate sales and/or brand identity is maintained;
 - (b) the Coral business and the Ladbrokes business are each maintained as a going concern and sufficient resources are made available for the

development of the Coral business and the Ladbrokes business, on the basis of their respective pre-merger business plans;

- (c) customers of the Coral business and the Ladbrokes business shall not be encouraged or incentivised to transfer to other Coral or Ladbrokes LBOs in the SLC Areas or to Coral or Ladbrokes LBOs outside the SLC Areas, provided that this shall not prevent the use of concessions or promotions in the ordinary course of business in or outside the SLC areas;
- (d) except in the ordinary course of business, staff of the Coral business and the Ladbrokes business are not moved to other LBOs and all reasonable steps are taken to encourage Coral staff and Ladbrokes staff to remain at their current LBOs;
- (e) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Coral business or the Ladbrokes business;
- (f) except in the ordinary course of business, no changes are made to the odds, RTPs, concessions or promotions offered by the Coral business or the Ladbrokes business;
- (g) except in the ordinary course of business, the nature, description, range and quality of services supplied by Coral and Ladbrokes in the Relevant LBOs are maintained and preserved;
- (h) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Coral business and the Ladbrokes business are maintained and preserved, including premises, customer lists and goodwill;
 - (ii) none of the assets of the Coral business or the Ladbrokes business are disposed of; and
 - (iii) no interest in the assets of the Coral business or the Ladbrokes business is created or disposed of;
- (i) there is no integration of the information technology of the Coral business with the Ladbrokes business, and the software and hardware platforms of the Coral business and the Ladbrokes business remain essentially unchanged, except for routine changes and maintenance;

- (j) the customer and supplier lists of the Ladbrokes and Coral businesses are operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Coral business are carried out by the Coral business alone and any negotiations with any existing or potential customers and suppliers in relation to the Ladbrokes business are carried out by the Ladbrokes business alone, and, for the avoidance of doubt, the Ladbrokes business does not negotiate on behalf of the Coral business (and vice versa) or enter into any joint agreements with the Coral business (and vice versa);
 - (k) all existing contracts of the Coral business and the Ladbrokes business continue to be serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the date of acceptance of the Interim Undertakings;
 - (l) no confidential information (as defined below) passes, directly or indirectly, from Gala Coral (or any of its employees, directors, agents or affiliates) to Ladbrokes (or any of its employees, directors, agents or affiliates), or vice versa, except where required for compliance with external regulatory and/or accounting obligations or where permitted pursuant to the Clean Team Arrangements.
- 6 Notwithstanding the provisions of paragraph 4, Ladbrokes and Gala Coral will ensure that:
- (a) employees of Coral are located in offices which are separate from the offices used by Ladbrokes; and
 - (b) Coral continues to operate under the same brand name as prior to the Transaction.

Compliance

- 7 Gala Coral and Ladbrokes shall procure that all of their subsidiaries comply with these Interim Undertakings as if such subsidiaries had given them.
- 8 Gala Coral and Ladbrokes shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Gala Coral and Ladbrokes and their subsidiaries with these Interim Undertakings. In particular, by 5pm (UK time) on 29 July 2016 and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of Gala Coral and the Chief Executive Officer of Ladbrokes, on behalf of Gala Coral and Ladbrokes respectively, shall provide a statement to the CMA in the form set

out in Annex 1 to these Interim Undertakings confirming compliance with these Interim Undertakings.

- 9 At all times, Gala Coral and Ladbrokes shall actively keep the CMA informed of any material developments relating to the Coral business and the Ladbrokes business in the SLC Areas, which includes but is not limited to:
 - (a) details of Relevant LBO managers and other managerial staff responsible for the viability and business performance of the Relevant LBOs who leave or join the Coral business or the Ladbrokes business;
 - (b) any interruption of the Coral business or the Ladbrokes business (including without limitation its procurement, service, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours; and
 - (c) substantial changes in the contractual arrangements or relationships with key suppliers of the Coral business or the Ladbrokes business.
- 10 If Gala Coral or Ladbrokes has any reason to suspect that these Interim Undertakings may have been breached, it shall immediately notify the CMA and any person that Gala Coral and Ladbrokes may be directed to appoint under paragraph 14.
- 11 The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, these Interim Undertakings, or to do or refrain from doing any specified action in order to ensure compliance with these Interim Undertakings.
- 12 The CMA may require the appointment of a hold separate manager as defined in Appendix C of Mergers: Guidance on the CMA's jurisdiction and procedure (CMA2, January 2014).
- 13 Gala Coral and Ladbrokes shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these Interim Undertakings.

