



GVC Holdings Plc

and

Ladbrokes Coral Group Plc

Co-operation Agreement relating to the
proposed acquisition of Ladbrokes Coral Group
Plc by GVC Holdings Plc

22 December 2017

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THIS AGREEMENT is made on 22 December 2017

BETWEEN:

- (1) **GVC HOLDINGS PLC**, a company whose registered office is at 32 Athol Street, Douglas, IM1 1JB Isle of Man with registered number 4685V ("**GVC**"); and
- (2) **LADBROKES CORAL GROUP PLC**, a company whose registered office is at 5th Floor The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ with registered number 00566221 ("**Ladbrokes Coral**").

INTRODUCTION:

- (A) GVC proposes to announce a firm intention to make a recommended offer to acquire the entire issued and to be issued share capital of Ladbrokes Coral, to be effected by way of the Scheme (as defined below) or by way of the Offer (as defined below) under certain circumstances described in the Press Announcement (as defined below), on the terms and subject to the conditions set out in the Press Announcement and to be set out in the Scheme Document (as defined below) (the "**Transaction**").
- (B) The parties to this Agreement have agreed to take certain steps to effect completion of the Transaction and are entering into this Agreement to record their respective obligations relating to such matters and to effect the Transaction.

THE PARTIES AGREE as follows:

1. **INTERPRETATION**

1.1 In this Agreement:

"**Acceptance Condition**" means the acceptance condition to any Offer;

"**Business Day**" means a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for general banking business in London;

"**GVC General Meeting**" the general meeting of GVC to be convened in connection with the Transaction, notice of which will be set out in the Prospectus, including any adjournment thereof;

"**GVC Group**" means GVC and its subsidiary undertakings from time to time;

"**GVC Resolutions**" means such shareholder resolutions of GVC to be proposed at the GVC General Meeting as are necessary or useful to approve, implement and effect the Transaction;

"**GVC Shareholder Approval Long Stop Date**" means 30 April 2018 or such other date as may be agreed in writing by the parties;

"**GVC Shareholders**" means holders of GVC Shares;

"**GVC Shares**" means the ordinary shares of €0.01 each in the capital of GVC from time to time;

"**GVC Directors**" means the directors of GVC and "**GVC Director**" means any one of them;

"**GVCIL**" means GVC Investments Limited;

"City Code" means the City Code on Takeovers and Mergers, as amended from time to time and interpreted by the Panel;

"Class 1 transaction" has the meaning given to it in the Listing Rules;

"Clearances" means all consents, clearances, permissions and waivers that are required or are desirable to be obtained in connection with the Transaction or are required or are desirable to satisfy the Conditions and all filings that are required or are desirable to be made and all waiting periods that may need to have expired, from or under the laws, regulations or practices applied by any Regulatory Authority in connection with the Transaction; and any reference to any Clearance having been **"satisfied"** shall be construed as meaning that the foregoing have been obtained or, where relevant, made or expired;

"CMA" means the Competition and Markets Authority, being a United Kingdom statutory body established under the Enterprise and Regulatory Reform Act 2013 or its successor;

"Companies Act" means the Companies Act 2006;

"Competition Condition" means the Condition contained in paragraphs 3(c)–(g) of the Conditions;

"Conditions" means the conditions to the implementation of the Transaction (including the Scheme) set out in Part A, Appendix 1 to the Press Announcement and any other conditions which are agreed in writing by the parties and the Panel, subject to any modifications that may be required if GVC elects to implement the Transaction by way of an Offer;

"Confidentiality Agreement" means the letter agreement entered into by GVC and Ladbrokes Coral dated 10 November 2016;

"Court" means the High Court of Justice in England and Wales;

"Court Meeting" means the meeting of Ladbrokes Coral Shareholders to be convened at the direction of the Court pursuant to section 899 of the Companies Act at which a resolution will be proposed to approve the Scheme (with or without amendment), including any adjournment thereof;

"FCA" means the United Kingdom's Financial Conduct Authority, or its successor from time to time;

"FCA Handbook" means the FCA's Handbook of rules and guidance as amended from time to time;

"FSMA" means the Financial Services and Markets Act 2000;

"GVC TSA" means the transitional services agreement between GVC Services Limited and Headlong dated at the date of completion of the SPA by which GVC Services Limited agrees to provide services to Headlong (and members of the group of companies to which Headlong belongs);

"GVC TSA Notice" has the meaning given in clause 8.2;

"Headlong" means Headlong Limited;

"Headlong TSA" means the transitional services agreement between Electraworks Limited and Headlong dated at the date of completion of the SPA by which Headlong agrees to provide services to Electraworks Limited (and members of the group of companies to which Headlong belongs);

"Headlong TSA Notice" has the meaning given in clause 8.2;

"Independent Competing Transaction" means any offer, possible offer, tender offer, merger, acquisition, scheme of arrangement, dual listed company structure or proposal from, or on behalf of, any Third Party, whether or not subject to any pre-conditions and howsoever to be implemented, with a view to such person, directly or indirectly acquiring (in one transaction or a series of transactions) more than 30 per cent. of the issued share capital of Ladbrokes Coral or a material part of Ladbrokes Coral's business;

"Malta Rent Deposit" means the security deposit to be held by United Finance Plc pursuant to the Malta Lease as security for the performance of the tenant's obligations for the sum of €85,000;

"Malta Lease" means the lease dated 1 November 2013 and the renewal agreement dated 19th May 2017 relating to the Showroom and additional space at basement level at "GB Building", Watar Street, Ta'Xbiex, Malta between Headlong and United Finance Plc;

"Ladbrokes Coral Board" means the board of directors of Ladbrokes Coral;

"Ladbrokes Coral Group" means Ladbrokes Coral and its subsidiary undertakings from time to time;

"Ladbrokes Coral Shareholders" means holders of Ladbrokes Coral Shares;

"Ladbrokes Coral Shares" means the issued ordinary shares of 28 1/3 pence each in the capital of Ladbrokes Coral;

"Law" means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Regulatory Authority;

"Listing Rules" means the listing rules made by the FCA under Part VI of FMSA, and contained in the FCA's publication of the same name (as amended from time to time);

"London Lease" means the underlease dated 28 July 2014 relating to rooms numbered 381-399 First Floor, Salisbury House, London Wall, London EC2 made between GVC Administration Services Limited and GVC (amongst others);

"London Rent Deposit" means the deposit of £583,420.22 funded by GVC, as security in respect of the London Lease;

"London Stock Exchange" means the London Stock Exchange plc or its successor;

"Long Stop Date" means 30 June 2018 or such later date as may be agreed by the parties, with the consent of the Panel and, if required, the court;

"New GVC Shares" means the new GVC Shares proposed to be issued credited as fully paid pursuant to the Scheme (or the Offer, as the case may be);

"Offer" means, should the Transaction be implemented in accordance with clause 3.4 by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of GVC to acquire the entire issued and to be issued share capital of Ladbrokes Coral and, where the context admits, any subsequent revision, variation, extension or renewal of such offer and includes any election available in connection with it;

"Offer Document" means, if the Transaction is to be implemented by way of the Offer, the offer document to be sent to, among others, Ladbrokes Coral Shareholders which will

contain, *inter alia*, the terms and conditions of the Offer, including any revised offer document;

"Panel" means the UK Panel on Takeovers and Mergers;

"Press Announcement" means the press announcement to be released by GVC and Ladbrokes Coral pursuant to Rule 2.7 of the City Code in relation to the Transaction, substantially in the form set out in Schedule 3;

"Prospective GVC Director" means Paul Bowtell, being the current Ladbrokes Coral director who is to become a GVC Director on the Transaction Effective Date;

"Prospectus" means the prospectus to be published by GVC in respect of the New GVC Shares to be issued to Ladbrokes Coral Shareholders pursuant to the Scheme (or the Offer, as the case may be), including any supplemental prospectus, and which will also constitute the circular in relation to the Transaction as required by and produced in accordance with the terms of Chapter 10 of the Listing Rules and including a notice duly convening the GVC General Meeting, including any supplemental circular;

