



THE FOURTH NATIONAL LOTTERY LICENCE COMPETITION

Enabling Agreement

Version: ITA Phase 1
26 October 2020

DATED

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THE GAMBLING COMMISSION

- and -

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**ENABLING AGREEMENT FOR THE AWARD OF THE 4TH LICENCE ISSUED PURSUANT
TO S5 OF THE NATIONAL LOTTERY ETC. ACT 1993**

OFFICIAL SENSITIVE

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THIS AGREEMENT is dated

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BETWEEN:

- (1) The Gambling Commission of Victoria Square House, Victoria Square, Birmingham, B2 4BP (the "**Commission**"); and
- (2) [], a company registered in England and Wales with registered number [] whose registered office is at [] (the "**Incoming Licensee**").

BACKGROUND:

- (A) The Commission is responsible for the award of licences pursuant to section 5 of the Act and has organised a competition for the next holder of such a licence.
- (B) The Successful Applicant submitted an application for the Incoming Licensee to be awarded that licence (together with all attachments and documents referred to in it, and in such final and/or amended form as may be approved by the Commission, the "**Application**"). The Application:
 - (i) included proposals to implement the Application and to prepare for, and establish the Incoming Licensee's operations, for the Purpose of Implementation; and
 - (ii) also included proposals to implement aspects of the Application which it is intended should be implemented after the Start Date. Activities to be undertaken after the Start Date to implement those aspects of the Application will be subject to the New Licence and are not dealt with in this Agreement.
- (C) Pursuant to the Deed of Commitment, the Successful Applicant committed that, if the Successful Applicant received an Award Notification, the Incoming Licensee would enter into this Agreement and a deed of adherence to the Cooperation Agreement, which regulates how the requirements of the Third Licence and this Enabling Agreement will apply in practice to achieve the orderly handover of the operation of the National Lottery from the Outgoing Licensee to the Incoming Licensee on the Start Date.
- (D) The Commission has issued an Award Notification to the Successful Applicant.
- (E) This Agreement sets out the terms upon which the Incoming Licensee commits to implement the Application and the timing and process by which the Commission will assess the Incoming Licensee's compliance with its obligations in and under this Agreement and, if satisfied, will grant a licence to the Incoming Licensee pursuant to section 5 of the Act.
- (F) This Agreement also requires the Incoming Licensee to cooperate with the Outgoing Licensee and the Commission for the Purpose of Cooperation, and to do certain things with respect to the:
 - (i) transfer of assets, liabilities, rights and obligations from the Outgoing Licensee to the Incoming Licensee;
 - (ii) transition of operation and control from the Outgoing Licensee to the Incoming Licensee;

- (iii) provision of transition assistance services by the Outgoing Licensee to the Incoming Licensee; and
- (iv) cooperation by the Incoming Licensee with the Outgoing Licensee and with the Commission,

in each case to enable the transfer as a going concern of the business or relevant part of the business of providing the National Lottery and the orderly handover of control of the operation of the National Lottery to the Incoming Licensee and to enable the Outgoing Licensee to cease running the National Lottery and the Incoming Licensee to commence running the National Lottery (the "**Operator Transfer**").

- (G) The Incoming Licensee is today also executing a deed of adherence to the Cooperation Agreement.
- (H) Governance matters which relate to Implementation and the Purpose of Implementation will be dealt with by the Incoming Transition Governance Board in accordance with the terms of this Agreement. Governance matters which relate to the Operator Transfer and the Purpose of Cooperation will be dealt with by the Joint Transition Governance Board in accordance with the terms of the Cooperation Agreement.

OPERATIVE TERMS:

1. DEFINITIONS AND INTERPRETATION

This Agreement will be interpreted in accordance with Schedule 1.

2. GRANT OF NEW LICENCE

2.1 Where clause 26.6(a) requires it to do so, and subject to clauses 2.5 and 2.6, the Commission will grant the New Licence to the Incoming Licensee, and the Incoming Licensee will accept the New Licence, and run the National Lottery in accordance with its terms, on and with effect from the Start Date.

2.2 Subject to clause 2.3, the New Licence will be in the form of the Draft Licence.

2.3 The Commission may:

- (a) amend Condition 3.1 of the Draft Licence (and make any consequential amendments to other Conditions or Schedules of the Draft Licence) to reflect any change to the Start Date which is determined in accordance with clause 22.2(a) or clause 26.6(b);
- (b) vary any other condition of the Draft Licence prior to the Start Date in the same manner as if section 8 of the Act applied to such variation; and
- (c) consider, as if section 8 of the Act applied, any request or proposal from the Incoming Licensee to the effect that the Draft Licence should be varied.

2.4 The Incoming Licensee:

- (a) acknowledges the contents of the Commission's Regulatory Handbook and all other guidance and codes of practice published by the Commission from time to time which are or may be applicable to the operation of the National Lottery on and from the Start Date; and

- (b) as part of Implementation as required by clause 3.1, must adopt and implement all strategies, processes, policies and procedures in sufficient time to ensure that it will run the National Lottery on and from the Start Date in compliance with the New Licence including, where required by the New Licence, by reference to the Commission's Regulatory Handbook and any applicable guidance or codes of practice published by the Commission; and
- (c) where the Commission's Regulatory Handbook indicates that Regular Reporting is required at certain intervals or milestones during a Licence Year, prior to the Start Date, the Commission will consult with, and take reasonable account of any representations from the Incoming Licensee as to the dates on which such Regular Reporting will take place during Licence Year 1.

2.5 The Commission will grant the New Licence to the Incoming Licensee:

- (a) subject to the terms of this Agreement and the Act, at such location and time as the Commission may determine; and
- (b) subject to the Commission being satisfied, at the time of grant, that the Incoming Licensee is a fit and proper person to run the National Lottery.

2.6 Clause 2.1 shall be subject to any law, direction or legal proceeding which prevents or delays the Commission granting the New Licence to the Incoming Licensee.

3. **IMPLEMENTATION AND COOPERATION**

3.1 The Incoming Licensee must implement and comply with each of:

- (a) the Application;
- (b) the Cooperation Agreement;
- (c) the Incoming Transition Plan;
- (d) the Transfer Plan;
- (e) the Continuing Obligations Plan; and
- (f) the Statement of Transition Assistance Services,

and prepare to run the National Lottery so it will comply with the New Licence with effect from the Start Date. Schedule 2 sets out actions that the Incoming Licensee must take in this regard, and timescales associated with those actions by reference to the Key Dates.

3.2 The Incoming Licensee must comply with all Implementation Directions and Cooperation Directions given by the Commission.

3.3 To the extent that any Implementation Direction given by the Commission requires the Incoming Licensee to do any thing which is materially different from any thing which it would be required by this Agreement to do in the absence of such Implementation Direction, all reasonable costs incurred by the Incoming Licensee in complying with such requirement shall be Recoverable Implementation Costs if these costs meet the criteria set out in clause 28.1(a) and 28.1(b).

3.4 The Incoming Licensee must:

- (a) co-operate with the Outgoing Licensee and with the Commission its representatives and advisors and such other persons as the Commission may specify, as may be required to achieve the Purpose of Cooperation; and
- (b) not take any action or steps (or omit to take any action or steps) which has or have the effect, directly or indirectly, of preventing, prejudicing or frustrating the Purpose of Cooperation.

3.5 The Incoming Licensee must make appropriately skilled, qualified and experienced employees available to attend such meetings with the Commission and the Outgoing Licensee and/or any other relevant parties as are reasonably necessary to achieve the Purpose of Implementation and the Purpose of Cooperation (as applicable).

4. **INCOMING LICENSEE AS THE RESERVE APPLICANT**

Where:

- (a) prior to the execution of this Enabling Agreement, the Incoming Licensee was designated as the Reserve Applicant pursuant to the Deed of Commitment; and
- (b) pursuant to clause 20.3 of the Cooperation Agreement, any changes are made to Schedule 2 of the Cooperation Agreement,

that Schedule 2 as so modified shall, immediately as such changes take effect under the Cooperation Agreement, apply in substitution for Schedule 2 of this Agreement.

5. **INCOMING TRANSITION PLAN**

The Incoming Licensee must:

- (a) ensure that each of:
 - (i) the Incoming Transition Plan;
 - (ii) the Proposed Incoming Transition Plan; and
 - (iii) the Proposed Final Incoming Transition Plan,are at all times consistent with the Purpose of Implementation and (unless approved by the Commission in accordance with clause 7) the Application;
- (b) develop and, in accordance with clause 7, update the Incoming Transition Plan on an ongoing basis in consultation with the Commission and the Outgoing Licensee to ensure that it accurately reflects the Application and that the Incoming Licensee can continue to meet its obligations under this Agreement;
- (c) comply with the Incoming Transition Plan Obligations set out in Schedule 3 to achieve the Purpose of Implementation;
- (d) set out actions that the Incoming Licensee must take in relation to Implementation and timescales associated with those actions by reference to the Key Dates;
- (e) ensure that each version of the Incoming Transition Plan from and including the Initial Incoming Transition Plan includes the Joint Action Plan; and
- (f) comply with its obligations under the Cooperation Agreement.

6. INITIAL INCOMING TRANSITION PLAN

- 6.1 The Successful Applicant submitted a Proposed Incoming Transition Plan to the Commission as part of the Application.
- 6.2 No later than the First Information Date, the Incoming Licensee must provide to the Outgoing Licensee (with a copy to the Commission) the Proposed Incoming Transition Plan.
- 6.3 The Incoming Licensee must cooperate with the Outgoing Licensee in accordance with the terms of the Cooperation Agreement in order to:
- (a) agree amendments to the Proposed Incoming Transition Plan such that, when implemented together with the Outgoing Transition Plan, the Incoming Transition Plan will achieve the Purpose of Cooperation; and
 - (b) agree a Joint Action Plan to be included in each of the Initial Incoming Transition Plan and the Initial Outgoing Transition Plan.
- 6.4 Once the Initial Incoming Transition Plan has been agreed in accordance with the Cooperation Agreement, the Incoming Licensee must take all steps and actions set out in the Initial Incoming Transition Plan (including the Joint Action Plan, and as updated from time to time in accordance with the process set out in the Cooperation Agreement) within the timeframes envisaged by the Initial Incoming Transition Plan.
- 6.5 If the Incoming Licensee proposes to make any changes to the Incoming Transition Plan (including the Proposed Incoming Transition Plan), it must submit a Change Proposal in accordance with clause 7. The Incoming Licensee may not propose or agree any changes to the Incoming Transition Plan which shall have the effect of materially changing the Application.

7. CHANGE PROPOSALS

- 7.1 Subject to clause 7.2, if the Incoming Licensee considers that it is necessary to deviate from the Application (including any document included in, or appended to, the Application), to change the Incoming Transition Plan, or to change or vary any other document or matter approved or agreed under this Agreement, it must submit a Change Proposal to:
- (a) any relevant Operational Committee for review in accordance with the relevant Terms of Reference; and
 - (b) the Incoming Transition Governance Board for review and approval in accordance with the relevant Terms of Reference and the change set out in the Change Proposal will take effect if and when that Change Proposal is approved by the Incoming Transition Governance Board.
- 7.2 No Change Proposal submitted by the Incoming Licensee may, either alone or together with any previously approved changes, represent any material deviation from the Application save to the extent that such change will, on and from the Start Date, enable the Incoming Licensee better to fulfil the requirements of the New Licence.
- 7.3 Any proposed change to the Incoming Transition Plan which relates to the Purpose of Cooperation, or to the Joint Action Plan included in the Incoming Transition Plan, will be

considered (and, where appropriate, approved) by the Joint Transition Governance Board in accordance with clause 5 of the Cooperation Agreement.

8. CONTINUING OBLIGATIONS

8.1 The Commission may specify Continuing Obligations which the Incoming Licensee must, on and from the Start Date, discharge in an orderly and timely manner.

9. FIT AND PROPER CHECKS

9.1 On or before the First Initial Checkpoint, and at least once in every six month period thereafter, the Incoming Licensee must provide to the Commission an up to date chart accurately setting out the legal and beneficial ownership, the organisation and management of the Incoming Licensee.

9.2 On or before the First Initial Checkpoint, the Incoming Licensee must provide to the Commission:

- (a) full details (as set out in the Information for Applicants on Fit and Proper Checks) of any Critical Function Employee or member of Transition Staff who has been identified by the Incoming Licensee in the Application as a person who falls within such a category but has not been confirmed as being Fit and Proper by the Commission prior to the date of this Agreement; and
- (b) all such other information as the Commission may require in relation to such persons.

9.3 On or before the Second Initial Checkpoint, the Incoming Licensee must confirm to the Commission and the Outgoing Licensee which of the persons it has identified as a member of Transferring Licensee Staff it intends will, on or following the Start Date, be a Lottery Supervisor or a Critical Function Employee.