Appointment

- 14 The CMA may direct Gala Coral and Ladbrokes to appoint a monitoring trustee (**MT**) at any time in order to:
 - (a) report on the current state of any integration between Coral and Ladbrokes;

- (b) monitor compliance by Gala Coral and Ladbrokes with these Interim Undertakings; and
 - (c) support the CMA in taking any remedial action which may be required.
- 15 The MT shall act on behalf of the CMA and be under an obligation to the CMA to carry out his or her functions to the best of his or her abilities.
- 16 Ladbrokes and Gala Coral shall cooperate fully with the MT, in particular as set out below, and Ladbrokes and Gala Coral shall ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of Ladbrokes and Coral set out in these Interim Undertakings.

General

- 17 The MT shall possess appropriate qualifications and experience to carry out his or her functions.
- 18 The MT shall neither have nor become exposed to a conflict of interest that impairs the MT's objectivity and independence in discharging his or her duties under these Interim Undertakings, unless it can be resolved in a manner and within a timeframe acceptable to the CMA. Where the MT has concerns that such a conflict of interest may have arisen, the MT must communicate those concerns in writing to the CMA immediately.
- 19 Gala Coral and Ladbrokes shall remunerate the MT and reimburse the MT for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the MT's independence or ability effectively and properly to carry out his or her functions.
- 20 The appointment of an MT by Gala Coral and Ladbrokes shall be subject to approval by the CMA including with respect to the identity of the MT and his or her terms and conditions of appointment in their entirety.
- 21 Gala Coral and Ladbrokes shall appoint the MT as soon as is reasonably practicable and, in any event, within 24 hours of the CMA giving its approval as to the identity of the MT and his or her terms and conditions of appointment in their entirety.
- 22 Once the MT has been approved by the CMA and appointed, Gala Coral and Ladbrokes shall provide the CMA with a copy of the agreed terms and conditions of appointment.

Functions

- 23 The functions of the MT shall be to:
- (a) assess and report to the CMA the extent of any integration between Coral and Ladbrokes;
 - (b) assess the arrangements proposed by Gala Coral and Ladbrokes for compliance with the Interim Undertakings and what changes to those arrangements, if any, would be necessary to preserve the possibility of the CMA taking any remedial action, if required;
 - (c) ascertain and report to the CMA on the level of compliance by Gala Coral and Ladbrokes with the Interim Undertakings;
 - (d) report to the CMA on any changes recommended by the MT and the steps required to implement them.
- 24 The MT shall also be required to:
- (a) identify (and supervise if necessary) the arrangements made by Gala Coral and Ladbrokes for ensuring compliance with these Interim Undertakings;
 - (b) without prejudice to the right of Gala Coral and Ladbrokes to contact the CMA, respond to any questions which Ladbrokes or Gala Coral may have in relation to compliance with these Interim Undertakings, in consultation with the CMA;
 - (c) assist, by providing such information as may be required by the CMA, in the consideration of derogation requests or consents relating to these Interim Undertakings;
 - (d) The MT shall take such steps as he or she reasonably considers necessary in order to carry out his or her functions effectively; and
 - (e) The MT shall comply with any written requests made by the CMA for the purpose of ensuring the full and effective compliance by Gala Coral and Ladbrokes with these Interim Undertakings.

Obligations of Gala Coral and Ladbrokes

- 25 Gala Coral and Ladbrokes and each of their affiliates and their employees, officers, directors, advisers and consultants shall cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge his or her functions, including but not limited to:

- (a) the provision of full and complete access to all personnel, books, records, documents, facilities and information of Coral and Ladbrokes businesses (as available to Gala Coral and Ladbrokes) as the MT may reasonably require; and
- (b) the provision of such office and supporting facilities as the MT may reasonably require.