"Prospectus Rules" means the "prospectus rules" made by the FCA pursuant to Part VI of FSMA, referred to in section 73A(4) of the same, and contained in the FCA's publication of the same name (as amended from time to time);

"Regulatory Authority" means any court or national, supranational or supervisory body or governmental, trade or regulatory agency or body, in each case in any jurisdiction (excluding the Panel) and **"Regulatory Authorities"** means all of them;

"Regulatory Condition" means the Condition contained in paragraphs 3(h)-(j) of the Conditions;

"Regulatory Information Service" means a regulatory information service as defined in the FCA Handbook;

"Relevant Competition Authority" means the CMA and any other court or competition authority or supervisory body or other government, governmental trade or regulatory agency or body, in each case in any jurisdiction and **"Relevant Competition Authorities"** means all of them;

"Rent Deposits" means the London Rent Deposit and the Malta Rent Deposit;

"Right to Switch" has the meaning given to it in clause 3.4;

"Ropso" means Ropso Malta Limited;

"Scheme" means the proposed scheme of arrangement under Part 26 of the Companies Act between Ladbrokes Coral and Scheme Shareholders to implement the Transaction with, or subject to any modification, addition or condition approved or imposed by the Court;

"Scheme Document" means the document to be dispatched to Ladbrokes Coral Shareholders including (amongst other things) the particulars of the Scheme required by section 897 of the Companies Act and the full terms and conditions of the Scheme;

"Scheme Record Time" means the time and date specified as such in the Scheme Document or such later time as Ladbrokes Coral and GVC may agree;

"Scheme Shares" means:

- (a) the Ladbrokes Coral Shares in issue at the date of the Scheme Document;

- (b) any Ladbrokes Coral Shares issued after the date of the Scheme Document and prior to the Voting Record Time;
- (c) any Ladbrokes Coral Shares issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme; and
- (d) any Ladbrokes Coral Shares issued pursuant to the Ladbrokes Coral Share Schemes at any time up to the Court hearing to sanction the Scheme,

in each case, save for (i) any Ladbrokes Coral Shares legally or beneficially held by any member of the GVC Group and (ii) any Ladbrokes Coral Shares held in treasury;

"Scheme Shareholders" means holders of Scheme Shares;

"Share Schemes" means the Ladbrokes Coral 1978 Share Option Scheme, the Ladbrokes Coral Executive Deferred Bonus Plan, the Ladbrokes Coral Performance Share Plan, the Ladbrokes Coral Restricted Share Plan, the Ladbrokes Coral 1983 Savings Related Option Scheme (as further amended on 10 May 2017), the Ladbrokes Coral Share Incentive Plan and the Ladbrokes Coral Growth Plan;

"SPA Clean Break Notice" means a clean break notice from GVCIL to Ropso served by GVCIL on Ropso pursuant to paragraph 6.2 of Part 2 of Schedule 3 of the sale and purchase agreement dated 2 November 2017 (as amended on 19 December 2017) between GVCIL, Ropso and GVC (the **"SPA"**) under which GVCIL notified Ropso that on the date that is one month following the service of such notice, Ropso's obligations to pay deferred consideration shall terminate;

"Special Resolution" means the special resolution to be proposed by Ladbrokes Coral in connection with, amongst other things, the approval of the Scheme, and such other matters as may be necessary to implement the Scheme and the delisting of the Ladbrokes Coral Shares;

"Third Party" means a third party which is not a person who is, or is presumed to be, acting in concert (as defined in the City Code) with GVC;

"Transaction" has the meaning given to it in recital (A) to this Agreement;

"Transaction Effective Date" means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if GVC elects, in accordance with the provisions of clause 3.4, to implement the Transaction by means of the Offer, the Unconditional Date;

"Triennial Review" means the "triennial review" being undertaken by the Department of Digital, Culture, Media and Sport's current 'Review of Gaming Machines and Social Responsibility Measures';

"TSA Notices" has the meaning given in clause 8.2;

"UKGC" means the UK Gambling Commission or any successor thereto;

"UKGC Clearance" means all consents, clearances, permissions, waivers and/or approvals that are necessary in order to satisfy the UKGC Condition;

"UKGC Condition" means the making of a determination by the UKGC pursuant to section 102(4)(a) of the Gambling Act and made in respect of all operating licences (as

such term is defined in the Gambling Act) held by members of the Ladbrokes Coral Group that all such operating licences shall continue to have effect following the acquisition by GVC of the Scheme Shares, such determination to be made following an application in respect of the same submitted by Ladbrokes Coral to the UKGC pursuant to section 102(2)(b) of the Gambling Act;

"UKLA" means the FCA, acting in its capacity as the competent authority for the purposes of FSMA;

"Unconditional Date" means, if GVC elects to implement the Transaction by way of the Offer, the date on which the Offer becomes or is declared unconditional in all respects in accordance with its terms; and

"Voting Record Time" means the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. on the day prior to the day immediately before the Court Meeting or any adjournment thereof (as the case may be).

1.2 Terms used but not defined expressly in this Agreement shall, unless the context otherwise requires, have the meaning given to them in the Press Announcement. If there is any inconsistency, the definitions in this Agreement prevail.

1.3 In this Agreement, references to:

- (a) this Agreement include any Recitals and Schedules to it and references to Clauses and Schedules are to clauses of, and schedules to, this Agreement unless the context requires otherwise;
- (b) the singular include the plural and vice versa;
- (c) a **"person"** includes any company, partnership or unincorporated association, government, state, state agency, (whether or not having separate legal personality) and includes a reference to that person's legal personal representatives, successors and permitted assigns;
- (d) a **"company"** shall include any company, corporation or any body corporate, wherever incorporated or established;
- (e) a **"subsidiary"** or **"holding company"** is to be construed in accordance with section 1159 (and Schedule 6) of the Companies Act and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's subsidiaries is a member of that other person, or if any shares in that other person are held by a person acting on behalf of it or any of its subsidiaries;
- (f) a **"subsidiary undertaking"** or **"parent undertaking"** is to be construed in accordance with section 1162 (and Schedule 7) of the Companies Act 2006,

and a subsidiary and a subsidiary undertaking shall include any person the shares or ownership interests in which are subject to security and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such security;
- (g) a statute or statutory provision includes:
 - (i) that statute or provision as from time to time modified, re-enacted and/or consolidated whether before or after the date of this Agreement;

(ii) any past statute or statutory provision (as from time to time modified, re-enacted and/or consolidated) which that statute or statutory provision has directly or indirectly replaced; and

(iii) any subordinate legislation made from time to time under that statute or statutory provision which is in force at the date of this Agreement,

except to the extent that any statute, statutory provision or subordinate legislation made or enacted after the date of this Agreement would create or increase a liability of the relevant party under this Agreement;

(h) a time of day is a reference to the time in London, unless the context requires otherwise; and

(i) to any other document referred to in this Agreement is a reference to that document as amended, replaced, novated or supplemented at any time unless otherwise stated.

1.4 The headings in this Agreement do not affect its interpretation.

1.5 The ejusdem generis principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words.

2. **THE TRANSACTION**

2.1 The obligations of the parties under this Agreement, other than this clause 2.1 and clauses 13 and 14, shall be conditional on the release of the Press Announcement via a Regulatory Information Service at or before 7.00 a.m. on 22 December 2017, or such later date and time as may be agreed by the parties (and where required by the Code, agreed by the Panel).

2.2 The terms and Conditions of the Transaction set out in the Scheme Document shall be as set out in the Press Announcement, together with such other terms as may be agreed by the parties in writing and, where required by the City Code, approved by the Panel. Should GVC exercise its Right to Switch in accordance with clause 3.4(a), the Offer will be subject to the terms and Conditions of the Transaction as set out in the Offer Document, together with such other terms as may be agreed by the parties in writing and, where required, approved by the Panel. The only conditions of the Transaction shall be the Conditions (save to the extent of any amendment required to be made to such Conditions in accordance with the application of clause 3.5).