9.4 From the Second Initial Checkpoint to the Start Date, the Incoming Licensee must notify the Commission as soon as possible if it identifies:

- (a) any additional person who is proposed to be, or will be at the Start Date, a Lottery Beneficiary, Lottery Supervisor or Critical Function Employee;
- (b) any additional person who is proposed to be a member of Transition Staff;
- (c) any:
 - (i) new or changed information; or
 - (ii) information which, when originally provided to the Commission, was not accurate or complete,

about any person who is, or is proposed to be, a Lottery Beneficiary, Lottery Supervisor, Critical Function Employee or member of Transition Staff, where that information might be relevant to an assessment of whether that person meets the Fit and Proper Requirements,

in which case the Incoming Licensee must provide to the Commission the full details of such person, and all such other information as the Commission may require in relation to such person.

- 9.5 Where:
- (a) information is provided to the Commission in relation to any person in accordance with clause 9.4; and
 - (b) the Commission undertakes a further Fit and Proper Check in relation to that person, based on the information provided in accordance with clause 9.4(c)(ii),
- the Incoming Licensee shall promptly reimburse the costs incurred by the Commission in carrying out that additional Fit and Proper Check in relation to such person.
- 9.6 If it is necessary for a person to start work as a member of Transition Staff before the Commission has confirmed that such person is Fit and Proper the Incoming Licensee may, provided that it has no reason to consider that such person does not meet the Fit and Proper Requirements, appoint that person as a member of Transition Staff on a provisional basis pending completion of those requirements, but must:
- (a) promptly notify the Commission that the member of Transition Staff has started work prior to the completion of the necessary Fit and Proper Checks; and
 - (b) ensure that such member of Transition Staff is:
 - (i) adequately supervised by a person who meets the Fit and Proper Requirements; and
 - (ii) prevented from accessing sensitive information, the disclosure of which might damage the interests of Participants, returns to good causes or the National Lottery more generally.
- 9.7 On or before the Second Readiness Date, the Commission will notify the Incoming Licensee of the names of any person who it is proposed will be a Lottery Beneficiary, Lottery Supervisor or Critical Function Employee who has been identified to the Commission by the Incoming Licensee but in respect of whom the Commission has not, at the Second Readiness Date, completed its Fit and Proper Checks.
- 9.8 In respect of each proposed Lottery Beneficiary or Lottery Supervisor notified to the Incoming Licensee in accordance with clause 9.7:
- (a) the Commission will continue to assess the fitness and propriety of that person and will notify the Incoming Licensee once its Fit and Proper Checks have been successfully completed; and
 - (b) the Incoming Licensee may not permit such person to become a Lottery Beneficiary or a Lottery Supervisor until the Commission has confirmed that its Fit and Proper Checks have been successfully completed in accordance with clause 9.8(a).
- 9.9 In respect of each proposed Critical Function Employee notified to the Incoming Licensee in accordance with clause 9.7:
- (a) the Commission will continue to assess the fitness and propriety of that Critical Function Employee and will notify the Incoming Licensee once its Fit and Proper Checks have been successfully completed; and

- (b) on and from the Start Date until the date on which the Incoming Licensee receives notice from the Commission in accordance with clause 9.9(a) that the Commission has completed its Fit and Proper Checks in respect of that proposed Critical Function Employee, the Incoming Licensee must implement the policies, processes and procedures envisaged by Condition 7.6(b)(i) to (iii) of the New Licence in respect of that proposed Critical Function Employee.

10. PROTECTION FOR PARTICIPANT FUNDS

- 10.1 No later than the First Information Date, the Incoming Licensee must provide to the Commission a copy of the Trust Implementation Agreement in the Approved Form executed by the Incoming Licensee and the Trustee.
- 10.2 Following its execution in accordance with clause 10.1, the Trust Implementation Agreement will be a Designated Lottery Subcontract and any proposed amendments to that agreement must be notified to the Commission in accordance with clause 13.10.
- 10.3 The Incoming Licensee must include details of its progress in meeting the milestones for:
 - (a) execution of the Trust Deed and Account Bank Agreement, in each case in the Approved Form;
 - (b) establishment of the Approved Accounts;
 - (c) adoption and implementation of the Protection Policies in the Approved Form including the establishment of the Protection Criteria; and
 - (d) any other matter relating to the establishment of the Trust Arrangements set out in the Trust Implementation Agreement,

in the reports it submits to the Commission in accordance with clause 18.1. Where any such details include any issue, fact, matter or circumstance which is, or which creates, a material risk that the Trust Arrangements will not be fully and adequately implemented by the Start Date, this will be an Implementation Issue.

- 10.4 During the Implementation Period, the Incoming Licensee must notify the Commission promptly upon becoming aware of any:
 - (a) new or changed information; or
 - (b) information which, when originally provided to the Commission, was not accurate or complete,

about the Trustee or the Account Bank, where that information might be relevant to an assessment of whether that person meets the Trustee Requirements or the Account Bank Requirements, in which case the Incoming Licensee must provide to the Commission the full details of that information, and all such other additional information as the Commission may require.

- 10.5 If at any time during the Implementation Period the Commission is no longer satisfied that either or both of the Trustee or the Account Bank meet (or will on the Start Date meet) the Trustee Requirements or the Account Bank Requirements (as applicable), the Incoming Licensee shall on direction from the Commission, take any of the following steps as may be specified by the Commission:

- (a) ensure that the Trustee or Account Bank (taking account of any requirements of the Commission) take such remedial steps as may be necessary to ensure that they continue (and will continue on the Start Date) to meet the Trustee Requirements or the Account Bank Requirements (as applicable);
- (b) implement additional safeguards or other protections (taking account of any requirements of the Commission) to ensure that no Matter to be Protected is, or will be, harmed by the failure of the Trustee to meet the Trustee Requirements or the Account Bank to meet the Account Bank Requirements (as applicable);
- (c) identify alternative providers of trustee services or account banking services which would meet the Trustee Requirements or the Account Bank Requirements (as applicable; and/or
- (d) terminate the appointment of the Trustee or the Account Bank (as applicable) and appoint a Replacement Trustee or a Replacement Account Bank who has been approved by the Commission by serving a Trustee Replacement Notice or an Account Bank Replacement Notice.

10.6 The Incoming Licensee must ensure that neither the Trustee nor the Account Bank resigns from its position or ceases to provide the services required to be provided by it under the relevant Trust Documents until a Replacement Trustee or Replacement Account Bank (as applicable) has been appointed and the relevant arrangements have been transferred to it.

10.7 If a Trustee Replacement Notice or an Account Bank Replacement Notice has been served by the Incoming Licensee during the Implementation Period:

- (a) if the Trust Arrangements (or any relevant part of them) are being transferred to a Replacement Trustee, the Incoming Licensee must itself cooperate, and must do everything it can to ensure the Trustee and the Replacement Trustee cooperates with each other;
- (b) if the Trust Arrangements (or any relevant part of them) are being transferred to a Replacement Account Bank, the Incoming Licensee must itself cooperate, and must do everything it can to ensure that each of the Trustee, the Account Bank and the Replacement Account Bank cooperates with each other,

in each case to ensure that the Trust Arrangements can be transferred with the minimum of disruption and that there is no damage to any of the Matters to be Protected.

10.8 If the Incoming Licensee intends to promote and operate the EuroMillions Game(s), prior to the Start Date the Incoming Licensee must:

- (a) enter into the EuroMillions Trust Documents;
- (b) establish any accounts and take any other steps in such manner and at such time as is necessary to enable the promotion and operation of the EuroMillions Game(s), as required by the Trust Documents and the EuroMillions Trust Documents,

in accordance with a timetable to be agreed between the Incoming Licensee, the Trustee and the EuroMillions Trustee.

11. **S6 LICENCES**

- 11.1 In the Application, the Incoming Licensee set out details of the Games it proposed to make available to Participants:
- (a) on and from the Start Date, including any Continuing Game (the “**Start Date Committed Games**”); and
 - (b) during the first Licence Year of the Term (the “**First Year Committed Games**”), together with, in the case of each such Game, its best estimate of the period of time following the award of a licence under section 6 of the Act in respect of such Game which would be necessary for the Incoming Licensee to successfully launch that Game (the “**CG Implementation Timetable**”).
- 11.2 On or before the First Initial Checkpoint, the Commission shall, in respect of each Committed Game, provide to the Incoming Licensee a proposed timetable for:
- (a) the submission by the Incoming Licensee to the Commission of applications under section 6 of the Act in respect of that Committed Game; and
 - (b) the consideration and, if the relevant criteria are met, approval of such applications by the Commission,
- (the “**CG S6 Application Timetable**”).
- 11.3 Following consultation with the Incoming Licensee, on or before the First Scope Date, the Commission shall provide to the Incoming Licensee a revised version of the CG S6 Application Timetable. Changes to the CG S6 Application Timetable may be made at the direction of, or with the consent of, the Commission.
- 11.4 In respect of each Committed Game, the Incoming Licensee must submit to the Commission an application under section 6 of the Act:
- (a) no later than the Start Date and, if earlier, by a date which provides sufficient time for that application to be processed and approved and for the Game to be implemented in accordance with the CG S6 Application Timetable and the CG Implementation Timetable respectively, by no later than:
 - (i) in the case of a Start Date Committed Game, the Start Date; and
 - (ii) in the case of a First Year Committed Game, the end of Licence Year 1; and
 - (b) in accordance with any other processes and procedures specified by the Commission.
- 11.5 Each application submitted by the Incoming Licensee in accordance with clause 11.4 must be accompanied by an assurance statement, certified as approved by the board of Directors of the Incoming Licensee, confirming that the Game which is the subject of such application will comply with, and is consistent with the outcomes set out in, the New Licence.

- 11.6 The Commission will review all applications received under clause 11.4 in light of its statutory duties. The Commission will use reasonable endeavours to complete that review in accordance with the CG S6 Application Timetable.
- 11.7 For the avoidance of doubt, any review of any Committed Game undertaken by the Commission during the Competition will not in any way fetter or affect the Commission's determination of any application made by the Incoming Licensee in accordance with section 6 of the Act.
- 11.8 Any proposal by the Incoming Licensee to change any of the Committed Games for the purposes of this Agreement will be a Change Proposal.
12. **ANCILLARY ACTIVITIES**
- 12.1 In the Application the Incoming Licensee has set out the details of the proposed Ancillary Activities which are material to the Application (the "**Application Ancillary Activities**").
- 12.2 On or before the First Initial Checkpoint, the Commission shall, in respect of each Application Ancillary Activity, provide to the Incoming Licensee a proposed timetable for:
- (a) the submission by the Incoming Licensee to the Commission of applications for approval by the Commission in respect of each proposed Application Ancillary Activity; and
 - (b) the consideration of such applications by the Commission,
- (the "**Ancillary Activity Timetable**").
- 12.3 Following consultation with the Incoming Licensee, on or before the First Scope Date, the Commission shall provide to the Incoming Licensee an updated version of the Ancillary Activity Timetable. Changes to the Ancillary Activity Timetable may be made at the direction of, or with the consent of, the Commission.
- 12.4 The Incoming Licensee must submit to the Commission an application in respect of any such Ancillary Activity in accordance with the Ancillary Activity Timetable.
- 12.5 The Commission will review any application which it receives pursuant to clause 12.4 in light of its statutory duties. The Commission will use reasonable endeavours to complete that review in accordance with the Ancillary Activity Timetable and in sufficient time to enable the Incoming Licensee to undertake the Application Ancillary Activities (if approved by the Commission) from the Start Date.
- 12.6 For the avoidance of doubt, any review or evaluation of any proposed Application Ancillary Activity undertaken by the Commission during the Competition will not in any way fetter or affect the Commission's determination of any application made by the Incoming Licensee in accordance with this clause 12.
- 12.7 Upon request from the Incoming Licensee, the Commission may (but shall not be obliged to) consider any proposal for an Ancillary Activity which is not an Application Ancillary Activity.
- 12.8 The Commission may from time to time specify a process which the Incoming Licensee must follow if the Incoming Licensee requests that the Commission consider approving any Ancillary Activities in accordance with clause 12.7.

12.9 If the Commission approves any Ancillary Activity pursuant to this Agreement, Schedule 3 of the Draft Licence shall be amended to include the details of that activity.

13. **CONTRACTS**

13.1 In the Application, and otherwise as part of the Competition, the Incoming Licensee has provided the Commission with the details of certain Key Subcontracts (including the identity of relevant Key Subcontractors) it intends to enter into in connection with its operation of the National Lottery during the Term. On or before the First Initial Checkpoint (and after the First Initial Checkpoint, at all times prior to the Start Date and on a continuing basis) the Incoming Licensee must:

- (a) promptly notify the Commission of the details of any other Key Subcontracts it proposes to enter into during the term; and
- (b) otherwise, promptly provide any information the Commission may require in relation to any Lottery Subcontract, or category of Lottery Subcontracts,

in each case providing sufficient detail to allow the Commission to determine whether to designate that Lottery Subcontract as a Designated Lottery Subcontract.