26 If Gala Coral and Ladbrokes or any of their subsidiaries is in any doubt as to whether any action or communication would infringe these Interim Undertakings, they shall contact the MT for clarification.

Interpretation

The Interpretation Act 1978 shall apply to these Interim Undertakings as it does to Acts of Parliament.

For the purposes of these Interim Undertakings:

“**the Act**” means the Enterprise Act 2002;

“**an 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 from time to time 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;

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

“**Clean Team Arrangements**” means the arrangements for exchange of confidential information between certain employees of Ladbrokes and Gala Coral set out in a submission provided to the CMA on 19 February 2016 (as updated on 11 July 2016) and a clean team agreement dated 19 August 2015 (and subsequently updated) and contained in Annex 2;

“**confidential information**” means business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary and non-public nature relating to the business of Ladbrokes, Coral or Gala Coral;

“**Coral**” means the businesses of Gala Coral which are to be merged with Ladbrokes, namely the Coral retail, Eurobet retail and Coral’s online businesses which are currently run by a group of subsidiaries which are

ultimately controlled by Gala Coral;

“**Coral business**” means the business of Coral carried on as at the date of acceptance of these Interim Undertakings;

“**control**” includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

“**the decisions**” means the decisions of the CMA on the questions which it is required to answer by virtue of section 36 of the Act;

“**Gala Coral**” means Gala Coral Group Limited, a private company limited by shares incorporated and registered in England and Wales with the company number 07254686, whose registered office is located at New Castle House, Castle Boulevard, Nottingham, Nottinghamshire, NG7 1FT;

“**Ladbrokes**” means Ladbrokes plc, a public limited company incorporated and registered in England and Wales with the company number 00566221, whose registered office is located at Imperial House, Imperial Drive, Rayners Lane, Harrow, Middlesex, HA2 7JW;

“**Ladbrokes business**” means the business of Ladbrokes and its subsidiaries carried on as at the date of acceptance of these Interim Undertakings;

“**LBOs**” means licensed betting offices;

“**MT**” means the monitoring trustee appointed pursuant to paragraph 14;

“**the ordinary course of business**” means, in respect of each of Ladbrokes and Coral, its customary commercial transactions and practices in the day-to-day supply of gambling products through LBOs;

“**Relevant LBOs**” the Parties’ LBOs located within the SLC Areas or to the extent that specific LBOs have been approved for divestment by the CMA, those LBOs;

“**RTPs**” means the amounts returned by way of prizes to the player of a game on a fixed odds betting terminal;

“**SLC Areas**” means the 659 local markets in Great Britain for the supply of gambling products in LBOs as listed in Appendix J to the provisional findings report of the CMA published on 20 May 2016 or such updated local markets as may be notified to Gala Coral and Ladbrokes by the CMA as a result of further information provided to the CMA;

“**specified period**” means the period beginning on the date these Interim Undertakings come into force and terminating when the Reference is finally determined in accordance with section 79(1) and (2) of the Act;

“**subsidiary**”, unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

“**the Transaction**” means the proposed merger between Ladbrokes and Coral;

unless the context requires otherwise, the singular shall include the plural and vice versa.

For and on behalf of **Ladbrokes plc**

.....Signature

.....Name

.....Title

.....Date

For and on behalf of **Gala Coral Group Limited**

.....Signature

.....Name

.....Title

.....Date

ANNEX 1

Compliance statement for Ladbrokes plc

I **[insert name]** confirm on behalf of Ladbrokes plc (“**Ladbrokes**”) that:

Compliance in the Relevant Period

1. In the period from **[insert date]** to **[insert date]** (the “**Relevant Period**”):
 - (a) Ladbrokes has complied with the Interim Undertakings accepted by the CMA in relation to the Transaction on **[insert date of these Undertakings]** (the “**Interim Undertakings**”).
 - (b) Ladbrokes’ subsidiaries have complied with the Interim Undertakings.
2. Subject to paragraphs 5 and 6 of the Interim Undertakings and except with the prior written consent of the CMA:
 - (a) No action has been taken by Ladbrokes that might prejudice the Reference or impede the taking of any action under the Act by the CMA which may be justified by the CMA’s decisions on the Reference, including any action which might:
 - (i) lead to the integration of the Coral business with the Ladbrokes business;
 - (ii) transfer the control of the Coral business to Ladbrokes; or
 - (iii) otherwise impair the ability of the Coral business or the Ladbrokes business to compete independently in any of the markets affected by the Transaction.
 - (b) At each of the Ladbrokes Relevant LBOs:
 - (i) The Ladbrokes business has been carried on separately from the Coral business and the Ladbrokes business’s separate sales or brand identity has been maintained;
 - (ii) The Ladbrokes business has been maintained as a going concern and sufficient resources have been made available for the development of the Ladbrokes business, on the basis of its pre-merger business plan;
 - (iii) customers of the Ladbrokes business have not been encouraged or incentivised to transfer to other Ladbrokes or Coral LBOs in the SLC

Areas or to Ladbrokes or Coral LBOs outside the SLC Areas other than through concessions or promotions in the ordinary course of business;

(iv) except in the ordinary course of business, staff of the Ladbrokes business have not been moved to other LBOs and all reasonable steps have been taken to encourage Ladbrokes staff to remain at their current LBOs;

(v) except in the ordinary course of business, no substantive changes have been made to the organisational structure of, or the management responsibilities within, the Ladbrokes business;

(vi) except in the ordinary course of business, no changes have been made to the odds, RTPs, concessions or promotions offered by the Ladbrokes business;

(vii) except in the ordinary course of business, the nature, description, range and quality of the services supplied in the UK by the Ladbrokes business have been maintained and preserved.

(viii) except in the ordinary course of business for the separate operation of the two businesses:

(1) all of the assets of the Ladbrokes business, including premises, customer lists, and goodwill, have been maintained and preserved during the Relevant Period;

(2) none of the assets of the Ladbrokes business have been disposed of; and

(3) no interest in the assets of the Ladbrokes business has been created or disposed of.

(ix) There has been no integration of the information technology of Ladbrokes and Coral businesses, and the software and hardware platforms of the Ladbrokes business have remained essentially unchanged, except for routine changes and maintenance;

(x) The customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Ladbrokes business have been carried out by the Ladbrokes business alone and, for the avoidance of doubt, the Ladbrokes business has not negotiated on behalf of the Coral business (and vice versa) or entered into any joint agreements with the Coral business;

(xi) All existing contracts of the Ladbrokes business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the date of acceptance of the Interim Undertakings;

(xii) Except as permitted by the Interim Undertakings, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary and non-public nature relating to the business of Ladbrokes, Gala Coral or Coral, has passed, directly or indirectly, from the Ladbrokes business (or any of its employees, directors, agents or affiliates) to Gala Coral (or any of its employees, directors, agents or affiliates), or vice versa;

(xiii) [Except as listed in paragraph (xiv)] below, there have been no:

(1) Relevant LBO managers or other managerial staff responsible for the viability and business performance of the Relevant LBOs that have left or joined the Ladbrokes business;

(2) interruptions of the Ladbrokes business (including without limitation procurement, service, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours; or

(3) substantial changes in the Ladbrokes business's contractual arrangements or relationships with key suppliers.

(xiv) [*insert list of material developments*]

3. Ladbrokes and its subsidiaries remain in full compliance with the Interim Undertakings and Ladbrokes will continue actively to keep the CMA informed of any material developments relating to the Ladbrokes business in accordance with paragraph 9 of the Interim Undertakings.

Interpretation

5. Terms defined in the Interim Undertakings have the same meaning in this compliance statement.

For and on behalf of Ladbrokes plc

.....Signature

.....Name

.....Title

.....Date

Compliance statement for Gala Coral Group Limited

I **[insert name]** confirm on behalf of Gala Coral Group Limited (“**Gala Coral**”) that:

Compliance in the Relevant Period

1. In the period from **[insert date]** to **[insert date]** (the “**Relevant Period**”):
 - (a) Gala Coral has complied with the Interim Undertakings accepted by the CMA in relation to the Transaction on **[insert date of these Undertakings]** (the “**Interim Undertakings**”).
 - (b) Gala Coral’s subsidiaries have complied with these Interim Undertakings.
2. Subject to paragraphs 5 and 6 of the Interim Undertakings and except with the prior written consent of the CMA:
 - (a) No action has been taken by Gala Coral that might prejudice the Reference or impede the taking of any action under the Act by the CMA which may be justified by the CMA’s decisions on the Reference, including any action which might:
 - (i) lead to the integration of the Coral business with the Ladbrokes business;
 - (ii) transfer the control of the Coral business to Ladbrokes; or
 - (iii) otherwise impair the ability of the Coral business or the Ladbrokes business to compete independently in any of the markets affected by the transaction.
 - (b) At each of the Coral Relevant LBOs:
 - (i) The Coral business has been carried on separately from the Ladbrokes business and the Coral business’s separate sales or brand identity has been maintained.
 - (ii) The Coral business has been maintained as a going concern and sufficient resources have been made available for the development of the Coral business, on the basis of its pre-merger business plan.
 - (iii) customers of the Coral business have not been encouraged or incentivised to transfer to other Ladbrokes or Coral LBOs in the SLC Areas or to Ladbrokes or Coral LBOs outside the SLC Areas other than through concessions or promotions in the ordinary course of business;

(iv) except in the ordinary course of business, staff of the Coral business have not been moved to other LBOs and all reasonable steps have been taken to encourage Coral staff to remain at their current LBOs;

(v) except in the ordinary course of business, no substantive changes have been made to the organisational structure of, or the management responsibilities within the Coral business;

(vi) except in the ordinary course of business, no changes have been made to the odds, RTPs, concessions or promotions offered by the Coral business;

(vii) except in the ordinary course of business, the nature, description, range and quality of the services supplied by the Coral business have been maintained and preserved;

(viii) except in the ordinary course of business for the separate operation of the two businesses:

(1) all of the assets of the Coral business, including premises, customer lists, and goodwill, have been maintained and preserved during the Relevant Period;

(2) none of the assets of the Coral business have been disposed of; and

(3) no interest in the assets of the Coral business has been created or disposed of.

(ix) There has been no integration of the information technology of Ladbrokes and Coral businesses, and the software and hardware platforms of the Coral business have remained essentially unchanged, except for routine changes and maintenance.

(x) The customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Coral business have been carried out by the Coral business alone and, for the avoidance of doubt, the Coral business has not negotiated on behalf of the Ladbrokes business (and vice versa) or entered into any joint agreements with the Coral business.

(xi) All existing contracts of the Coral business have been serviced by the business to which they were awarded, except to the extent

novated, assigned or subcontracted prior to the date of acceptance of the Interim Undertakings.

(xii) Except as permitted by the Interim Undertakings, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary and non-public nature relating to the business of Ladbrokes, Gala Coral or Coral, has passed, directly or indirectly, from the Coral business (or any of its employees, directors, agents or affiliates) to the Ladbrokes business (or any of its employees, directors, agents or affiliates), or vice versa.

(xiii) [Except as listed in paragraph (xiv) below,] there have been no:

(1) Relevant LBO managers or other managerial staff responsible for the viability and business performance of the Relevant LBOs that have left or joined the Coral business;

(2) interruptions of the Coral business (including without limitation procurement, service, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours; or

(3) substantial changes in the Coral business's contractual arrangements or relationships with key suppliers.

(xiv) [*list of material developments*]

3. Gala Coral and its subsidiaries remain in full compliance with the Interim Undertakings and Gala Coral will continue actively to keep the CMA informed of any material developments relating to the Coral business in accordance with paragraph 9 of the Interim Undertakings.

Interpretation

5. Terms defined in the Interim Undertakings have the same meaning in this compliance statement.

For and on behalf of **Gala Coral Group Limited**

.....Signature

.....Name

.....Title

.....Date

Annex 2 Clean Team Arrangements

(attached separately)

24 August 2015

CLEAN TEAM AGREEMENT

WHEREAS, Ladbrokes plc (“**Ladbrokes**”) and Gala Group Finance plc (“**Coral**”) (collectively “**the Parties**”) have decided to merge the operations of Ladbrokes and certain Coral businesses, including Coral Retail, Eurobet Retail and Coral’s online businesses, (subject to, inter alia, clearance from the Competition & Markets Authority) (the “**Merger**”) and want to have access to data (received electronically or in hard copy, through oral discussions or otherwise), including data that might be considered competitively sensitively, e.g. certain information involving price, cost, arrangements with suppliers and future plans that would ordinarily not be shared with a competitor (“**Confidential Information**”) in respect of certain matters which need to be addressed prior to completion of the merger transaction, as will be specified and agreed between the Parties from time to time, [✂];