2.3 Ladbroke's Coral undertakes to work co-operatively and reasonably with GVC and its advisers to obtain all Clearances, satisfy the Competition Condition and the Regulatory Condition, and take such actions as are required by Schedule 2 in respect of the Regulatory Condition and certain other regulatory matters as soon as reasonably practicable following the date of this Agreement and in particular (to the extent that such steps have not already been taken prior to the date hereof):

(a) to provide as promptly as practicable in consultation with GVC such information as GVC or the relevant Regulatory Authority and/or Relevant Competition Authority may reasonably require for the purposes of making a submission, filing or notification to any Regulatory Authority or Relevant Competition Authority in relation to the Transaction in order to obtain all Clearances or fulfil the Competition Condition, including (save to the extent prohibited by applicable Law or required to maintain legal or professional privilege), and provided that Ladbroke's Coral may exclude information that Ladbroke's Coral reasonably considers commercially

sensitive to Ladbrokes Coral and provide such information to GVC's nominated advisers on an outside counsel basis:

- (i) providing GVC (or advisers nominated by GVC) with draft copies of all material submissions and communications to any relevant Regulatory Authority and/or Relevant Competition Authority in relation to seeking to satisfy the Competition Condition;
- (ii) providing GVC with a reasonable opportunity to provide comments on such material submissions and communications before they are submitted or sent;
- (iii) providing GVC (or advisers nominated by GVC) with copies of all such material submissions and communications in the form submitted or sent; and
- (iv) unless not permitted by the relevant Regulatory Authority and/or Relevant Competition Authority, allowing persons nominated by GVC to attend meetings/telephone calls with the relevant Regulatory Authority and/or Relevant Competition Authority and to make oral submissions at such meetings/telephone calls; and
- (v) keeping GVC informed as soon as is reasonably practicable of developments which are material to the satisfaction of the Competition Condition, including notifying GVC (or advisers nominated by GVC) of material communications, and providing copies of any material written communications and a summary of material non-written communications, from any relevant Regulatory Authority and/or Relevant Competition Authority where such communications have not been independently or simultaneously supplied to GVC, and notifying GVC of any other developments which are material or potentially material, in relation to satisfying the Competition Condition.

2.4 Ladbrokes Coral agrees to provide promptly to GVC, to the standard that is required for GVC to meet its obligations in relation to the Listing Rules and the Prospectus Rules, all such information about itself, other members of the Ladbrokes Coral Group, and their respective directors, as may be reasonably requested and which is required for the purpose of inclusion in (or submission with) the Prospectus to the extent required for obtaining the approval of the FCA in respect of the Prospectus.

2.5 GVC undertakes to work co-operatively and reasonably with Ladbrokes Coral and its advisers to obtain all Clearances, satisfy the Competition Condition and the Regulatory Condition, and take such actions as are required by Schedule 2 in respect of the Regulatory Condition and certain other regulatory matters as soon as reasonably practicable following the date of this Agreement, and in particular (to the extent that such steps have not already been taken prior to the date hereof):

- (a) to make as promptly as practicable such submissions, filings or notifications with the relevant Regulatory Authority and/or Relevant Competition Authorities, jointly or separately, as are necessary or expedient for the implementation of the Transaction;
- (b) to provide as promptly as practicable such information as the relevant Regulatory Authority and/or Relevant Competition Authority may reasonably require for the purposes of making a submission, filing or notification to any Regulatory Authority or Relevant Competition Authority in relation to the Transaction in order to obtain all Clearances or fulfil the Conditions, including (save to the extent prohibited by applicable Law or required to maintain legal or professional privilege), and provided that GVC may exclude information that GVC reasonably considers commercially

sensitive to GVC, or as relevant, provide such information to Ladbrokes Coral's nominated advisers on an outside counsel basis):

- (i) providing Ladbrokes Coral (or advisers nominated by Ladbrokes Coral) with draft copies of all material submissions and communications to any relevant Regulatory Authority and/or Relevant Competition Authority in relation to seeking to satisfy the Competition Condition;
 - (ii) providing Ladbrokes Coral with a reasonable opportunity to provide comments on such material submissions and communications before they are submitted or sent;
 - (iii) providing Ladbrokes Coral (or advisers nominated by Ladbrokes Coral) with copies of all such material submissions and communications in the form submitted or sent;
 - (iv) unless not permitted by the relevant Regulatory Authority and/or Relevant Competition Authority, allowing persons nominated by Ladbrokes Coral to attend meetings/telephone calls with the relevant Regulatory Authority and/or Relevant Competition Authority and to make oral submissions at such meetings/telephone calls;
 - (v) keeping Ladbrokes Coral informed as soon as is reasonably practicable of developments which are material to the satisfaction of the Competition Condition, including notifying Ladbrokes Coral (or advisers nominated by Ladbrokes Coral) of material communications, and providing copies of any material written communications and a summary of material non-written communications, from any relevant Regulatory Authority and/or Relevant Competition Authority where such communications have not been independently or simultaneously supplied to Ladbrokes Coral, and notifying Ladbrokes Coral of any other developments which are material or potentially material, in relation to satisfying the Competition Condition; and
- (c) without prejudice to the generality of the foregoing, GVC shall offer and/or agree to all such conditions, terms or undertakings as may reasonably be required as a basis for the UKGC to give the UKGC Clearance, provided that GVC shall not be required under this clause to offer and/or agree to any conditions, terms or undertaking if the cost of so doing (either individually or in aggregate) would amount to greater than 5 per cent. of the pro forma annual revenue of the UK business of the enlarged GVC Group following completion of the Transaction in respect of the financial year ended 31 December 2017 (as or to the extent shown in the Prospectus if it has been published at the relevant time) but excluding for the purposes of such calculation the cost of any measures the UKGC would be reasonably likely to require of GVC in any event were it not for the existence of the Transaction.

2.6 GVC shall be responsible for paying any filing, administrative or other fees levied by any Relevant Competition Authority or other Regulatory Authority for the purpose of obtaining the Clearances, unless such fees are payable by Ladbrokes Coral as specified by the applicable local laws.

2.7 GVC agrees to provide promptly to Ladbrokes Coral all such information about itself, the GVC Directors and the GVC Group as may be reasonably requested and which is required for the purpose of inclusion in the Scheme Document and to provide all other assistance and access which may be reasonably required for the preparation of the Scheme Document and any other document required by applicable Law or under the City Code to be published in connection with the Scheme, including access to, and ensuring that reasonable assistance is provided by, its professional advisers.

2.8 GVC shall procure that the GVC Directors accept responsibility, in the terms required by the City Code, for all of the information in the Scheme Document relating to themselves and members of their immediate families, related trusts and persons connected with them, the GVC Group, the financing of the Transaction and any statements of the opinion, belief or expectation of the GVC Directors in relation to the Transaction or the enlarged GVC Group following completion of the Transaction.

3. **OBLIGATIONS OF GVC AND LADBROKES CORAL**

3.1 GVC undertakes to Ladbrokes Coral to:

- (a) provide, or procure the provision of, draft copies of the Prospectus and any listing document which relates to the CVR and/or Loan Notes (each as defined in the Press Announcement) to Ladbrokes Coral and its legal advisers at such time as will allow Ladbrokes Coral and its legal advisers reasonable opportunity to review and comment promptly on the draft Prospectus or listing document, and GVC and its advisers shall (acting reasonably and in good faith) consider for inclusion all such comments reasonably and promptly proposed by Ladbrokes Coral and/or its legal advisers and shall include any such comments to the extent that they correct an inaccurate or misleading statement;
- (b) provide the Prospective GVC Director with such access to GVC's advisers and all necessary supporting information and advice as he may reasonably require in connection with his acceptance of responsibility for the Prospectus and any listing document which relates to the CVR and/or Loan Notes; and
- (c) use its reasonable endeavours to have the UKLA approve the Prospectus by 28 February 2018 or such other date or dates as GVC and Ladbrokes Coral may agree in writing (the "**Prospectus Posting Date**").