13.2 The Incoming Licensee will not enter into any Lottery Subcontract unless:

- (a) the Commission has expressly confirmed whether or not that Lottery Subcontract will be a Designated Lottery Subcontract; or
- (b) the Incoming Licensee has provided the details and information with respect to that Lottery Subcontract in accordance with clause 13.1 and:
 - (i) where such information is provided on or before the First Initial Checkpoint, the Commission has not notified the Incoming Licensee that such Lottery Subcontract is a Designated Lottery Subcontract on or before the First Confirmation Date; or
 - (ii) otherwise, the Commission has not notified the Incoming Licensee that such Lottery Subcontract is a Designated Lottery Subcontract within 20 Business Days of receiving that information.

Once a Lottery Subcontract has been confirmed as a Designated Lottery Subcontract, the provisions of clause 13.6(c) and 13.9 apply.

13.3 On or before the Second Initial Checkpoint, the Incoming Licensee must provide to the Commission its Proposed Required Standard Terms.

13.4 On or before the First Confirmation Date the Commission will notify the Incoming Licensee of any amendments which are required to be made to the Proposed Required Standard Terms in order to ensure that such terms fulfil the outcomes set out in Condition 21.4 of the Draft Licence.

13.5 If the Incoming Licensee:

- (a) accepts the amendments notified to it in accordance with clause 13.4, the Proposed Required Standard Terms shall be updated to include such amendments and such terms shall be in the Approved Form; or

- (b) does not agree with any amendment notified to it in accordance with clause 13.4, the matter shall be referred to the Incoming Transition Governance Board. The Incoming Transition Governance Board shall determine the Approved Form of the Proposed Required Standard Terms.
- 13.6 In respect of each Lottery Subcontract which is required to be in place prior to, or with effect from, the Start Date in order for the Incoming Licensee to implement the Application, the Incoming Licensee must:
- (a) ensure that each Lottery Subcontract (including those Lottery Subcontracts to which the Incoming Licensee is not a party) protects the Matters to be Protected;
 - (b) subject to clause 13.8, do everything it can to ensure that each Lottery Subcontract includes the Required Standard Terms;
 - (c) where such Lottery Subcontract is a Designated Lottery Subcontract, ensure that such contract has been provided to the Commission in accordance with clause 13.9, and that it contains any amendments specified by the Commission in accordance with clause 13.9(b) (and no other changes) before it is executed by the Incoming Licensee and the relevant contract counterparty; and
 - (d) ensure that before the Second Readiness Date each Lottery Subcontract is executed by the Incoming Licensee and any relevant contract counterparties and either is in effect, or will be in effect on and from the Start Date
- 13.7 The Incoming Licensee may identify to the Commission any Lottery Subcontracts which it proposes to be categorised as Minor Lottery Subcontracts, being a Lottery Subcontract which:
- (a) is:
 - (i) not important for the continuous operation of the National Lottery;
 - (ii) capable of being easily and promptly replaced, if necessary, by the Incoming Licensee entering into a replacement Lottery Subcontract with another provider; or
 - (b) the Lottery Subcontract does not otherwise have to include some or all of the Required Standard Terms.

The Incoming Licensee must provide any information or supporting documentation the Commission may require in order to allow it to consider whether any Lottery Subcontract meets the criteria described in (a) and (b) above.

- 13.8 Any Lottery Subcontract which the Commission confirms in writing to the Incoming Licensee may be categorised as a Minor Lottery Subcontract in accordance with clause 13.7 does not need to include the Required Standard Terms.
- 13.9 In respect of each Designated Lottery Subcontract or Related Party Arrangement, the Incoming Licensee must:
- (a) notify the Commission at least 20 Business Days before it intends to finalise or enter into a Designated Lottery Subcontract or Related Party Arrangement (as the case may be), providing the Commission with a copy of such contract and any further details the Commission may require;

- (b) where the Commission specifies any amendments which must be made to that Designated Lottery Subcontract or Related Party Arrangement (as the case may be) during the 20 Business Day period referred to in clause 13.9(a), only enter into that Designated Lottery Subcontract or Related Party Arrangement (as the case may be) if it contains the amendments specified by the Commission (and no other changes); and
- (c) not enter into such Designated Lottery Subcontract or Related Party Arrangement (as the case may be) if the Commission directs that it should not do so.

13.10 After a Designated Lottery Subcontract or Related Party Arrangement (as the case may be) has been entered into by the Incoming Licensee in accordance with clause 13.9, the Incoming Licensee must notify the Commission if it, any Licensee Subsidiary or (where the Incoming Licensee or any Licensee Subsidiary is not a party to the Designated Lottery Subcontract or Related Party Arrangement) a Lottery Subcontractor, intends to amend a Designated Lottery Subcontract or Related Party Arrangement (as the case may be), the Incoming Licensee must:

- (a) notify the Commission at least 20 Business Days before the amendment; and
- (b) not agree, and must procure that no Licensee Subsidiary or Lottery Subcontractor (if applicable) agrees, to the amendment of the Designated Lottery Subcontract or Related Party Arrangement (as the case may be) unless the amendment is in the form notified to the Commission, subject only to any changes specified by the Commission during the 20 Business Day period referred to above (and no other changes).

14. **CO-BRANDING APPLICATIONS**

- 14.1 If, after the Start Date, the Incoming Licensee proposes to use the National Lottery Brand together with another brand, company, business name or identity, in a way which would, without the Commission's prior approval, be a breach of Condition 13.2 of the New Licence, the Incoming Licensee must apply to the Commission requesting approval for such use, providing full details of the brand, company, or business name which it is proposed would be associated with the National Lottery Brand, and details of how the Incoming Licensee intends to use such co-branding (a "**Co-Branding Application**").
- 14.2 The Incoming Licensee must provide such further information as the Commission may require in relation to its Co-Branding Application.
- 14.3 Where the Incoming Licensee proposes that the use or association described in any Co-Branding Application will be used with effect from the Start Date, the Incoming Licensee must submit its Co-Branding Application to the Commission for consideration no later than the First Final Checkpoint.
- 14.4 If the Commission approves a Co-Branding Application, such approval will constitute the advance approval of the Commission, for the use of the National Lottery Brand as described in the Co-Branding Application, in accordance with Condition 13.2(b) of the New Licence. If the Commission's approval is subject to certain conditions, the Incoming Licensee must comply with those conditions when using the National Lottery Brand as described in the Co-Branding Application.

15. **THIRD PARTY APPROVALS**

- 15.1 The Incoming Licensee warrants and undertakes that the only approvals, consents, licences or authorisations required by it from any person other than Commission in order to run the National Lottery in accordance with the Application are the Required Third Party Approvals.
- 15.2 Unless otherwise agreed with the Commission, the Incoming Licensee must obtain all Required Third Party Approvals on or before the Second Final Checkpoint.

16. **COMMISSION APPROVALS**

- 16.1 The documents attached in Appendix 2 were submitted to the Commission by the Successful Applicant during the Competition and are in the Approved Form.
- 16.2 The Incoming Licensee must obtain the Commission's approval prior to the First Readiness Date that each of the documents listed in Part A and Part B of Schedule 4 is in the Approved Form. For this purpose, the Incoming Licensee must provide copies of all such documents and full written details of all such matters to the Commission on or before the Final Information Date.
- 16.3 Any proposal by the Incoming Licensee to change any document or matter which has been approved by the Commission as referred to in clause 16.1 or 16.2 will be a Change Proposal.

17. **AVAILABILITY OF RESOURCES**

- 17.1 The Application included copies of legally binding Finance Agreements along with a description of any conditions contained in those Finance Agreements, including by reference to the Key Dates at which, assuming the relevant conditions are satisfied, each Finance Agreement would become unconditional and funds would be advanced to the Incoming Licensee.
- 17.2 Immediately prior to entering into this Agreement, the Incoming Licensee submitted a Resource Availability Assurance Statement (as defined in clause 17.5 below) to the Commission, and confirmed that the Finance Agreements submitted to the Commission with the Application were:
- (a) to the extent the same were stated in the Application to become unconditional following receipt of the Award Notification, unconditional;
 - (b) to the extent the same were stated in the Application to be subject to a condition as to receipt of the Award Notification but also subject to certain other conditions relating to the process of Implementation, unconditional as to the Award Notification and otherwise conditional only to the extent specified in the Application ("**Continuing Implementation Conditions**").
- 17.3 The Incoming Licensee must:
- (a) promptly confirm to the Commission, by reference to the information provided in the Application as described in clause 17.1, when a Continuing Implementation Condition has been fulfilled;

- (b) prior to the Start Date, not make, or permit to be made, any amendment to the terms of any Finance Agreement without the prior written consent of the Commission; and
- (c) promptly notify the Commission if:
 - (i) it is reasonably likely that a Continuing Implementation Condition will not be met within the timeframe described in the Application;
 - (ii) it receives notice from any lender under a Finance Agreement that there has been an event of default (or a potential event of default) under that Finance Agreement; and/or
 - (iii) notice has been served by a party to the Finance Agreement terminating, or purporting to terminate, that agreement.

The Finance Agreements submitted to the Commission with its Application (including any amendments approved by the Commission), and any Finance Agreement approved by the Commission during the Implementation Period (if applicable) will be the Approved Form Finance Agreements for the purposes of Condition 5.4 of the New Licence.

17.4 The Incoming Licensee must ensure that the Resource Availability Commitments remain true at all times throughout the Implementation Period.

17.5 The Incoming Licensee must submit to the Commission an assurance statement, certified as approved by the Board of Directors of the Incoming Licensee, confirming that the Resource Availability Commitments are true as at the date of the statement (a “**Resource Availability Assurance Statement**”):

- (a) no more than five Business Days following the end of each month, or at less frequent intervals if directed by the Commission;
- (b) five Business Days before:
 - (i) the First Confirmation Date; and
 - (ii) the Final Confirmation Date; and
- (c) as otherwise requested by the Commission,

unless at that time there is an Actual Resource Shortfall and the Incoming Licensee is complying with clause 17.7.

17.6 The “**Resource Availability Commitments**” are that:

- (a) the Incoming Licensee has and (to the best of its knowledge and belief) will have, sufficient financial and operational resources to implement the Application and the Incoming Transition Plan and prepare to run the National Lottery (including to pay all costs actually incurred or accrued by the Incoming Licensee in connection with Implementation as they fall due) so it will comply with the New Licence with effect from the Start Date;
- (b) each of the Implementation Financial Covenants are complied with; and
- (c) the Implementation Contingency Protections are in place.

- 17.7 The Incoming Licensee must promptly notify the Commission if any fact, matter or circumstance means that any of the Resource Availability Commitments are untrue (an **“Actual Resource Shortfall”**), providing all relevant details (an **“Actual Resource Shortfall Notice”**) and:
- (a) within 10 Business Days of the date of an Actual Resource Shortfall Notice, the Incoming Licensee must provide to the Commission a detailed plan setting out the steps the Incoming Licensee will take to promptly remedy the Actual Resource Shortfall (an **“Actual Resource Shortfall Remediation Plan”**);
 - (b) the Incoming Licensee must implement any Actual Resource Shortfall Remediation Plan, and must provide weekly updates to the Commission on its progress in remedying the Actual Resource Shortfall;
 - (c) the Commission may, from time to time, provide comments to the Incoming Licensee on the Actual Resource Shortfall Remediation Plan and the steps being taken to implement it, and the Incoming Licensee must take account of such comments;
 - (d) if, following implementation of the Actual Resource Shortfall Remediation Plan, the Actual Resource Shortfall ceases to exist and as a result the Resource Availability Commitments cease to be untrue:
 - (i) the Incoming Licensee must notify the Commission (including a Resource Availability Assurance Statement); and
 - (ii) the provisions of (a) to (c) above will cease to apply with respect to the Actual Resource Shortfall.
- 17.8 The Incoming Licensee must promptly notify the Commission if it becomes aware of any fact, matter or circumstance which creates a material risk that any of the Resource Availability Commitments may become untrue (a **“Potential Resource Shortfall”**), providing all relevant details of the Potential Resource Shortfall including the reasons why there is a material risk that the Resource Availability Commitments may become untrue (**“Potential Resource Shortfall Notice”**) and:
- (a) within 10 Business Days of the date of a Potential Resource Shortfall Notice, the Incoming Licensee must provide to the Commission a detailed plan setting out the steps the Incoming Licensee will take to promptly address the Potential Resource Shortfall to ensure that it does not become an Actual Resource Shortfall (a **“Potential Resource Shortfall Remediation Plan”**);
 - (b) the Incoming Licensee must implement the Potential Resource Shortfall Remediation Plan, and must provide weekly updates to the Commission on its progress in addressing the Potential Resource Shortfall to ensure that it does not become an Actual Resource Shortfall; and
 - (c) the Commission may, from time to time, provide comments to the Incoming Licensee on the Potential Resource Shortfall Remediation Plan and the steps being taken to implement it, and the Incoming Licensee must take account of such comments;
 - (d) if, notwithstanding compliance with (a) to (c) above, the Potential Resource Shortfall becomes an Actual Resource Shortfall, clause 17.7 above will apply; and

- (e) if, following implementation of the Potential Resource Shortfall Remediation Plan, there ceases to be a Potential Resource Shortfall such that there is no longer a material risk that the Resource Availability Commitments may become untrue:
 - (i) the Incoming Licensee must notify the Commission (including a Resource Availability Assurance Statement); and
 - (ii) the provisions of (a) to (d) above will cease to apply with respect to the Potential Resource Shortfall in question.