WHEREAS, Coral and Ladbrokes compete in the UK;

WHEREAS, Coral and Ladbrokes need certain Confidential Information to in respect of certain matters which need to be addressed prior to completion of the merger transaction, as will be specified and agreed in writing (including by email) between the Parties from time to time, [✂];

WHEREAS, the Parties have agreed to limit the access to and use of such Confidential Information to certain representatives and only for the specific purpose for which they are provided; and

WHEREAS, this Clean Team Agreement supplements the terms of the Confidentiality and Non-Disclosure Agreement dated _____.

NOW, THEREFORE, the Parties hereto agree as follows:

1. Information Coral deems Confidential Information will be disclosed, for a specified purpose as agreed between the Parties from time to time, to a Ladbrokes Clean Team which has been designated for such purpose and which is comprised of following Ladbrokes employees and representatives:
 - a) Outside Counsel working on this transaction.
 - b) Outside Consultants working on the transaction.
 - c) Officers, directors and employees, designated in writing for a specified purpose by the General Counsel of Ladbrokes and approved by the General Counsel of Coral, provided that those individuals confirm by email that they will:
 - i. not make any use of the Confidential Information other than as specifically permitted by the Parties pursuant to the Clean Team Agreement;
 - ii. not use, refer to or benefit from the Confidential Information in any current or future dealings with Coral, any successor in interest thereto (or

- any party thereof), and to any party described in the Confidential Information; and
 - iii. keep the Confidential Information in strict confidence and use all reasonable endeavors to prevent any disclosure of the Confidential Information.
2. On each occasion when a new Ladbrokes Clean Team is designated for a specified purpose or the existing Ladbrokes Clean Team is required to be amended, pursuant to this agreement, details of the purpose and the members of the Clean Team will be provided to Coral and annexed to this Clean Team Agreement.
 3. Ladbrokes will inform members of its Clean Teams, as designated from time to time, not to respond to requests for information about Coral from any Ladbrokes employee that is not a member of the relevant Ladbrokes Clean Team.
 4. Information Ladbrokes deems Confidential Information will be disclosed, for a specified purpose as agreed between the Parties from time to time, to a Coral Clean Team which has been designated for such purpose and which is comprised of the following Coral employees and representatives:
 - a) Outside Counsel working on this transaction.
 - b) Outside Consultants working on the transaction.
 - c) Officers, directors and employees, designated in writing for a specified purpose by the General Counsel of Coral and approved by the General Counsel of Ladbrokes, provided that those individuals confirm by email that they will:
 - i. not make any use of the Confidential Information other than as specifically permitted by the Parties pursuant to the Clean Team Agreement;
 - ii. not use, refer to or benefit from the Confidential Information in any current or future dealings with Ladbrokes, any successor in interest thereto (or any party thereof), and to any party described in the Confidential Information; and
 - iii. keep the Confidential Information in strict confidence and use all reasonable endeavors to prevent any disclosure of the Confidential Information.
 5. On each occasion when a new Coral Clean Team is designated for a specified purpose, or the existing Coral Clean Team is required to be amended pursuant to this agreement, details of the purpose and the members of the Clean Team will be provided to Ladbrokes and annexed to this Clean Team Agreement.
 6. Coral will inform members of its Clean Teams, as designated from time to time, not to respond to requests for information about Ladbrokes from any Coral employee that is not a member of the relevant Coral Clean Team.

7. Members of the Ladbrokes and Coral Clean Teams agree (i) to maintain the confidentiality of Confidential Information and not reveal it to anyone outside of their designated Clean Team; and (ii) not to use this information for any purpose other than the purpose for which such Clean Team was designated; *provided that* Members of a Clean Team can aggregate and summarize Coral's and Ladbrokes', as applicable, Confidential Information, as is required for the specified purpose for which the information was disclosed without revealing the underlying Confidential Information.

Effective as of 21 August 2015.

SIGNATURES LADBROKES AND CORAL