3.2 GVC shall use all reasonable endeavours to convene the GVC General Meeting no later than the GVC Shareholder Approval Long Stop Date.

3.3 GVC shall not seek to invoke any Condition or otherwise seek to have the Scheme withdrawn or lapse the Offer as a result of the outcome or expected outcome of the Triennial Review.

3.4 GVC reserves the right, as set out in the Press Announcement, to elect to implement the Transaction by way of the Offer as an alternative to the Scheme (the "**Right to Switch**"), subject to obtaining the consent of the Panel, if required, at any time where:

- (a) Ladbrokes Coral provides its prior written consent, in which case clause 3.5 shall apply; or
- (b) without the consent of Ladbrokes Coral if:
 - (i) an Independent Competing Transaction is announced; or
 - (ii) the Ladbrokes Coral Board withdraws its unanimous and unconditional recommendation of the Transaction.

3.5 In the event that GVC exercises its Right to Switch in accordance with clause 3.4(a) (but not otherwise):

- (a) unless otherwise agreed with Ladbrokes Coral or required by the Panel, GVC shall ensure that the only conditions of the Offer shall be the Conditions (subject to replacing the specific Scheme-related conditions in paragraph 2 of the Conditions with the Acceptance Condition);

- (b) the Acceptance Condition shall be set at 90 per cent of the Ladbrokes Coral Shares to which the Offer relates (or at such other percentage as the parties and the Panel may agree, provided that if it became or was declared unconditional in all respects, the Offer would result in GVC holding Ladbrokes Coral Shares carrying greater than 50 per cent of the voting rights in Ladbrokes Coral);
- (c) all the provisions of this Agreement shall continue to apply save as set out in clauses 3.5(d) and 3.5(e);
- (d) all the provisions of this Agreement relating to the Scheme and its implementation shall apply to the Offer or its implementation *mutatis mutandis*;
- (e) GVC's obligations under clause 3.1 shall apply to the Offer Document in the same manner as they apply to the Prospectus; and
- (f) GVC undertakes to extend any closing date in respect of the Offer if the Acceptance Condition to the Offer has not been satisfied by the relevant closing date and to continue doing so, up to and including Day 60 (as determined in accordance with Rule 31.6 of the Code and the notes on that Rule).

4. **SHARE SCHEME PROPOSALS**

The parties agree that in accordance with Rule 15 of the Code, the terms of any offer to be made to participants under the Share Schemes shall incorporate the provisions set out in Schedule 1 of this Agreement.

5. **CONFIRMATION ON CONDITIONS**

5.1 GVC undertakes that, immediately before the Court hearing to sanction the Scheme, it shall deliver a notice in writing to Ladbrokes Coral either:

- (a) confirming the satisfaction or waiver of all Conditions (other than Condition 2(c)(i) concerning Court sanction of the Scheme); or
- (b) confirming its intention to invoke a Condition and providing reasonable details of the event which has occurred, or circumstances which have arisen, which GVC reasonably considers is sufficiently material for the Panel to permit GVC to withdraw the Scheme.

5.2 Subject to the successful invocation of any Condition, GVC shall, through counsel, consent to be bound by the Scheme.

6. **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

6.1 GVC undertakes that, to the extent permitted by law and for not less than six years after the Transaction Effective Date, it shall cause to be maintained in the constitutional documents of each member of the Ladbrokes Coral Group (as at the date of this Agreement) provisions regarding elimination of liability of directors, indemnification of officers, directors and employees and advancement of expenses with respect to matters existing or occurring at or prior to the Transaction Effective Date that are reasonable and market standard in the jurisdiction of incorporation of the relevant member of the GVC Group.

6.2 If GVC or any of its successors or assigns (i) consolidates or merges with any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of its properties and assets to any corporation or entity, then, and in each such case, to the extent necessary, GVC shall use reasonable endeavours to ensure that the successors and assigns of GVC shall assume the obligations set forth in clause 6.1.

- 6.3 GVC agrees to procure the provision of directors' and officers' liability insurance cover for current and former directors and officers of the Ladbrokes Coral Group and any other beneficiaries under the existing insurance policies of the Ladbrokes Coral Group, including directors and officers who retire or whose employment is terminated (directly or indirectly) as a result of the Transaction, with effect from the Transaction Effective Date, for acts and omissions up to and including the Transaction Effective Date in the form of run-off cover for a period of six years after the Transaction Effective Date. Such insurance cover shall be with a reputable UK based insurer and provide cover in terms of amount and breadth at least comparable to those provided under Ladbrokes Coral's directors' and officers' liability insurance as at the date of this Agreement.

7. CONDUCT OF BUSINESS

- 7.1 Except: (i) with the prior written consent of Ladbrokes Coral; (ii) as required by Law; or (iii) as expressly contemplated by this agreement or the Press Announcement, GVC shall not (and shall procure that no member of the GVC Group shall) before the Transaction Effective Date:

- (a) other than in accordance with GVC's existing employee incentive arrangements the details of which have been disclosed to Ladbrokes Coral before the date of this Agreement or are publicly available: (i) grant any options over GVC Shares with an exercise price per GVC Share of equal to or less than the market value of such GVC Share; or (b) allot or issue any GVC Shares at less than fair market value;
- (b) split, combine or reclassify any of the GVC Shares or amend its memorandum or articles of association to adversely impact the New GVC Shares;
- (c) authorise, declare or pay any dividends on or make any distribution in cash or otherwise with respect to the GVC Shares (and for the avoidance of doubt GVC shall be permitted to authorise, declare or pay "GVC Permitted Dividends" as such term is defined in, and on the terms contemplated by, the Press Announcement);
- (d) enter into any other Class 1 transactions;
- (e) adopt a plan of liquidating GVC or any material member of the GVC Group;
- (f) do or fail to do anything which could prejudice GVC's premium listing on the London Stock Exchange; or
- (g) agree, resolve, commit or announce its intention to do any of the foregoing (as applicable), whether conditionally or unconditionally.

8. CLEAN BREAK NOTICE

- 8.1 GVC represents and warrants to Ladbrokes Coral that an SPA Clean Break Notice has been issued by GVCIL under the SPA and it has not been revoked in accordance with paragraphs 6.3 and 6.4 of Part 2 of Schedule 3 of the SPA or otherwise prior to the execution of this Agreement.

- 8.2 GVC irrevocably undertakes to Ladbrokes Coral (for the benefit of itself and as agent for directors and as agent for shareholders as at the date of this Agreement) that (a) GVC Services Limited will by the Prospectus Posting Date serve a 30 day notice on Headlong to terminate the GVC TSA pursuant to clause 14.3 of the GVC TSA with effect from 31 March 2018 (the **GVC TSA Notice**), (b) Electraworks Limited will by the Prospectus Posting Date serve a 30 day notice on Headlong to terminate the provision of all services pursuant to clause 14.3 of the Headlong TSA with effect from 31 March 2018 (the **Headlong TSA Notice** and together with the GVC TSA Notice, the **TSA Notices**) and (c) it will not at any time (whether before or after the Scheme becomes effective (or if, an Offer is made, any such Offer is declared unconditional in all respects)) amend, vary, withdraw or revoke

either the (i) SPA Clean Break Notice in accordance with the provisions of the SPA (or otherwise) or (ii) once served, either of the TSA Notices (in any manner whatsoever) or (iii) the notice of waiver of the Rent Deposits except that the undertaking contained in this clause 8.2 will cease to be of effect if the Scheme (or any Offer, if there is one) is withdrawn or lapses.