17.9 Upon occurrence of an Actual Resource Shortfall or a Potential Resource Shortfall (or such later date as the Commission will direct), if directed by the Commission, the Incoming Licensee must not:

- (a) pay any dividends or make any other distribution to its shareholders, including the distribution of any tax losses;
- (b) and must (if directed by the Commission) ensure that any Licensee Subsidiary does not, make any payments under a Related Party Arrangement, other than payments owed under arrangements which are necessary for the Purpose of Implementation and are on arm's length terms; and
- (c) make any payment to repay any debt, or interest on any debt, owed by the Incoming Licensee under any Finance Agreement between the Incoming Licensee and a Connected Party of the Incoming Licensee.

17.10 Where the restrictions set out in clause 17.9 above apply, the Incoming Licensee must comply with them until the Commission notifies the Incoming Licensee in writing that those restrictions cease to apply.

17.11 A failure by the Incoming Licensee to comply with its obligations under clauses 17.5, 17.7, 17.8 or 17.9 will be a material breach of this agreement.

18. **MONITORING IMPLEMENTATION AND IMPLEMENTATION ISSUES**

18.1 The Incoming Licensee must:

- (a) provide reports to the Commission weekly (or at such other frequency as the Commission may specify in writing) containing sufficient detail (including such detail as the Commission may specify) regarding progress in Implementation in accordance with the timetable specified in the Incoming Transition Plan as may be necessary for the Commission to assess such progress;
- (b) notify an Operational Committee (where applicable) and the Incoming Transition Governance Board of any:
 - (i) Implementation Issue which may arise; or
 - (ii) any fact, matter or circumstance which creates a material risk that any Implementation Issue may arise,

in accordance with clause 19.5;

- (c) do everything necessary to enable the Commission to conduct Implementation Reviews when required by the Commission;

- (d) on reasonable prior notice, provide the Commission with access to:
 - (i) all premises of the Incoming Licensee;
 - (ii) such books, records, reports or other documents or information and such employees of the Incoming Licensee,

in each case as may be required from time to time by the Commission for the purposes of assessing Implementation.

18.2 If, following any Implementation Review, the Commission makes any recommendations to the Incoming Licensee regarding Implementation, the Incoming Licensee will consider those recommendations in good faith and provide promptly a written response setting out the steps it will take (if any) to address those recommendations.

18.3 If:

- (a) the Incoming Licensee notifies the Commission of any Implementation Issue, or fact, matter or circumstance which creates a material risk that any Implementation Issue may arise in accordance with clause 18.1(b); and

(b)

- (i) an Implementation Review:
 - (1) determines that such issue, fact, matter or circumstance creates a material risk that the Incoming Licensee will commit a material breach of this Agreement;
 - (2) makes any recommendations as to steps the Incoming Licensee should take in order to avoid such material breach occurring; and
- (ii) the Incoming Licensee fails promptly to implement such recommendations,

the Incoming Licensee shall be in material breach of this Agreement.

19. **GOVERNANCE**

19.1 The Incoming Transition Governance Board will:

- (a) oversee and review Implementation and the operation of this Agreement; and
- (b) review and confirm all significant milestones (including achievement against agreed service and delivery acceptance criteria and anticipated performance against those milestones) under the Incoming Transition Plan.

19.2 The Incoming Licensee will ensure that it fully participates in the Incoming Transition Governance Board which will meet at least fortnightly, or with such other frequency as may be specified from time to time by the Commission.

19.3 Where this Agreement refers to a decision or approval by the Incoming Transition Governance Board:

- (a) the parties shall ensure that the members of the Incoming Transition Governance Board discuss the matter in good faith; and

- (b) to the extent that, within a reasonable period of time specified by the Commission, the members of the Incoming Transition Governance Board have not reached unanimous agreement on the relevant matter, the members of the Incoming Transition Governance Board appointed by the Commission may determine the decision of the Incoming Transition Governance Board.

19.4 The parties will also operate from time to time such Operational Committees as the Commission may specify, each of which:

- (a) will have such membership, remits and responsibilities; and
- (b) meet with such frequency,

as the Commission may specify.

19.5 If the Incoming Licensee identifies any Implementation Issue which may arise, or any fact, matter or circumstance which creates a material risk that any Implementation Issue may arise, the Incoming Licensee will ensure that:

- (a) where that issue:
 - (i) falls within the remit of an Operational Committee, it is escalated immediately to that committee which will discuss it within 2 Business Days; or
 - (ii) does not fall within the remit of an Operational Committee, it is escalated immediately to the Incoming Transition Governance Board which will discuss it at its next scheduled meeting (or earlier, if required by the Commission);
- (b) any issue which is escalated to an Operational Committee will:
 - (i) in all cases, be notified for information to the Incoming Transition Governance Board within 3 Business Days of being identified; and
 - (ii) where not resolved by that Operational Committee within 2 Business Days of being referred to it, is escalated to the Incoming Transition Governance Board which will discuss it at its next scheduled meeting (or earlier, if required by the Commission);
- (c) in all cases, promptly takes all steps open to it to rectify the Implementation Issue; and
- (d) information in relation to the rectification of any Implementation Issue must be included in the weekly update reports provided to the Commission in accordance with clause 18.1(a).

20. SECOND INITIAL CHECKPOINT

On or before the Second Initial Checkpoint, the Incoming Licensee must provide to the Commission a resolution of the board of Directors of the Incoming Licensee confirming that the board of Directors, to the best of its knowledge and belief and based on the information that is available to it at the time, considers that the Incoming Licensee:

- (a) has complied with each of its obligations under this Agreement and the Cooperation Agreement;
- (b) will have all legal, commercial and operational arrangements in place to Start on the Start Date and achieve Fully Implemented Commencement by that date and it is not aware of any Implementation Issues which would jeopardise this,

and in each case explaining the factors it has considered in reaching that conclusion.

21. FIRST FINAL CHECKPOINT

21.1 On or before the First Final Checkpoint, the Incoming Licensee must demonstrate to the Commission that the Licence Contingency Protections have been established.

21.2 Provided that the CG S6 Application Timetable has been complied with, it is intended that any approvals to be given by the Commission (in the Commission's sole discretion) in relation to a section 6 licence for any Start Date Committed Game will be communicated to the Incoming Licensee on or before the First Final Checkpoint.

22. SECOND FINAL CHECKPOINT

22.1 On or before the Second Final Checkpoint, the Incoming Licensee must:

- (a) confirm to the Commission that the Required Third Party Approvals have been obtained;
- (b) provide to the Commission a resolution of the board of Directors of the Incoming Licensee confirming that the board of Directors, to the best of its knowledge and belief and based on the information that is available to it at the time, considers that the Incoming Licensee has complied with the terms of this Agreement and that:
 - (i) the Incoming Licensee will have all legal, commercial and operational arrangements in place to Start on the Start Date and achieve Fully Implemented Commencement by that date and it is not aware of any Implementation Issues which would jeopardise this;
 - (ii) the Incoming Licensee will have all material legal, commercial and operational arrangements in place to Start on the Start Date and achieve Partially Implemented Commencement by that date; or
 - (iii) the Incoming Licensee will not have the legal, commercial and operational arrangements in place to Start on the Start Date,

and in each case explaining the factors it has considered in reaching that conclusion.

22.2 If, having considered the information provided to the Commission in accordance with this Agreement and the Cooperation Agreement and the resolution of the Incoming Licensee board of Directors provided in accordance with clause 22.1(b), the Commission concludes that the Incoming Licensee will not be able to Start on the Start Date:

- (a) without prejudice to its other remedies under this Agreement, the Commission may, in its absolute discretion, defer the Start Date; and

- (b) the Incoming Licensee must provide all information and cooperation required by the Commission, in order to enable the Commission to take such action as is necessary to fulfil its statutory duties and to ensure that there is no disruption or deterioration to the National Lottery.

23. FIRST READINESS DATE

23.1 On or before the First Readiness Date, the Incoming Licensee must provide to the Commission:

- (a) a resolution of the board of Directors of the Incoming Licensee confirming that all policies, processes, procedures and other documents, arrangements, or organisational or operational matters specified in Part C of Schedule 4 are in place in such manner as will ensure that the Incoming Licensee complies with the New Licence and the Approved Trust Arrangements on and from the Start Date;
- (b) details (including scope and timing) of the work proposed to be completed by its internal audit function during Licence Year 1;
- (c) a written confirmation from the Trustee confirming that:
 - (i) save for the matters referred to in clauses 25.1(c)(i) and 25.1(c)(ii) the Approved Trust Arrangements have been established in accordance with the Trust Documents and the New Licence; and
 - (ii) the Trustee is satisfied that appropriate arrangements are in place for the transfer of funds from the 3NL Trust to the appropriate Accounts or (as applicable) on the Start Date, without disruption to Participants;
 - (iii) copies of all Critical Access Contracts have been provided to the Trustee and the Trustee is satisfied that each such contract complies with the requirements of clause [21] (*Discharge of Obligations to Beneficiaries*) of the Trust Deed;
- (d) a written confirmation from the Account Bank confirming that the bank accounts of the Incoming Licensee and the Trustee have been established in accordance with the Trust Documents and the New Licence; and
- (e) an up to date chart accurately setting out the legal and beneficial ownership, the organisation and management of the Incoming Licensee.

24. SECOND READINESS DATE

24.1 On or before the Second Readiness Date, the Incoming Licensee must demonstrate to the Commission that:

- (a) each Approved Form Document has been adopted or, as the case may be, executed by the Incoming Licensee and any relevant contract counterparties and either is in effect, or will be in effect on and from the Start Date;
- (b) each Lottery Subcontract (other than a Designated Lottery Subcontract) identified in the Application or during the Implementation Period as a Lottery Subcontract intended to be in force from the Start Date has been executed by the Incoming Licensee and any relevant contract counterparties and either is in effect, or will be in effect on and from the Start Date; and

- (c) each Designated Lottery Subcontract which is a Lottery Subcontract and is identified in the Application or during the Implementation Period as a Lottery Subcontract intended to be in force from the Start Date has:
 - (i) been notified to the Commission and, where relevant, includes the amendments required by the Commission in each case in accordance with clause 13.9; and
 - (ii) been executed by the Incoming Licensee and any relevant contract counterparties and either is in effect, or will be in effect on and from the Start Date
- (d) in respect of any Core Lottery IP which is owned by the Incoming Licensee or its Connected Parties and, following Start, will become Core Lottery IP:
 - (i) all rights in respect of that Core Lottery IP are, to the extent capable of registration, registered in the name of and/or transferred to the Commission; and
 - (ii) the Commission has been provided with full details of how (if at all) that Core Lottery IP is associated with each applicable Committed Game; and
- (e) the Incoming Licensee is registered for Lottery Duty in accordance with applicable law and regulation.

24.2 On or before the Second Readiness Date the Incoming Licensee must provide to the Commission the details of:

- (a) the Estimated Annual Payment for Licence Year 1; and
- (b) a Weekly Payment Schedule for Licence Year 1,

in each case calculated in accordance with the Approved Form Estimation Methodology and the Approved Form Scheduling Methodology.

24.3 On the Second Readiness Date, the Incoming Licensee must provide to the Commission an assurance statement, certified as approved by the board of Directors of the Incoming Licensee, confirming that, having made all due enquiries, the Incoming Licensee has not identified any information which:

- (a) might be relevant to any assessment of whether any person who is, or is proposed to be, a Lottery Beneficiary, Lottery Supervisor, Critical Function Employee or member of Transition Staff, meets the Fit and Proper Requirements; and
- (b) has not already been notified to the Commission in accordance with this Agreement.

25. COMPLETION DATE

25.1 On the Completion Date, the Incoming Licensee must provide to the Commission:

- (a) an assurance statement, certified as approved by the board of Directors of the Incoming Licensee, confirming that the Incoming Licensee is not aware of any material information which:

- (i) might be relevant to any assessment of whether any person who is, or is proposed to be, a Lottery Beneficiary, Lottery Supervisor, Critical Function Employee or member of Transition Staff, meets the Fit and Proper Requirements; and
- (ii) has not already been notified to the Commission in accordance with this Agreement
- (b) a certified copy of a resolution of the board of Directors of the Incoming Licensee confirming that:
 - (i) the equity and debt profile of the Incoming Licensee reflects the Approved Form Equity and Debt Profile; and
 - (ii) the Incoming Licensee can enter into the New Licence and execute any documentation necessary for the Incoming Licensee to enter into the New Licence;
- (c) a written confirmation from the Trustee confirming that:
 - (i) the Final Reserve Amount has been paid into the Trust Final Reserve Account; and
 - (ii) the Security Documents have been executed by the Incoming Licensee in favour of the Trustee; and
- (d) any other document or confirmation required by the Commission.

26. FULLY OR PARTIALLY IMPLEMENTED COMMENCEMENT

26.1 If, at any time, the Incoming Licensee becomes aware that it may not achieve Fully Implemented Commencement, it must immediately notify the Commission in writing providing:

- (a) details of the manner in which Fully Implemented Commencement may not be achieved;
- (b) a statement of those steps which would, if the Commission were to:
 - (i) allow the Incoming Licensee to proceed to Start; and
 - (ii) confirm that Partially Implemented Commencement has occurred,
be Outstanding Implementation Steps, together with an assessment of dates upon which those steps would be achieved and an estimate of the costs associated with implementing those steps; and
- (c) an assessment of the impact of such non-achievement on the operation of the National Lottery in accordance with the Application on and from the Start Date.

26.2 Any notice served under clause 26.1 will be discussed by the Incoming Transition Governance Board.

26.3 On or before the Second Readiness Date, the Incoming Licensee must provide the Commission with all evidence and confirmations required by the Commission to demonstrate that the Incoming Licensee:

- (a) has implemented the Incoming Transition Plan and is otherwise ready to Start on and from the Start Date in a manner which will ensure that there is no disruption or deterioration to the National Lottery; or
- (b) that the Incoming Licensee has complied in all material respects with its obligations under this Agreement but has not fulfilled all the requirements of this Agreement in all respects.

26.4 If, on the Final Readiness Date, the Commission is satisfied that the Incoming Licensee has implemented the Incoming Transition Plan and is otherwise ready to Start on and from the Start Date in a manner which will ensure that there is no disruption or deterioration to the National Lottery, the Commission will confirm in writing that Fully Implemented Commencement shall take place, and the New Licence shall Start, on the Start Date.

26.5 If, on the Final Readiness Date:

- (a) having considered the Outstanding Implementation Steps proposed by the Incoming Licensee in accordance with clause 26.1(b), the Commission has identified certain Outstanding Implementation Steps which must be taken by the Incoming Licensee before Fully Implemented Commencement can be achieved, including a timetable within which the Outstanding Implementation Steps must be completed by the Incoming Licensee;
- (b) the Commission considers (in its absolute discretion) that it is appropriate to proceed to Start notwithstanding the existence of those Outstanding Implementation Steps; and
- (c) the Incoming Licensee has provided an undertaking (in a form satisfactory to the Commission) to promptly reimburse the Commission in respect of all costs reasonably incurred by the Commission:
 - (i) in connection with monitoring, assessing and taking all other actions in connection with the Outstanding Implementation Steps; and
 - (ii) otherwise, as a result of the fact that the Incoming Licensee has proceeded to Start notwithstanding the existence of the Outstanding Implementation Steps,

(such costs to be treated as Excluded Costs under the New Licence)
("Commission OIS Costs"),

the Commission will confirm in writing that Partially Implemented Commencement shall take place on the Start Date and the New Licence shall Start as contemplated by, and subject to, Condition 26.4 of the New Licence.

26.6 If:

- (a) pursuant to clause 26.4 or 26.5, the Commission confirms that the New Licence shall Start, the Commission shall grant the New Licence to the Incoming Licensee with effect from the Start Date; or
- (b) neither clause 26.4 and 26.5 require the Commission to confirm that the New Licence shall Start:

- (i) the Commission may determine that the Start Date shall, subject to such conditions as the Commission may specify and with which the Incoming Licensee must comply, be amended to a date specified by the Commission which is after the Expiry Date; and
- (ii) references in the Key Dates table to the “Expiry Date” shall be deemed to be replaced by references to the Start Date (as so amended).

26.7 The Incoming Licensee must enter into any document or take any other action required in order to complete the Outstanding Implementation Steps promptly following the date of the written confirmation provided by the Commission pursuant to clause 26.5, and in any event within the timetable proposed by the Commission in such confirmation.

27. RECEIPT MECHANICS

In connection with the Operator Transfer, the Incoming Licensee must undertake and implement the Receipt Mechanics, including without limitation, executing the relevant Form of Transfer Document, with respect to all Transferring Items, as set out in the Final Transfer Plan.

28. RECOVERABLE IMPLEMENTATION COSTS

28.1 “**Recoverable Implementation Costs**” will be costs which:

- (a) are:
 - (i) actually incurred, or accrued with respect to activities undertaken, during the Implementation Period by the Incoming Licensee; or
 - (ii) costs actually incurred after the Start Date which are:
 - (1) Implementation Redundancy Costs; or
 - (2) costs of undertaking any Outstanding Implementation Step;
- (b) are reasonably, properly and efficiently incurred or accrued (as applicable) in connection with Implementation; and
- (c) fall within an Implementation Cost Category provided that no additional cost will be recoverable to the extent that the aggregate cost in any Implementation Cost Category exceeds the relevant Estimated Implementation Cost.

28.2 Schedule 6 of this Agreement sets out the Incoming Licensee’s best estimates of costs (other than Implementation Redundancy Costs or the costs of undertaking any Outstanding Implementation Step) which will be:

- (a) actually incurred, or accrued with respect to activities undertaken, by the Incoming Licensee during the Implementation Period
- (b) reasonably, properly and efficiently incurred or accrued (as applicable) in connection with Implementation,

in each case allocated according to the Implementation Cost Categories (“**Estimated Implementation Costs**”).

28.3 The Incoming Licensee must provide a report no less than monthly to the Incoming Transition Governance Board setting out details of:

- (a) all costs which it considers will be Recoverable Implementation Costs;
- (b) an updated forecast of all costs which it anticipates it will incur, and will become, Recoverable Implementation Costs;
- (c) all deviations from previously provided forecasts in actual costs; and
- (d) a reconciliation of (a) to (c) above against the Estimated Implementation Costs.

28.4 If the Incoming Licensee incurs or accrues, or proposes to incur or accrue, a cost which:

- (a) does not fall within an Implementation Cost Category; and/or
- (b) when considered together with other costs incurred or accrued, and forecasted to be incurred or accrued, within an Implementation Cost Category, would exceed the Estimated Implementation Cost for that Implementation Cost Category,

the Incoming Licensee must make a Change Proposal to amend Schedule 6 in accordance with clause 7.

28.5 Any indication, or lack of indication, from the Commission (including via the Incoming Transition Governance Board) that it may consider that any cost may or may not be a Recoverable Implementation Cost is of a provisional nature only, and in all cases shall be subject to determination in accordance with clause 28.6.

28.6 Within 120 days of the date on which the Commission confirms that Fully Implemented Commencement has occurred, the Incoming Licensee must provide to the Commission a final statement setting out all costs which it proposes to be treated as Recoverable Implementation Costs and:

- (a) the Incoming Licensee must provide any additional information and evidence regarding those costs as the Commission may require; and
- (b) subject to the Incoming Licensee complying with clause 28.6(a), the Commission will, not later than 210 days following receipt of that statement, determine and confirm the final amount of the Recoverable Implementation Costs for the purposes of Schedule 5 of the New Licence.

28.7 For the purposes of clause 28.1 **“Implementation Redundancy Costs”** means the amount of any redundancy payments which the Incoming Licensee reasonably and properly incurs in connection with the redundancy of any member of Transferring Licensee Staff, or any employee of a Lottery Subcontractor who transfers to the Incoming Licensee pursuant to the Transfer Regulations (**“Transferring Lottery Subcontractor Staff”**), where:

- (a) the Incoming Licensee identifies to the Commission prior to the Start Date that it proposes (subject to all necessary consultation and other legal requirements) to make such members of Transferring Licensee Staff or members of Transferring Lottery Subcontractor Staff redundant; and
- (b) such payment is incurred by the Incoming Licensee no later than 90 days after the Start Date.

28.8 Promptly, and in any event within 10 Business Days, following each date on which:

- (a) the Incoming Licensee has identified to the Commission that it proposes to make members of Transferring Licensee Staff or members of Transferring Lottery Subcontractor Staff redundant in accordance with clause 28.7(a); or
- (b) any Outstanding Implementation Step to be implemented by the Incoming Licensee has been confirmed by the Commission in accordance with this Agreement,

the Incoming Licensee must provide to the Commission its best estimate of the Implementation Redundancy Costs or the costs of undertaking that Outstanding Implementation Step which will be reasonably, properly and efficiently incurred, which shall be the Estimated Implementation Costs associated with such activities.

29. REMEDIES AND TERMINATION

29.1 Without prejudice to the Commission's other remedies at law, if the Incoming Licensee breaches this Agreement, the Commission may require the Incoming Licensee to:

- (a) remedy the breach; and / or
- (b) take such other steps as the Commission may consider necessary and specifies to the Incoming Licensee,

in each case by such dates as the Commission may specify.

29.2 Without prejudice to the Commission's other remedies at law, if:

- (a) the Commission determines that the Incoming Licensee no longer is, or never was, a fit and proper person to run the National Lottery;
- (b) the Incoming Licensee commits a persistent or material breach of any of its obligations under this Agreement and does not promptly do such things as the Commission may require in accordance with clause 29.1 with respect to such breach;
- (c) the Commission determines that any information given to it by the Incoming Licensee was false in a material particular;
- (d) one of the grounds of insolvency specified in paragraph 3 of Schedule 3 to the Act applies to the Incoming Licensee;
- (e) the Commission determines that any Lottery Beneficiary or any Lottery Supervisor no longer is, or never was, a fit and proper person to run the National Lottery;
- (f) the Incoming Licensee does not provide, on or before the date which is 15 Business Days before the First Confirmation Date, a board resolution which complies with the requirements of clause 20;
- (g) the Start Date does not occur within 12 months of the Expiry Date, and the Commission considers that there is no realistic prospect of the Incoming Licensee being able to successfully implement the Application and Incoming Transition Plan such that it can run the National Lottery in accordance with the terms of the New Licence,

the Commission may terminate this Agreement (and the Incoming Licensee's right to be granted the New Licence) by issuing an EA Termination Notice to the Incoming Licensee.

- 29.3 The Incoming Licensee will have no rights whatsoever to terminate this Agreement.
- 29.4 Without prejudice to its other remedies at law, if the Commission determines that it is appropriate to extend the term of the Third Licence as a result of:
- (a) the Incoming Licensee failing to achieve Fully Implemented Commencement by the Start Date resulting in an extension to the Start Date in accordance with clause 26.6; and/or
 - (b) the Commission terminating this Agreement pursuant to clause 29.2,
- the Incoming Licensee must pay to the Commission an amount equivalent to the aggregate of all 3NL Extension Costs.
- 29.5 Without prejudice to clauses 29.1 to 29.4, if the Incoming Licensee is, or appears to be, in breach of this Agreement, the Commission may, in its absolute discretion take any or all of the following steps where it considers that to be appropriate:
- (a) grant the Incoming Licensee relief from any or all of its obligations under this Agreement, including by extending deadlines provided under this Agreement or the Incoming Transition Plan; and
 - (b) make an adjustment to the Estimated Implementation Costs in order to enable the Incoming Licensee to recover additional costs under Schedule 5 of the New Licence.
- 29.6 In considering how to enforce its remedies under this Agreement, or whether to take any steps pursuant to clause 29.5, the Commission shall:
- (a) wherever reasonably practicable and appropriate ensure that the matter at issue is considered by the Incoming Transition Governance Board, which shall be required to consider whether any alternative resolution of the issue may be appropriate, before the Commission enforces any remedies;
 - (b) consider any representations or evidence provided by the Incoming Licensee to the Commission regarding the cause, materiality and effect of any breach or apparent breach of this Agreement; and
 - (c) take account of the cause of any actual or apparent breach by the Incoming Licensee of this Agreement and, in particular, whether that breach has been caused or contributed to by the Outgoing Licensee or a matter, fact or circumstance outside the control of the Incoming Licensee.

30. **EXPIRY**

- 30.1 This Agreement will start immediately when it is signed by both parties and will continue until the date on which the Commission has confirmed the final amount of the Recoverable Implementation Costs for the purposes of Schedule 5 of the New Licence in accordance with clause 28.6(b), unless it is terminated before that by the Commission in accordance with clause 29.2.

30.2 Without prejudice to any pre-existing rights of either party to claim for any loss arising out of this Agreement, the expiration of this Agreement or the termination of this Agreement by the Commission in accordance with its terms shall not give rise to any liability on the part of the Commission in respect of any loss incurred by the Incoming Licensee or any third party.

31. **RELATIONSHIP WITH THE COOPERATION AGREEMENT**

If there is any conflict between the terms of this Agreement and the Cooperation Agreement, the Cooperation Agreement shall prevail, save to the extent that this Agreement expressly creates a primary obligation in relation to the matter which is the subject to that conflict, in which event this Agreement shall prevail.

32. **DISPUTES**

32.1 The parties acknowledge and agree that this Agreement is entered into pursuant to the Commission's statutory functions with respect to the grant of licences pursuant to section 5 of the Act.