8.3 GVC irrevocably warrants and represents to Ladbrokes Coral that a notice waiving the return of the Rent Deposits was issued on 21 December 2017 prior to the execution of this Agreement.

9. **ANNOUNCEMENTS**

9.1 GVC will allow Ladbrokes Coral and its advisers reasonable opportunity to provide comments on any announcement or communication that it makes to the GVC Group shareholders, employees, employee representatives, option holders or pension scheme trustees in connection with the Transaction (an "**Announcement**") and shall accept all of Ladbrokes Coral's reasonable comments on any such Announcement subject to clause 9.2 below.

9.2 If GVC is prevented by applicable law or regulation from complying with clause 9.1, GVC shall inform Ladbrokes Coral of the form, timing, nature and extent of the disclosure in the relevant Announcement as soon as reasonably practicable after such Announcement has been made.

10. **TERMINATION**

10.1 Subject to clause 10.2, this Agreement shall be terminated with immediate effect and all rights and obligations of the parties under this Agreement shall cease immediately if any of the following events occur:

- (a) termination is agreed in writing by the parties at any time prior to the Transaction Effective Date;
- (b) upon service of written notice by either party to the other, where any Condition becomes incapable of satisfaction or is invoked so as to cause the Transaction not to proceed;
- (c) if the Scheme (or the Offer, if one is made) is withdrawn or lapses in accordance with its terms and/or with the consent of the Panel (other than where such lapse or withdrawal is a result of the exercise of the Right to Switch or is in connection with GVC or a person acting in concert with GVC implementing the Transaction by a different scheme of arrangement or takeover offer on substantially the same or improved terms in favour of the Ladbrokes Coral Shareholders);
- (d) if the Transaction Effective Date has not occurred on or before the Long Stop Date;
- (e) if one or more Ladbrokes Coral director withdraws his or her recommendation of the Scheme (or the Offer, if one is made);
- (f) if one or more GVC director withdraws his or her recommendation of any of the GVC Resolutions; and
- (g) following the announcement of an Independent Competing Transaction which is unanimously and unconditionally recommended by the Ladbrokes Coral Board.

10.2 Termination of this Agreement shall be without prejudice to the rights of either party which have or may have arisen prior to termination. Clauses 1 and 13 to 15 (inclusive) shall survive termination.

11. **THE CITY CODE**

- 11.1 Nothing in this Agreement shall in any way limit the parties' obligations under the City Code and any uncontested rulings of the Panel as to the application of the City Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.
- 11.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Ladbrokes Coral to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the City Code, that provision shall have no effect and shall be disregarded.
- 11.3 Nothing in this Agreement shall oblige Ladbrokes Coral to pay an amount in damages which the Panel determines would not be permitted by Rule 21.2 of the Code.
- 11.4 Nothing in this Agreement shall oblige Ladbrokes Coral or the Ladbrokes Coral Board to recommend an Offer or a Scheme proposed by GVC or any member of the GVC Group.

12. **WARRANTIES AND UNDERTAKINGS**

- 12.1 Each of the parties warrants to the other on the date of this Agreement that:
 - (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
 - (b) this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and
 - (c) the execution and delivery of, and performance of its obligations under, this Agreement shall not:
 - (i) result in a breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment or decree of any court or governmental agency by which it is bound.
- 12.2 No party shall have any claim against the other for breach of warranty after the Transaction Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

13. **NOTICES**

- 13.1 Any notice or other communication under or in connection with this Agreement (each, a "**Notice**") shall be in writing in the English language and delivered by hand, e-mail, pre-paid recorded delivery first class post (and air mail if overseas) to the party due to receive the Notice to the contact details specified in clause 13.2 or to another address, person or email specified by that party by not less than seven days' written notice to the other party received before the Notice was despatched.
- 13.2 The address referred to in clause 13.1 is:

If to GVC:

Address:	32 Athol Street, Douglas, Isle of Man, IM1 1JB
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E-Mail:	rhoskin@gvcgroup.com
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If to Ladbrokes Coral:

Address:	5th Floor The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ
E-Mail:	geoffrey.mason@ladbrokescoral.com

- 13.3 A Notice shall be effective upon receipt. Unless there is evidence that it was received earlier, notice is deemed given:
- (a) if delivered by hand, when left at the address referred to in clause 13.2:
 - (b) if sent by post, except air mail, two Business Days after posting it;
 - (c) if sent by air mail, six Business Days after posting it; and
 - (d) if sent by email, when the email is sent, within one Business Day of sending the email.

In this clause "**business day**" means a day other than a Saturday or Sunday or a public holiday in either the country where the Notice is posted or that to which it is sent.

14. GENERAL

- 14.1 A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 14.2 Except where this Agreement provides otherwise, the rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.
- 14.3 Subject to clause 14.2 and without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by any party of the provisions of this Agreement and any party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief, for any threatened or actual breach of any such provision of this Agreement by any party and no proof of special damages shall be necessary for the proposed enforcement by any party of its rights under this Agreement.
- 14.4 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.
- 14.5 To the extent it is not possible to delete or modify the provision, in whole or in part, under clause 14.4, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under clause 14.4, not be affected.

- 14.6 Each party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Agreement.
- 14.7 This Agreement may be entered into in any number of counterparts, each of which is an original and all of which taken together evidence the same agreement. Any party may enter into this Agreement by executing any such counterpart and this Agreement shall not take effect until each party has executed at least one counterpart.
- 14.8 No provision of this Agreement creates a partnership between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.
- 14.9 Each date, time or period referred to in this Agreement is of the essence. If the parties agree in writing to vary a date, time or period, the varied date, time or period is of the essence.
- 14.10 Clause 6 is intended to confer benefits on and be enforceable by the directors and officers referred to therein and clause 8 is intended to confer benefits on and be enforceable by the directors and shareholders of Ladbrokes Coral as at the date of this Agreement (the "**Relevant Third Parties**"). With the exception of clauses 6 and 8, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 14.11 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of Ladbrokes Coral and GVC.
- 14.12 This Agreement and the Confidentiality Agreement contain the whole agreement between the parties relating to the Transaction at the date of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement.
- 14.13 Each party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any representation, warranty, undertaking or other assurance (except those set out in this Agreement) made by or on behalf of the other party at any time before the signature of this Agreement and not expressly incorporated into it. Each of the parties waives all rights and remedies which, but for this clause, might otherwise be available to it in respect of any such representation, warranty, undertaking or assurance. Nothing in this clause limits or excludes any liability for fraud or fraudulent misrepresentation.
- 14.14 So far as is permitted by law and except in the case of fraud, each of GVC and Ladbrokes Coral agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute) in relation to any such representation, warranty or undertaking.
- 14.15 Except as otherwise expressly provided in this Agreement, neither GVC nor Ladbrokes Coral may assign, transfer or create any trust in respect of, or purport to assign, transfer or create any trust in respect of, a right or obligation under this Agreement without having first obtained the other party's written consent, which may not be unreasonably withheld or delayed. Each party is entering into this Agreement for its benefit and not for the benefit of another person.

15. **GOVERNING LAW AND JURISDICTION**

- 15.1 This Agreement and all non-contractual or other obligations arising out of, or in connection with, it is governed by, and construed in accordance with, English law.
- 15.2 Each of GVC and Ladbrokes Coral agrees that the courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or relating to any non-contractual or other obligations arising out of, or in connection with, this Agreement) or the consequences of its nullity. Each of GVC and Ladbrokes Coral submits to the jurisdiction of such courts and waives any objection to proceedings in any such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

The parties have executed this Agreement on the date set out above.