32.2 If any dispute arises between the Commission and the Incoming Licensee regarding any matter relating to or arising out of this Agreement either party may notify the other of such dispute (the first such notice in respect of any matter being a "**Dispute Notice**") and:

- (a) the matter shall be discussed at the Incoming Transition Governance Board;
- (b) if the matter is not resolved by the Incoming Transition Governance Board within 10 Business Days of the Dispute Notice and the parties agree that escalation to the Chief Executives of each party would resolve the dispute, the matter shall be escalated to the Chief Executives of each party;
- (c) if the matter is:
 - (i) not referred to the Chief Executives of the parties by agreement in accordance with clause 32.2(b) within 20 Business Days of the Dispute Notice; or
 - (ii) referred to the Chief Executives of the parties but is not resolved by them within 20 Business Days of the Dispute Notice,

on the election of the Commission, the parties shall appoint a qualified mediator nominated by the Commission (following consultation with the Incoming Licensee) and shall cooperate in a mediation process determined by that mediator with a view to resolving the dispute. The parties will bear the costs of any mediation process in accordance with any recommendation of the mediator; and

- (d) if the matter is not resolved by agreement between the parties following such mediation, the Commission may make a determination regarding such matter including:
 - (i) as to whether there has been a breach of this Agreement by the Incoming Licensee;
 - (ii) any remedy with respect to any such breach

and, subject to clause 32.3, such decision shall be final and binding on the parties.

32.3 Nothing in this Agreement shall restrict, exclude or limit:

- (a) the jurisdiction of the court under section 31 of the Senior Courts Act 1981 or section 7 of the Human Rights Act 1998; or
- (b) the ability of the Commission to apply to the Courts of England and Wales for the enforcement of any remedy determined by the Commission in accordance with clause 32.2.

32.4 Any remedy of the Commission specifically set out in this Agreement is without prejudice to any other remedies of the Commission arising at law or in equity with respect to any breach of this Agreement by the Incoming Licensee.

33. **COMMISSION'S DUTIES**

Nothing in this Agreement shall in any way fetter the Commission in performing its statutory duties under the Act.

34. **ASSIGNMENT**

Neither party may assign, transfer, charge or deal in any other manner with any of its rights or obligations under this Agreement.

35. **CONFIDENTIALITY**

35.1 Without prejudice to the parties' common law duties of confidentiality, the Incoming Licensee will continue for the duration of this Agreement to be bound by, and must comply in all respects with the terms of, the Application Process Agreement signed by it in connection with the Competition.

35.2 The Commission may use, publish or disclose information provided to it pursuant to this Agreement and it may also be accessed by the NAO or other public authority.

36. **NOTICES**

36.1 Any notice, permission or other communication under or in connection with this Agreement must be in writing and in English.

36.2 Any notice will be valid and effective only if it is:

- (a) signed by or on behalf of the person giving it; and
- (b) delivered by hand or sent by recorded delivery post or by email to the relevant party to the contact address and set out in clause 36.3 (or any new address notified in accordance with clause 36.4).

36.3 The contact address for each party is:

- (a) in the case of the Commission as follows:

Address: [insert address]

Email: [insert email address]

Attention: [insert name], and

(b) in the case of the Incoming Licensee as follows:

Address: [insert address]

Email: [insert email address]

Attention: [insert name] [and

[with, in the case of notices only, a copy to [name of person on whom copy is to be served], as follows:

Address: [insert address]

Email: [insert email address]

Attention: [insert name]].

36.4 A party must give the other party reasonable advance notice of any change to the notice details set out in clause 36.3.

36.5 A notice is deemed to have been received (provided that all other requirements in this clause 36 have been satisfied):

(a) if delivered by hand, on signature of a delivery receipt;

(b) if sent by recorded delivery post, at 9.00 am on the second Business Day after posting;

(c) if sent by email, at the time of transmission,

provided that if deemed receipt under paragraphs (a) to (c) of this clause 36.5 would occur outside the Usual Business Hours, the notice shall be deemed to have been received when Usual Business Hours next recommence. For the purposes of this clause 36.5, Usual Business Hours means 9.00 am to 5.30 pm on a Business Day.

37. COSTS AND REIMBURSING THE COMMISSION

37.1 Each party must bear its own costs and expenses in relation to the negotiation, preparation and execution of this Agreement and any ancillary documents, including the fees and disbursements of their respective legal, accountancy and other advisers.

37.2 The provisions of clause 28 will govern the treatment of all costs incurred by the Incoming Licensee in connection with the implementation of this Agreement.

37.3 Where this Agreement requires the Incoming Licensee to promptly reimburse the Commission in respect of any costs incurred by the Commission, the Incoming Licensee must pay to the Commission an amount equivalent to those costs within [10 Business Days from receipt of the Commission's confirmation of the amount of those costs].

38. SURVIVAL

38.1 The following clauses shall survive the expiry or termination of this Agreement:

(a) clause 31 (*Relationship with the Cooperation Agreement*);

- (b) clause 32 (*Disputes*);
- (c) clause 33 (*Commission's Duties*);
- (d) clause 35 (*Confidentiality*);
- (e) clause 36 (*Notices*);
- (f) clause 37 (*Costs and Reimbursing the Commission*);
- (g) clause 39 (*Third Party Rights*);
- (h) clause 40 (*Miscellaneous Terms*);
- (i) clause 41 (*Entire Agreement*); and
- (j) clause 42 (*Governing Law and Jurisdiction*).

39. THIRD PARTY RIGHTS

- 39.1 A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce this Agreement.
- 39.2 This Agreement may be rescinded or terminated, and a term may be amended or waived without the permission of any third party or its permitted assignees even if that takes away a right which the third party or its permitted assignees would otherwise have.

40. MISCELLANEOUS TERMS

- 40.1 A variation of this Agreement is valid only if it is in writing and signed by the parties or their duly authorised representatives.
- 40.2 Failure to exercise, or a delay in exercising, a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy 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 the further exercise of the right or remedy or the exercise of another right or remedy. A waiver of a breach of this Agreement does not constitute a waiver of a subsequent or prior breach of this Agreement.
- 40.3 The rights and remedies provided by this Agreement are cumulative and, subject to clause 32.2(d), do not exclude any rights and remedies provided by law.
- 40.4 If a provision of this Agreement is found to be illegal, invalid or unenforceable, then to the extent it is illegal, invalid or unenforceable, that provision will be given no effect and will be treated as though it were not included in this Agreement, but the validity or enforceability of the remaining provisions of this Agreement will not be affected.
- 40.5 Nothing in this Agreement constitutes a partnership between the parties to it or constitutes either as agent of the other for any purpose whatever and neither party has authority or power to bind the other or to contract in the name of or create liability against the other in any way or for any purpose.
- 40.6 This Agreement may be entered into in any number of counterparts and either party may enter into this Agreement by executing any counterpart. A counterpart constitutes an original of this Agreement and all executed counterparts together have the same effect as if each party had executed the same document.

41. ENTIRE AGREEMENT

41.1 This Agreement (together with the documents referred to in it) sets out the entire agreement between the parties and supersedes any previous agreement or arrangement between the parties relating to the subject matter of it.

41.2 Nothing in this clause limits or excludes liability arising as a result of fraud or wilful misconduct.

42. GOVERNING LAW AND JURISDICTION

42.1 This Agreement, the jurisdiction clause contained in it, all documents referred to in it which are not expressed to be governed by another law, and all non-contractual obligations arising in any way whatsoever out of or in connection with this Agreement or any such document are governed by, construed and take effect in accordance with English law.

42.2 Subject to clause 32.2(d), the courts of England have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Agreement (including without limitation claims for set-off or counterclaim) or the legal relationships established by this Agreement.

SIGNED BY the duly authorised representatives of the parties on the date stated at the beginning of this Agreement.

Signed by [name of authorised signatory] for and on behalf of The Gambling Commission)
)
)

Signed by [name of authorised signatory] for and on behalf of [
)
)
)

SCHEDULE 1

Definitions and Interpretation

1. DEFINITIONS

In this Agreement terms defined in the New Licence shall have the meaning given to them in the New Licence and the following words and expressions shall have the following meanings:

3NL Extension Costs	any costs (a) incurred by the Commission; or (b) otherwise provided for under any arrangement between the Commission and the Outgoing Licensee (whether or not with another party), in each case to the extent they arise as a result of an extension to the term of the Third Licence as contemplated by clause 29.4
3NL Trust	the players' trust arrangements in place between the Outgoing Licensee and the 3NL Trustee in accordance with the Third Licence
3NL Trustee	Law Debenture Trust Corporation plc, the trustee of the 3NL Trust
Account Bank	that person named in the Application as the Account Bank in respect of the Trust Arrangements or such other person appointed as the Account Bank in accordance with clause 10
Account Bank Agreement	the agreement to be entered into between the Incoming Licensee, the Account Bank and the Trustee in relation to the provision of banking services by the Account Bank as part of the Trust Arrangements
Actual Resource Shortfall	has the meaning given to it in clause 17.7
Actual Resource Shortfall Remediation Plan	has the meaning given to it in clause 17.7(a)
Ancillary Activity Timetable	has the meaning given to it in clause 12.2
Application	has the meaning given to it in Recital (B)
Application Ancillary Activities	has the meaning given to it in clause 12.1
Application Process Agreement	the application process agreement entered into in connection with the Competition between the Commission and the [Successful Applicant] dated [to be inserted]
Approved Form Documents	each document listed in Appendix 2 and Part A and Part B of Schedule 4, in each case following approval by the Commission, in the form so approved (and subject to any changes approved in accordance with clause 7) and

	“Approved Form” shall be construed accordingly
Approved Form Trust Deed	the form of trust deed included in the Incoming Licensee’s Application, including any changes approved in accordance with clause 7
Award Notification	the meaning given to it in the Deed of Commitment;
Business Day	any day which is not a Saturday, a Sunday or a bank or public holiday in England
Category	has the meaning given to it in the Cooperation Agreement
CG Implementation Timetable	has the meaning given to it in clause 11.1
CG S6 Application Timetable	has the meaning given to it in clause 11.2
Change Control Process	the process for the consideration and, if appropriate, approval of a Change Proposal set out in clause 7.1
Change Proposal	any proposal from the Incoming Licensee to deviate from the Application (including any document included in, or appended to, the Application), to change the Incoming Transition Plan, or to change or vary any other document or matter approved or agreed under this Agreement, in accordance with clause 7.1 and 7.2
Committed Game	each Start Date Committed Game and each First Year Committed Game
Competition	the competition organised by the Commission for the award of the New Licence
Competition Data Room	has the meaning given to it in the Cooperation Agreement
Completion Date	means the date on which the New Licence is granted to the Incoming Licensee in accordance with this Agreement and the Act
Constituent Lottery	has the meaning given to it in the Cooperation Agreement
Continuing Implementation Condition	has the meaning given to it in clause 17.2
Continuing Game	each Game operated by the Outgoing Licensee under the Third Licence (and the relevant licence granted to the Outgoing Licensee under s6 of the Act) which the Incoming Licensee intends to become a Start Date Committed Game
Continuing Obligation	has the meaning given to it in the Cooperation Agreement
Continuing Obligations Plan	has the meaning given to it in the Cooperation Agreement
Cooperation Agreement	the Cooperation Agreement in the form attached as Appendix 3 (subject to such amendments or modifications as the Commission, in its absolute discretion, may determine from time to time)

Cooperation Direction	has the meaning given to that term in the Cooperation Agreement
Deed of Commitment	the Deed of Commitment executed by the Successful Applicant and submitted to the Commission with the Application
Draft Licence	the form of New Licence attached as Appendix 1 as the same may be amended from time to time in accordance with clause 2.3
EA Termination Notice	a termination notice issued to the Incoming Licensee by the Commission terminating this Agreement in accordance with clause 29.2
Estimated Implementation Costs	has the meaning given to it in clause 28.2
[EuroMillions Deed of Priority	the deed of consent and postponement to be entered into between the Trustee, the EuroMillions Trustee, the Account Bank and the Incoming Licensee]
[EuroMillions Shares	has the meaning given to it in the Cooperation Agreement]
[EuroMillions Trust Deed DOA	The deed of adherence to the security trust deed dated 29 January 2004 (as amended from time to time) originally between, inter alia, the EuroMillions Trustee, the Original Participants (as defined in that trust deed) and Services aux Loteries en Europe SCRL]
[EuroMillions Trust Documents	[the EuroMillions Trust Deed DOA, the EuroMillions Deed of Priority, and any other document designated by the [Commission and the EuroMillions Trustee] as a EuroMillions Trust Document]
[EuroMillions Trustee	The Law Debenture Trust Corporation plc as security trustee pursuant to the EuroMillions Trust Deed and any other person for the time being appointed as trustee, or as an additional trustee, under the EuroMillions Trust Deed]
Expert	has the meaning given to it in the Cooperation Agreement
Expiry Date	the date on which the Third Licence expires
Final Confirmation Date	has the meaning given in Schedule 2
Final Information Date	has the meaning given in Schedule 2
Final Readiness Date	has the meaning given in Schedule 2
Final Reserve Amount	has the meaning given in the Approved Form Trust Deed
Final Transfer Plan	has the meaning given in the Cooperation Agreement
Finance Agreement	each agreement or arrangement pursuant to which, during the Implementation Period or the Term, any person: (a) provides or will provide any loan or other finance or funding to the Incoming Licensee, other than any such agreement or arrangement which is on arm's length and

market standard commercial terms, and is immaterial to the funding of the Incoming Licensee;