SCHEDULE 1

Share Scheme Proposals

1. The parties agree that the options and awards held by, and those to be granted under, the Share Schemes will be dealt with in accordance with the terms set out in this Schedule. For the avoidance of doubt, should the Transaction proceed by way of an Offer (rather than by way of Scheme), the provisions of this Schedule shall apply as far as possible on the same terms and conditions to such Offer (as applicable).
2. In this Schedule 1:

"Trust" means the Ladbrokes Coral Employee Benefit Trust; and

"Trustee" means Computershare Trustees (C.I.) Limited in its capacity as the current trustee of the Trust.
3. The table set out in Section A of this Schedule details all subsisting options and rights to acquire Ladbrokes Coral Shares as at 18 December 2017 ("**Existing Awards**"). It is currently anticipated that all options and awards, except those granted under the Ladbrokes Coral Deferred Share Plan and Ladbrokes Coral Restricted Share Plan, will be satisfied through newly issued Ladbrokes Coral Shares and/or Ladbrokes Coral Shares held in treasury or, if so determined by the Remuneration Committee, cash.
4. There are outstanding options under the Ladbrokes Coral 1983 Savings Related Option Scheme over a maximum of 11,793,413 Ladbrokes Coral Shares as at 18 December 2017.
5. There are outstanding options and awards under the Share Schemes over a maximum of 37,016,241 Ladbrokes Coral Shares as at 18 December 2017.
6. As at the date of this Agreement the Trust holds 1,586,399 Ladbrokes Coral Shares (Unallocated Trust Shares) and there are no Ladbrokes Coral Shares held by any other employee benefit trust (save for the Ladbrokes Coral Shares held by the Ladbrokes Coral Share Incentive Plan trustee). The parties agree that Ladbrokes Coral will request (**EBT Request**) that the trustee of the Trust agree to use the Unallocated Trust Shares to the maximum extent possible to satisfy options and awards vesting or becoming exercisable under the Ladbrokes Coral Executive Deferred Bonus Plan and the Ladbrokes Coral Restricted Share Plan as a consequence of the Scheme. Subject to the discretions of the Remuneration Committee to apply a pro-rata reduction to awards under the Share Schemes, to the use of any Ladbrokes Coral Shares held in treasury, and the net settlement of any awards under the Share Schemes, if the trustee of the Trust agrees to the EBT Request, and satisfies such awards, there will be no further shares held in any employee benefit trust established by Ladbrokes Coral.
7. GVC hereby acknowledges and agrees that:
 - (a) from the date of this Agreement until the Scheme becomes effective Ladbrokes Coral shall be entitled to continue to grant options under the Ladbrokes Coral 1983 Savings Related Option Scheme, in the normal course and in accordance with its past practice and on the normal grant dates (which would next be in June 2018), to the extent the Scheme has not become effective at that time.
 - (b) from the date of this Agreement until the Scheme becomes effective, Ladbrokes Coral shall be entitled to continue to make awards of matching and partnership shares under the Ladbrokes Coral Share Incentive Plan, in the normal course and in accordance with past practice.

- (c) Ladbroke's Coral shall be permitted to grant a number of cash-based incentive awards ("**Cash Awards**") to certain of employees of Ladbroke's Coral who are below "Board level" and who are not categorised by Ladbroke's Coral as being senior leaders under their "A" band. These Cash Awards, which will be no more than £450,000 gross of tax, are being made on the basis that the Remuneration Committee discussed and agreed, in principle, the grant of the awards over Ladbroke's Coral Shares to certain Ladbroke's Coral employees at its March 2017 meeting; however, such awards over Ladbroke's Coral Shares were not formally granted at that time as a result of regulatory and administrative reasons and it was agreed that the formal grant would happen later in 2017. The delayed awards over the Ladbroke's Coral Shares are now being paid out as Cash Awards which entitle participants to cash payments (as opposed to being satisfied through the use of Ladbroke's Coral Shares) for regulatory reasons. The employees will receive the cash payments subject to the Cash Awards on the later of (a) the first monthly payroll run after the Transaction Effective Date; and (b) the March 2018 payroll run;
 - (d) the vesting and exercise of rights under the Share Schemes are governed by and shall occur in accordance with the rules of the relevant Share Schemes, and accordingly are subject in certain respects to the exercise of discretions conferred on the Remuneration Committee (except that the Remuneration Committee shall give prior written notice to GVC of any meeting at which it is proposed that the Remuneration Committee shall consider exercising any discretion under the Share Schemes and will give notice following such meeting of the decision made by the Remuneration Committee);
 - (e) Ladbroke's Coral shall be entitled to issue shares (to the Trustee or to participants as appropriate), and to provide funding to the Trustee to the extent required, in order to satisfy the vesting and/or exercise of the Existing Awards in accordance with the rules of the relevant Share Schemes.
 - (f) Ladbroke's Coral shall be entitled to pay or award dividend equivalents in Ladbroke's Coral Shares and/or cash in respect of the Existing Awards where permitted in accordance with the rules of the relevant Share Schemes.
8. For the avoidance of doubt, awardholders are not restricted from exercising vested options under the Share Schemes prior to the Scheme becoming effective, subject to any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which Ladbroke's Coral seeks to comply.
9. Ladbroke's Coral confirms and agrees that after the date hereof it will not satisfy any awards under the Share Schemes, or take any other action in connection with the Share Schemes, other than as set out in this Schedule 1 except with the prior written consent of GVC.
10. Ladbroke's Coral agrees that it will give prior written notice to GVC before making any amendment to the rules of the Share Schemes or to the terms and conditions applicable to options or awards under the Share Schemes.

Documentation and Communications

11. The Parties shall jointly write to participants in the Share Schemes outlining the anticipated effect of the Scheme on their contractual rights and setting out the proposals in accordance with Rule 15 of the City Code. The Parties shall co-operate with each other in preparing these communications.
12. Ladbroke's Coral and GVC agree that the board of directors of Ladbroke's Coral shall propose (at the general meeting) an amendment to the articles of association of

Ladbrokes Coral by the adoption and inclusion of a new article under which, with effect from the Scheme becoming effective, Ladbrokes Coral Shares which are issued after the record date in respect of the Scheme as a result of the exercise or vesting of rights under the Share Schemes will, to the extent not otherwise acquired under the Scheme, be transferred to GVC for the same consideration as is payable to shareholders under the Scheme.

Section A

Showing outstanding awards and options under the Share Schemes as at 18 December 2017

	Number of Ladbrokes Coral Shares subject to awards as at 18 Dec
Savings Related share option	11,793,413
Senior executive options	12,364
Performance Share Plan	19,954,098
Performance share plan (Israel)	81,895
Allotments to SIP based on current share price	2,422,378
Deferred Bonus Plan	1,151,428
Restricted Share Plan	1,600,665

SCHEDULE 2
Regulatory Actions

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
<p>Alderney (remote gaming and betting)</p> <p><i>Ceres:</i> Category 1 and Category 2 eGambling licences issued to ElectraWorks (Alderney) Limited</p> <p><i>Mars:</i> Category 1 and Category 2 eGambling licences issued to Exchange Platform Solutions Limited</p>	Alderney Gambling Control Commission	Material change of beneficial ownership of the licensee or any parent company or an associated company within the group has changed so that a person's shareholding is, or becomes 3% or more.	Notification	Within 7 days post-completion.	N/A	Ceres to lead on joint approach.
<p>Australia (remote sports betting)</p> <p><i>Mars:</i> Licence to Conduct business of Sports Bookmaker issued to Ladbrokes Digital Australia PTY LTD (NT Licence) Race fields and sporting fixture agreements with various racing and sports controlling bodies in Australia (Product Fee Arrangements)</p>	Northern Territory Racing Commission (NTRC) Various racing and sports controlling bodies in respect of the Product Fee Arrangements	10%	Notification and approval	Not specified – application for approval prior to completion is considered preferable.	Within 90 days of notification. Counsel advise that a formal meeting (in person) be arranged with NTRC.	Mars to notify the NT Racing Commission and the consequential change of control prior to 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
Belgium (remote) <i>Mars:</i> A+ and F1+ licences issued to Ladbroke Belgium SA (casino and betting)	Belgian Gaming Commission (<i>Commission des jeux de hasard</i>)	Strictly, all changes in the shares ownership must be notified to the BGC.	Notification	Post-completion	N/A	Mars to lead (joint approach for retail and online). Courtesy notification to be sent by Mars (on behalf of both parties) following 2.7 announcement.
Belgium (retail) <i>Mars:</i> F1 Licence issued to SA Derby NV and Tierce Ladbroke SA (organization of wagers) F2 Licence issued to SA Derby NV and Tierce Ladbroke SA (accepting bets in betting offices)	Belgian Gaming Commission (<i>Commission des jeux de hasard</i>)	Strictly, all changes in the shares ownership must be notified to the BGC.	Notification	Post-completion	N/A	Mars to lead (joint approach for retail and online). Courtesy notification to be sent by Mars (on behalf of both parties) following 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
Belgium (supplier for online) <i>Ceres:</i> E-licence (supplier licence) issued to GVC Services Limited <i>Mars:</i> E-Licence (supplier licence) issued to Professional Gaming Services (Ladbrokes Belgium holds a 19% stake in PGS)	Belgian Gaming Commission (<i>Commission des jeux de hasard</i>)	Change of shareholder is not a material change	Notification	Post announcement	N/A	Mars to lead (joint approach for retail and online). Courtesy notification to be sent by Mars (on behalf of both parties) following 2.7 announcement.
Bulgaria (remote) <i>Ceres:</i> Licences issued to ElectaWorks Limited (casino games, bets on sports events and horse and dog racing results)	Bulgarian Gaming Commission	Material change only in case of changes in the control of licensee or its immediate parent.	No approval or notification required	N/A	N/A	Ceres to send courtesy notification following 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
<p>Cyprus (remote) Ceres: Class B bookmaker license issued to Sporting Odds Ltd</p>	National Betting Authority	Under Cypriot law, a material change is considered, inter alia, when the holder of a significant interest in a Class B licensed bookmaker changes or there is a significant change with regard to the information provided during the application.	Approval required	Post-announcement - prior to completion	N/A	Ceres to send notification following 2.7 announcement.
<p>Denmark: (remote) Ceres: Remote casino/poker and betting licence issued to ElectraWorks Limited</p>	Danish Gambling Authority (<i>Spillemyndigheden</i>)	Change of control in the ultimate owner is not a material change in the licensed entity.	Notification	Post completion (informal notification post announcement advisable)	N/A	Ceres to send informal notification following 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
France (remote) <i>Ceres:</i> Poker and sports betting licences issued to B.E.S. SAS (France) Poker licence issued ElectraWorks (France) Limited	ARJEL (<i>Autorité de régulation des jeux en ligne</i>)	Exclusive control is defined as either (i) the direct/ indirect holding of the majority of voting rights, or (ii) the appointment through two successive fiscal years of the majority of Board seats (consolidating company holds more than 40% of the voting rights, with no other shareholder holding a greater share), or (iii) when a dominant influence is exerted by virtue of a contract or by-law provisions.	Notification	Notification within 1 month post completion (informal notification post announcement advisable)	N/A	Ceres to send informal notification following 2.7 announcement.
Germany (Schleswig-Holstein) (remote casino and betting licences) <i>Ceres:</i> Licences issued to ElectraWorks (Kiel) Limited <i>Mars:</i> Licences issued to LC International Ltd	The Ministry of the Interior (<i>Innenministerium</i>) of Schleswig-Holstein	Any change of the shareholder structure, even of the parent company, is considered a material change	Approval (experience has shown that notification is sufficient)	Prior to completion	Can range between 2 to 3 months	Ceres (to lead on joint approach) following 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
Germany (pending Hesse application for sports betting licence) <i>Ceres:</i> ElectraWorks Limited <i>Mars:</i> LC International Ltd	Ministry of the Interior and for Sports of Hesse	Any change of the shareholder structure, including the parent company, is considered a material change	Approval (experience has shown that notification is sufficient)	Prior to completion	N/A	Ceres (to lead on joint approach) following 2.7 announcement.
Gibraltar (remote) <i>Ceres:</i> Online casino and fixed odds betting issued to ElectraWorks Limited <i>Mars:</i> Remote Gambling Licence issued to LC International Ltd (casino and fixed odds betting)	Government of Gibraltar, the Gambling Commissioner	Any change/modification	Approval	Pre announcement	3-6 weeks (although the fact both groups are Gibraltar-licensed would make approval process significantly quicker and certain DD requirements may be waived)	Both parties

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
Ireland (remote betting licence) <i>Ceres:</i> Remote Bookmaker's Licence issued to the ElectraWorks Limited <i>Mars:</i> Remote Bookmaker's Licence issued to the LC International Ltd Remote Betting Intermediary's Licence issued to the LC International Ltd	Office of the Revenue Commissioners	None	Notification	Post announcement	N/A	Mars (to lead on joint approach for retail and online). Courtesy call to be made by Mars point of contact prior to 2.7 announcement.
Ireland (retail) <i>Mars:</i> Bookmaker's Licence issued to Ladbrokes (Ireland) Limited (Jackie Murphy)	Office of the Revenue Commissioners	N/A	No	N/A	N/A	Mars (to lead on joint approach for retail and online) Courtesy call to be made by Mars point of contact prior to 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
<p>Italy (remote)</p> <p><i>Ceres:</i></p> <p>Sports betting, horse betting, skill games, bingo, cards licences issued to bwin Italia S.r.l.</p> <p><i>Mars:</i></p> <p>Licences issued to Eurobet Italia srl, Italian Betting srl, Eurobet Bingo Italia srl</p>	AAMS (<i>Amministrazione Autonoma dei Monopoli di Stato</i>)/ADM (<i>Agenzia delle dogane e dei Monopoli</i>)	Material change, "if a new ultimate beneficial owner who as a result of the transaction will hold more than 5% of the interest in the licensed entity"	Notification	Post announcement /prior to completion	N/A	Ceres (to lead on joint approach for retail and online). Notification to be sent following 2.7 announcement.
<p>Italy (retail)</p> <p><i>Mars:</i></p> <p>Licences issued to Eurobet Italia srl, Italian Betting srl, Eurobet Bingo Italia srl</p> <p>Licence numbers:</p> <ul style="list-style-type: none"> - 4003 (Bersani Sport) - 4301 (Bersani Ippica) - 4806 (Giogetti Ippica) - 4500 (Monti) 	AAMS (<i>Amministrazione Autonoma dei Monopoli di Stato</i>)/ADM (<i>Agenzia delle dogane e dei Monopoli</i>)	For companies, any shareholder change in excess of 2% must be notified to ADM	Notification Approval required for Licence 4500 (Monti)	Post announcement/prior to completion	Varies	Ceres (to lead on joint approach for retail and online). Notification to be sent following 2.7 announcement. Mars to handle approval process for Licence 4500 (Monti)
<p>Jersey (retail betting)</p> <p><i>Mars:</i></p> <p>Class I Bookmaker's Licence issued to Ladbrokes (Channel Islands) Ltd (retail sports betting)</p>	Jersey Gambling Commission	5%	Notification	Post completion	N/A	Mars to make contact informally prior to the 2.7 announcement and a courtesy notification following 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
<p>Malta (remote casino games provided by third party suppliers, sports betting licence; supplier licences)</p> <p><i>Ceres:</i> Class 1, 2, 4 licences Martingale Malta 2 Ltd bwin. party services (Malta) Ltd</p>	Malta Gaming Authority	Material change if a new ultimate beneficial owner who as a result of the transaction will hold more than 5 % of the interest in the licensed entity.	Approval	Submission on signing and prior to completion	90 days (usually MGA replies within 4 weeks)	Ceres
<p>Northern Ireland (retail betting)</p> <p><i>Mars:</i> Bookmaker's Licence issued to North West bookmakers Limited Bookmaker's Licence Part II issued to Ladbrokes (NI) Limited</p>	County Court Division of Belfast	None. A notification is required if a change occurs in directors of the licensee or a change in the persons whose directions or instructions the Directors of the licensee are accustomed to act.	None	N/A	N/A	Mars to make courtesy notification prior to 2.7 announcement.
<p>Philippines</p> <p><i>Ceres:</i> PAGCOR sub-licence application <i>Mars</i> Business processing outservice (BPO) licence application – PAGCOR</p>	Philippine Amusement and Gaming Corporation	N/A	TBC	TBC	N/A	Both parties