- (b) subscribes, will subscribe, or acquires the right to subscribe, for equity in the Incoming Licensee which would result in such person becoming a Qualifying Direct Shareholder of the Incoming Licensee;
- (c) provides or will provide any credit or advance arrangement which benefits or will benefit the Incoming Licensee, other than trade credit to be provided to the Incoming Licensee by Lottery Subcontractors in the ordinary course of business;
- (d) provides or will provide any guarantee or indemnity arrangement or a similar undertaking to incur a financial or other obligation arising by reference to an obligation or liability of the Incoming Licensee; or
- (e) issues or will issue any debt securities to the Incoming Licensee or grants to the Incoming Licensee a right to acquire debt securities,

in each case which is in legally binding form and has been submitted to the Commission with the Application

First Readiness Date	has the meaning given in Schedule 2
First Scope Date	has the meaning given in Schedule 2
First Year Committed Game	has the meaning given to it in clause 11.1(b)
Form of Transfer Document	has the meaning given to it in the Cooperation Agreement
Game	has the meaning given to it in the Cooperation Agreement
Group Company	has the meaning given to it in the Cooperation Agreement
Handover Period	the period beginning on the date on which the Cooperation Agreement is entered into between the Commission and the Outgoing Licensee and ending on the Long Stop Date
Implementation	the process by which the Incoming Licensee implements the Application and Incoming Transition Plan in accordance with this Agreement
Implementation Cost Category	each category of cost set out in Schedule 6, as varied from time to time in accordance with the Change Control Process
Implementation Protections	Contingency [<i>Application Specific Provisions</i>]
Implementation Direction	a direction from the Commission requiring the Incoming Licensee to take (or omit to take) any step in connection

with the subject matter of this Agreement (which may, to the extent necessary to give effect to the Purpose of Implementation, include requiring that a change be made to any plan, process, procedure or document created pursuant to this Agreement)

Implementation Financial Covenants

the financial covenants set out in Schedule 7

Implementation Issue

any issue, fact, matter or circumstance which is, or which creates a material risk that the Incoming Licensee will be unable to, or will not:

- (a) Start from the Start Date;
- (b) comply with its obligations under this Agreement or with the Incoming Transition Plan

Implementation Period

the period from (and including) the date of this Agreement to (but excluding) the Start Date

Implementation Redundancy Costs

has the meaning given to it in clause 28.7

Implementation Review

a review carried out as the Commission may specify from time to time by or for the Commission of the Incoming Licensee's compliance with this Agreement and the Incoming Transition Plan

Incoming Transition Governance Board

a committee comprised of representatives of the Commission and the Incoming Licensee for the purposes of monitoring, and discussing any issues which arise with respect to Implementation

Incoming Transition Plan

the incoming transition plan to be implemented by the Incoming Licensee which is agreed or specified, as the case may be, pursuant to clause 5 the Cooperation Agreement and amended or varied from time to time pursuant to clause 5 of the Cooperation Agreement or clause 5 of this Agreement

Incoming Transition Plan Obligations

the obligations of the Incoming Licensee with respect to the Incoming Transition Plan, as described in Schedule 3

Information for Applicants on Fit and Proper Checks

the document entitled "Information for Applicants on Fit and Proper Checks" issued to the Successful Applicant by the Commission as part of the Competition, as may be updated by the Commission from time to time

Initial Incoming Transition Plan

the first Incoming Transition Plan agreed or specified, as the case may be, pursuant to clause 5.5 of the Cooperation Agreement

Joint Action Plan

a plan describing steps within the scope of the Incoming Transition Plan which require joint or directly cooperative action on the part of the Outgoing Licensee and the Incoming Licensee

Joint Transition Governance Board	a committee comprised of representatives of the Commission, the Outgoing Licensee and the Incoming Licensee for the purposes of monitoring, and discussing any issues which arise with respect to, Cooperation in accordance with the Cooperation Agreement
Key Dates	each of the dates so specified in column 2 of the table Schedule 2, by which the actions and deliverables described in column 3 of that table must be taken and/or provided (as applicable)
Licence Contingency Protections	the arrangements described in Condition 18.2 of the New Licence
Licensee Subcontract	has the meaning given to it in the Cooperation Agreement
Long Stop Date	the date which is 18 months from the Expiry Date
Lottery Accounts	has the meaning given in the Approved Form Trust Deed
New Licence	a licence (including all of its schedules and appendices) in the form of the Draft Licence (as the same may be amended in accordance with clause 2.3 of this Agreement) to be awarded under s5 of the Act to come into effect on the Start Date
Operational Committee	any committee or group formed pursuant to this Agreement by representatives of the Commission and of the Incoming Licensee for the purposes of overseeing, reviewing or discussing specific operational aspects of Implementation
Operator Goodwill	has the meaning given to it in the Cooperation Agreement
Outgoing Licensee	the holder of the Third Licence
Outgoing Transition Plan	has the meaning given to it in the Cooperation Agreement
Potential Resource Shortfall	has the meaning given in clause 17.8
Potential Resource Shortfall Notice	has the meaning given in clause 17.8
Potential Resource Shortfall Remediation Plan	has the meaning given in clause 17.8(a)
Proposed Required Standard Terms	the Incoming Licensee's draft Required Standard Terms submitted to the Commission for approval in accordance with clause 13.3
Proposed Final Incoming Transition Plan	has the meaning given to it in the Cooperation Agreement
Proposed Incoming Transition Plan	has the meaning given to it in the Cooperation Agreement
Protection Policies	the policies to be adopted by the Incoming Licensee to be the "Funds Protection Policies" in accordance with Condition

	16 of the New Licence
Protection Criteria	the criteria to be established by the Incoming Licensee to be the “Funds Protection Criteria” in accordance with Condition 16 of the New Licence
Purpose of Cooperation	has the meaning given to that term in the Cooperation Agreement
Purpose of Implementation	that the Incoming Licensee shall run the National Lottery on and from the Start Date in the manner contemplated by the Application and in accordance with the New Licence
Receipt Mechanic	in respect of each asset or liability in any Category, those steps as stated in the column headed ' <i>Receipt Mechanics</i> ' of Appendix 4 with respect to that Category
Recoverable Implementation Cost	has the meaning given to it in clause 28.1
Required Third Party Approvals	those approvals, consents, licences or authorisations specified in Schedule 5
Resource Availability Assurance Statement	has the meaning given to it in clause 17.5
Resource Availability Commitments	has the meaning given to it in clause 17.6
Scratchcard Lottery Tickets	has the meaning given to it in the Cooperation Agreement
Second Final Checkpoint	has the meaning given to it in Schedule 2
Second Initial Checkpoint	has the meaning given to it in Schedule 2
Second Readiness Date	has the meaning given to it in Schedule 2
Security Documents	the agreement or agreements to be entered into between the Incoming Licensee and the Trustee in relation to the security to be granted in favour of the Trustee pursuant to the Trust Deed
Start Date	(a) the date immediately following the Expiry Date; or (b) such later date as the Commission may specify in accordance with clause 22.2(a) or 26.6(b)
Start Date Committed Game	has the meaning given to it in clause 11.1(a)
Statement of Assistance Services Transition	has the meaning given to it in the Cooperation Agreement
Successful Applicant	<i>[Application Specific Provision – name of Applicant to be included in form of Enabling Agreement submitted with that Applicant’s Application]</i>
Terms of Reference	the terms of reference for the operation of the relevant Operational Committee or the Incoming Transition

Governance Board (as the case may be), in each case proposed by the Commission and approved by that committee or the Incoming Transition Governance Board (as applicable)

Third Licence	the licence awarded under s5 of the Act in effect at the date of this Agreement
Transferring Items	has the meaning given to it in the Cooperation Agreement
Transferring Licensee Asset	has the meaning given to it in the Cooperation Agreement
Transferring Licensee Staff	has the meaning given to it in the Cooperation Agreement
Transferring Licensee Subcontract	has the meaning given to it in the Cooperation Agreement
Transferring Lottery IP	has the meaning given to it in the Cooperation Agreement
Transferring Lottery Subcontract	has the meaning given to it in the Cooperation Agreement
Transferring Property Interest	has the meaning given to it in the Cooperation Agreement
Transferring Scratchcard Lottery Tickets	has the meaning given to it in the Cooperation Agreement
Transfer Plan	has the meaning given to it in the Cooperation Agreement
Transfer Regulations	the Transfer of Undertakings (Protection of Employment) Regulations 2006
Transferring Lottery Subcontractor Staff	has the meaning given to it in clause 28.7
Transition Plans	has the meaning given to it in the Cooperation Agreement
Transition Staff	those persons employed or engaged by the Incoming Licensee who, in order for the Purpose of Implementation or the Purpose of Cooperation to be achieved, are required to (i) have access to, or (ii) supervise or manage any person who has access to: <ul style="list-style-type: none">(f) the information disclosed in the folder in the Competition Data Room named "VDR 3";(g) information in relation to the security of the National Lottery, including in relation to the verification of tickets and prizes;(h) information or data which:<ul style="list-style-type: none">(i) is sensitive;(ii) is personal data of players or prize winners;(iii) is held by the Outgoing Licensee in a Secure Area (as defined in the Third Licence)

- (i) the Outgoing Licensee's Technology Operation

in each case before the Start Date

Trust Arrangements	the security trust arrangements for the protection of participant funds, to be established by the Incoming Licensee pursuant to the Trust Documents
Trust Implementation Agreement	the agreement between the Incoming Licensee and the Trustee in relation to the implementation of the Trust Arrangements, to be entered into in accordance with clause 10.
Trust Deed	the security trust deed to be entered into between the Incoming Licensee and the Trustee in respect of the trust to be established in accordance with the New Licence
Trust Documents	each of the Trust Deed, the Account Bank Agreement, each Security Document and any other document designated by the [Commission and the Trustee] as a Trust Document
Trustee	that person named in the Application as the Trustee in respect of the Trust Arrangements or such other person appointed as Trustee in accordance with clause 10
Trustee Accounts	has the meaning given in the Approved Form Trust Deed
Trust Final Reserve Account	has the meaning given in the Approved Form Trust Deed

2. INTERPRETATION

In this Agreement:

- (a) a reference to a clause, paragraph, schedule, appendix or annex is, unless stated otherwise, a reference to a clause or paragraph of, or schedule, appendix or annex to, this Agreement;
 - (b) a reference in a clause, schedule, appendix or annex to a paragraph is, unless otherwise stated, a reference to a paragraph in that clause, schedule, appendix or annex or, where that schedule, appendix or annex is split into parts, a reference to a paragraph in that part of that schedule;
 - (c) a reference to a statute or statutory provision includes a reference to any subordinate legislation and is a reference to:
 - (i) that statute, statutory provision or subordinate legislation as modified, consolidated, superseded, re-enacted, re-numbered, or replaced (whether with or without modification) from time to time after the date of this Agreement); and
 - (ii) any statute, statutory provision or subordinate legislation which it consolidates, supersedes, re-enacts or replaces (whether with or without modification);
 - (d) a reference to a **"person"** includes any individual, company, corporation, firm, partnership, joint venture, association, state, state agency, institution, foundation or trust (whether or not having a separate legal personality);
 - (e) a reference to one gender is a reference to all or any genders, and references to the singular include the plural and vice versa;
 - (f) a reference to a legal term for a legal document, court, judicial process, action, remedy, legal status, official or any other legal concept or thing which is specific to a particular jurisdiction shall, in respect of any other jurisdiction, be deemed to be a reference to whatever most closely equates to that legal term in the relevant jurisdiction;
 - (g) a reference to a particular date, unless stated otherwise, is to a date in the Gregorian calendar and to is time of day is a reference to that time in London, England and a reference to a particular time of day is, unless stated otherwise, a reference to that time in London, England; and
 - (h) a reference to **"including"** or **"includes"** does not limit the scope of the meaning of the words preceding it.
- 2.2 The schedules form part of this Agreement and a reference to **"this Agreement"** includes its schedules.
- 2.3 The recitals and headings in this Agreement do not affect its interpretation.
- 2.4 A reference to a document being in the **"Approved Form"** means that the relevant document has been approved by the Commission prior to the Start Date in accordance with this Agreement.

- 2.5 Where the consent or approval of the Commission is required to be obtained by the Incoming Licensee under this Agreement, such consent or approval must be obtained in writing (including by email).
- 2.6 Where any consent or approval is given by the Commission pursuant to this Agreement, and that consent or approval is subject to any conditions or requirements specified by the Commission, the Incoming Licensee is acting without the consent or approval of the Commission if it does not act in compliance with those conditions or requirements.
- 2.7 A reference to:
- (a) the running of the National Lottery by the Outgoing Licensee or any activity undertaken pursuant to that activity shall be to the running of the National Lottery pursuant to the Third Licence; and
 - (b) the running of the National Lottery by the Incoming Licensee or any activity undertaken pursuant to that activity shall be to the running of the National Lottery pursuant to the New Licence.