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
Romania (remote gambling) <i>Ceres</i> B2C gaming licence issued to Headlong 2 Limited Supplier Class 2 licences issued to GVC Services Limited	Romanian National Gaming Office (ONJN)	Any changes in the shareholding structure of the beneficial owner and of the direct shareholders as well as changes of the direct shareholders' executives should be notified in case of B2C licensees.	B2C: Notification B2B: no specific process established under Romanian law	B2C: 5 days post completion	N/A	Ceres to notify following 2.7 announcement.
South Africa (supplier licence for online) <i>Ceres:</i> Manufacturer and certificate of suitability licence issued to SBT Software Operations SA (Pty)	Western Cape Gambling and Racing Board	N/A	Notification advisable	Post announcement	N/A	Ceres to notify following 2.7 announcement.
Spain (remote) <i>Ceres:</i> Betting (sports betting), Other Games (baccarat, black jack, poker including mobile app, roulette including live dealer, slots) <i>Mars</i> Sportium Apuestas Deportivas, S.A. (50% JV)	DGOJ (<i>Dirección General de Ordenación del Juego</i>)	Any changes in the shareholding structure that exceed 5% should be reported.	Notification	Post completion 1 month after completion (informal notification post announcement advisable)	N/A	Ceres (to lead on behalf of both parties). Courtesy notification to be sent following 2.7 announcement.

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
<p>Spain (retail)</p> <p><i>Ceres:</i> Licences issued to Winners Apuestas Aragon, S.L. Billares Olimpo, S.L., Billares Olimpo, S.L.</p> <p><i>Mars:</i> Bookmaker's Licence issued to Sportium Apuestas Deportivas S.A.</p>	<p><i>Ceres:</i> <i>Dirección General de Interior, Gobierno de Aragón, Departamento de Política Territorial, Justicia e Interior and Dirección General de Ordenación y Gestión del Juego, Consejería de Hacienda, Comunidad de Madrid</i></p> <p><i>Mars:</i> <i>Dirección General de Tributos y Ordenación y Gestión del Juego, Consejería de Economía y Hacienda, Comunidad de Madrid</i></p>	<p>Notifications/ approval only required if there is direct change of control in licence holder</p>	N/A	N/A	N/A	<p>Mars / Ceres to notify authorities post completion.</p>
<p>Great Britain (retail)</p> <p><i>Mars:</i> Combined Operating Licence issued to Ladbrokes Betting & Gaming Limited (retail betting and pool betting; remote gaming including bingo)</p> <p>Operating Licence issued to Ladbrokes Coral Trust (non-remote society lottery) Coral Racing Limited (supplier)</p>	<p>UK Gambling Commission</p>	<p>Any changes in the shareholding structure that exceed 3% must be notified as a key event</p> <p>Where a new "controller" (generally, 10% of capital or voting rights), licensee must submit a change of control application (as well as key event)</p>	<p>Notification and approval</p>	<p>Application for advance consent (under s.103) to be submitted on or after 2.7 announcement</p> <p>Application for consent (under s.102) to be submitted post completion</p>	<p>12 weeks from submission of application</p>	<p>Mars to engage informally on behalf of both companies prior to 2.7 announcement.</p>

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
<p>Great Britain (remote)</p> <p><i>Ceres:</i> Combined remote operating licence issued to ElectroWorks Limited and Sporting Odds Limited</p> <p><i>Mars:</i> Combined Remote Operating Licence issued to: Gala Interactive(Gibraltar) Limited Coral Interactive (Gibraltar) Limited Ladbrokes Betting & Gambling Limited</p> <p>Remote Operating Licence issued to Coral Racing Limited</p>	UK Gambling Commission	<p>Any changes in the shareholding structure that exceed 3% must be notified as a key event</p> <p>Where a new "controller" (generally, 10% of capital or voting rights), licensee must submit a change of control application (as well as key event)</p>	<p>Approval if change of control</p> <p>Notification if 3%</p>	<p>Application for advance consent (under s.103) to be submitted on or after 2.7 announcement</p> <p>Application for consent (under s.102) to be submitted post completion</p>	<p>12 weeks from submission of application</p>	<p>Mars to engage informally on behalf of both companies prior to 2.7 announcement.</p>

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
United States	Note that these jurisdictions are subject to a separate work-stream with Saiber, BHFS and Mars regulatory counsel (Dickinson Wright).					
Nevada <i>Ceres:</i> Application for a distributor's license, interactive gaming service provider's license and interactive gaming manufacturer's license bwin. party USA, Inc	Nevada Gaming Commission Nevada Gaming Control Board	Merger of Mars Comet into Ceres	Approval	Application to be submitted prior to completion	Post completion: approximately 8-10 months after filing all required applications	Both parties
Nevada <i>Mars:</i> Stadium Technology Group, LLC (in which Mars indirectly holds a 79% stake via its 100% subsidiary Ladbrokes Holdco, Inc.) licensed as gaming manufacturer, distributor and information service provider Ladbrokes Coral Group plc licensed as an information service provider	Nevada Gaming Commission Nevada Gaming Control Board	Transfer Mars Comet's 100%-interest in Ladbrokes Holdco, Inc. to a third party to facilitate closing of merger	Approval	Prior to completion	Expedite approval process to meet proposed merger timetable	Both parties

Jurisdiction and Licence(s)	Regulator	Shareholder change threshold(s)	Approval required or notification only	Timing – prior to signing, prior to completion or post completion	Anticipated timescales for approval (if required)	Party to approach regulator and timing
New Jersey <i>Ceres:</i> Casino Service Industry Enterprise License issued to bwin.party entertainment(NJ) LLC and bwin.party USA, Inc	Division of Gaming Enforcement	N/A	Notification	Prior to completion	N/A	Ceres has notified the DGE prior to the 2.4 announcement and will update on key events.
Overview of further requirements subject to separate work-streams						
Greece	Please note that Ceres' interim permission to operate in Greece granted to Sporting Odds Ltd is based on this entity's UK licence and the proposed transaction is not subject to notification in Greece given that the Greek facing business will continue to operate under the same underlying UK licence.					
French Ministry of the Economy	An authorization requirement to the French Ministry of the Economy with regard to foreign participation in a gaming company established in France is triggered only in case there is a non-EU/EEA controlling shareholder (according to the laws applicable in the jurisdiction where the target is registered). Otherwise, there is a notification requirement to MINEFI.					
Gibraltar Financial Services Commission <i>Ceres:</i> Financial Services Licence issued to InterTrader Limited	A financial services license issued by the Gibraltar Financial Services Commission requires the Gibraltar Financial Services Commission's approval in case of a change of control above certain thresholds in the shareholdings of the licensed entity's owner prior to completion of the proposed transaction.					
Australian Securities and Investments Commission <i>Mars:</i> Australian Financial Services Licence issued to Ladbrokes Digital Australia Pty Ltd	No change of control requirement					

SCHEDULE 3
Press Announcement

Signed by *PETER ISOLA*)
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for and on behalf of **GVC HOLDINGS**)
PLC)



Signed by)
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for and on behalf of **LADBROKES**)
CORAL GROUP PLC)

Signed by)
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for and on behalf of **GVC HOLDINGS**)
PLC)

Signed by *PAUL BOWTELL*)
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for and on behalf of **LADBROKES**)
CORAL GROUP PLC)