SCHEDULE 2

Key Dates

In this Schedule 2:

"**Cooperation Request**" means a request made for a Cooperation Direction accordance with the terms of the Cooperation Agreement.

"**EA**" means this Agreement

"**IL**" means Incoming Licensee

"**GC**" means the Commission

"**OL**" means Outgoing Licensee

Capitalised terms used in this Schedule 2 and not defined in this Agreement shall have the meaning given to that term in the Cooperation Agreement.

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
First Reference Date: [30 Business Days] prior to the Adherence Date						
First Information Date	10 Business Days after date of EA/Adherence Date	<ul style="list-style-type: none"> Proposed Initial Transition Plans exchanged 	<ul style="list-style-type: none"> OL provides details of Items to Potentially Transfer (by reference to the facts, matters and circumstances in existence as at the First Reference Date) Each of IL and OL provide a list of the obligations they consider should be Continuing Obligations 	<ul style="list-style-type: none"> Each of OL and IL provide details of the Transition Assistance Services which might be reasonably required 	<ul style="list-style-type: none"> Each of OL and IL provide Cooperation Requests to the Commission 	<ul style="list-style-type: none"> Incoming Licensee provides to the Commission a chart setting out its legal and beneficial ownership, organisation and management Incoming Licensee provides to the Commission an executed copy of the Approved Form Trust Implementation Agreement

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
First Initial Checkpoint	45 Business Days after date of EA/Adherence Date	n/a	<ul style="list-style-type: none"> GC to provide Statement of Continuing Obligations 	<ul style="list-style-type: none"> Deadline for OL and IL to agree Initial Transition Assistance Services Scope 	n/a	<ul style="list-style-type: none"> IL provides GC with full details of all Critical Function Employees (who are not members of Transferring Licensee Staff) or members of Transition Staff who have not already been confirmed as fit and proper by the GC GC proposes initial CG S6 Application Timetable GC provides initial Ancillary Activity Timetable IL provides to the GC information in respect of Lottery Subcontracts in order that GC can identify Designated Lottery Subcontracts
First Scope Date	60 Business Days after date of EA/Adherence Date	n/a	<ul style="list-style-type: none"> Initial List provided by IL 	<ul style="list-style-type: none"> GC approves or imposes Initial Transition Assistance Services Scope 	<ul style="list-style-type: none"> GC provides proposals for Cooperation Directions for review by Joint Transition Governance Board 	<ul style="list-style-type: none"> Following consultation with IL, GC confirms CG S6 Application Timetable and Ancillary Activity Timetable
Second Initial Checkpoint	75 Business Days after date of EA/Adherence Date	<ul style="list-style-type: none"> Deadline for OL and IL to agree Initial Transition Plans (including Joint Action Plan) 	<ul style="list-style-type: none"> OL to provide proposed scope of Asset Survey and proposed identity and terms of engagement of Independent Surveyor Deadline for OL and IL to agree Initial Continuing Obligations Plan Deadline for OL and IL to agree Initial Transfer Plan 	<ul style="list-style-type: none"> Deadline for OL and IL to agree Initial Statement of Transition Assistance Services 	n/a	<ul style="list-style-type: none"> IL confirms to GC and OL which members of Transferring Licensee Staff it intends will be Lottery Supervisors or Critical Function Employees for the purposes of Fit and Proper Checks IL provides proposed Required Standard Terms IL provides board resolution in accordance with clause 19 of the EA

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
First Confirmation Date	90 Business Days after date of EA/Adherence Date	<ul style="list-style-type: none"> GC approves or imposes Initial Transition Plans (including Joint Action Plan) 	<ul style="list-style-type: none"> GC confirms scope of Asset Survey GC approves or imposes Initial Continuing Obligations Plan GC approves or imposes Initial Transfer Plan 	<ul style="list-style-type: none"> GC approves or imposes Initial Statement of Transition Assistance Services 	<ul style="list-style-type: none"> GC may issue Cooperation Directions 	<ul style="list-style-type: none"> 5 Business Days prior to this date, IL must provide a Resource Availability Assurance Statement GC notifies IL of any amendments to be made to Proposed Required Standard Terms GC notifies IL of any Lottery Subcontracts, or categories of Lottery Subcontract, which are Designated Lottery Subcontracts

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
Ongoing (Subject to Governance Process)	From First Confirmation Date to Final Information Date	<ul style="list-style-type: none"> OL and IL must provide any information potentially relevant to updating Transition Plans, which then go through the Change Control Process OL and IL must cooperate with view to updating Transition Plans (including Joint Action Plan) 	<ul style="list-style-type: none"> Results of Asset Survey to be provided within 60 Business Days from First Confirmation Date OL must provide any update to Initial List/Required Information Initial List can be updated by the IL following results of Asset Survey IL can identify any missing or incorrect items or actions OL and IL implement and regularly update Initial Continuing Obligations Plan OL and IL regularly update and prepare for the implementation of the Initial Transfer Plan 	<ul style="list-style-type: none"> OL and IL must provide any information potentially relevant to updating the Initial Statement of Transition Assistance Services which then go through the Change Control Process 	<ul style="list-style-type: none"> OL and IL can make Cooperation Requests as a Change Proposal GC may impose changes to, or additional, Cooperation Directions as required 	<ul style="list-style-type: none"> IL notifies GC of any information which may be relevant to an assessment of whether the Trustee meets the Trustee Requirements and the Account Bank meets the Account Bank Requirements IL keeps GC updated as to any newly identified Lottery Beneficiaries, Lottery Supervisors or Critical Function Employees, any additional members of Transition Staff, or any changes to information in relation to those categories of people, for the purposes of Fit and Proper Checks IL identifies any Lottery Subcontracts which it proposes to categorise as Minor Lottery Subcontracts for the Commission to confirm such status IL provides to the GC information in respect of Lottery Subcontracts in order that GC can identify Designated Lottery Subcontracts IL informs GC of any changes which are required to be made to the Approved Form Documents or any matter or document listed in Schedule 4 At least once every six months, the Incoming Licensee provides to the Commission a chart setting out its legal and beneficial ownership, organisation and management

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
Second Reference Date: 30 Business Days prior to the Final Information Date						
Final Information Date	60 Business Days before FCD	<ul style="list-style-type: none"> Proposed Final Transition Plans exchanged 	<ul style="list-style-type: none"> OL provides updated details of Items to Potentially Transfer (by reference to the facts, matters and circumstances in existence as at the Second Reference Date) 	<ul style="list-style-type: none"> Each of OL and IL propose any amendments to the Initial Statement of Transition Assistance Services 	n/a	<ul style="list-style-type: none"> Copies of all documents, and a description of all matters in Part A and Part B of Schedule 4 to be provided to the Commission for approval
First Final Checkpoint	45 Business Days before FCD	n/a	n/a	n/a	n/a	<ul style="list-style-type: none"> IL must demonstrate that the Licence Contingency Protections have been established IL to provide details of Estimated Annual Payment and Weekly Payment Schedule for Licence Year 1 It is intended that S6 approval process for Start Date Committed Games concludes by this date in accordance with timetables It is intended that approval process for Application Ancillary Activities concludes by this date in accordance with the Ancillary Activity Timetable Co-Branding Applications in respect of any proposed use or association of the National Lottery Brand with any other brand on and from the Start Date must be submitted on or before this date
Last Scope Date	30 Business Days before FCD	n/a	<ul style="list-style-type: none"> IL provides Final List GC notifies OL and IL of any new Continuing Obligations 	n/a	n/a	n/a

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
Second Final Checkpoint	15 Business Days before FCD	<ul style="list-style-type: none"> Deadline for OL and IL to agree Final Transition Plans (including any changes to Joint Action Plan) 	<ul style="list-style-type: none"> Deadline for OL and IL to agree Final Continuing Obligations Plan Deadline for OL and IL to agree Final Transfer Plan 	<ul style="list-style-type: none"> Deadline for OL and IL to agree Final Statement of Transition Assistance Services 	n/a	<ul style="list-style-type: none"> IL confirms that all Required Third Party Approvals have been obtained IL board determines whether it is ready to Start on and from the Start Date and notifies GC If Commission concludes that the IL will not be able to Start on the Start Date, it may defer the Start Date
Final Confirmation Date (FCD)	120 days before Expiry Date	<ul style="list-style-type: none"> GC approves or imposes Final Transition Plans (including any changes to Joint Action Plan) 	<ul style="list-style-type: none"> GC approves or imposes Final Continuing Obligations Plan GC approves or imposes Final Transfer Plan 	<ul style="list-style-type: none"> GC approves or imposes Final Statement of Transition Assistance Services 	n/a	<ul style="list-style-type: none"> 5 Business Days prior to this date, IL must provide a Resource Availability Assurance Statement

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
First Readiness Date	30 Business Days before Expiry Date	n/a	n/a	n/a	n/a	<ul style="list-style-type: none"> • Date by which the IL must obtain confirmation from the Commission that each of the documents listed in Part A and Part B of Schedule 4 is in the Approved Form • IL board confirms to the Commission that all policies, procedures etc. in Part C of Schedule 4 is in place • IL provides details of internal audit work to be completed in Licence Year 1 • IL provides written confirmation from Trustee in relation to establishment of Approved Trust Arrangements etc. • IL provides written confirmation from the Account Bank confirming that the bank accounts of the IL and the Trustee have been established • IL provides an up to date chart setting out its legal and beneficial ownership, organisation and management

1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
Second Readiness Date	20 Business Days before Expiry Date	n/a	n/a	n/a	n/a	<ul style="list-style-type: none"> GC provides details of any Lottery Beneficiary, Lottery Supervisor or Critical Function Employee who has been identified but where a Fit and Proper check has not been completed Each Approved Form Document has been adopted or executed and is in effect or will come into effect on the Start Date All Lottery Subcontracts which are required to be in place at the Start have been executed by the parties and is in effect or will come into effect on the Start Date All Designated Lottery Subcontracts which are required to be in place at the Start Date have been notified to the Commission and executed by the parties and is in effect or will come into effect on the Start Date Core Lottery IP owned by the IL is registered in the name of the Commission IL Board provides evidence to the Commission to demonstrate that the IL (a) has implemented the Incoming Transition Plan and is ready to Start from the Start Date, or (b) has complied in all material respects with its obligations under the EA but has not fulfilled all of the requirements Date by which IL must be registered for Lottery Duty IL provides an assurance statement confirming they have not identified any information about any Lottery Beneficiary, Lottery Supervisor or Critical Function Employee which might be relevant to an assessment of whether that person is Fit and Proper which has not been notified

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1. Key Date	2. When it Occurs	3. What Occurs on that Date				
		Transition Plan Activities	Transfer Activities	Transition Assistance Services Activities	Other Cooperation Activities	Enabling Agreement Readiness
Final Readiness Date	10 Business Days before Expiry Date	n/a	n/a	n/a	n/a	<ul style="list-style-type: none"> GC confirms whether Start can take place on the Start Date and if so, whether there will be Fully Implemented Commencement or Partially Implemented Commencement Outstanding Implementation Steps (if any) notified to IL by GC
Completion Date	Date of grant of New Licence	n/a				<ul style="list-style-type: none"> IL provides an assurance statement confirming that there is no material information about any Lottery Beneficiary, Lottery Supervisor or Critical Function Employee which might be relevant to an assessment of whether that person is Fit and Proper which has not been notified to the Commission IL provides a copy of a resolution of its Directors confirming the equity and debt profile of the IL and that the IL can enter into the New Licence IL provides confirmation from the Trustee that the Final Reserve Amount has been paid and the Security Documents have been executed

SCHEDULE 3

Incoming Transition Plan Obligations

1. The Incoming Licensee shall develop, maintain and update the Incoming Transition Plan in accordance with paragraph 3 below in order to:
 - (a) enable the Outgoing Licensee to cease running the National Lottery at the Expiry Date and the Incoming Licensee to commence running the National Lottery in a manner consistent with the Incoming Licensee's obligations under this Agreement;
 - (b) minimise any disruption or deterioration of the National Lottery during and after the Handover Period; and
 - (c) detail the transition assistance services that the Outgoing Licensee will perform to ensure a successful transfer to the Incoming Licensee with no or minimal disruption or deterioration to service delivery quality to the Commission or members of the public.
2. The Incoming Transition Plan shall, as a minimum:
 - (c) detail how the Incoming Licensee proposes to comply operationally with its obligations in this Agreement;
 - (d) detail how the Incoming Licensee proposes to receive the Reletting Materials (as defined in the Third Licence) (and the updates or amendments referred to in [Condition 18.10(b) of the Third Licence]), databases, information or data referred to in [Condition 18.2 of the Third Licence] from the Outgoing Licensee during and (where appropriate) after the Handover Period;
 - (e) detail the scope of the transition assistance services (including the provision of suitable training or know-how) to be provided by the Outgoing Licensee to the Incoming Licensee, and the manner in which they will be provided, during and (where appropriate) after the Handover Period;
 - (f) set out a timetable, process, critical deliverables and critical controls for performing the transition assistance services;
 - (g) describe how the Incoming Licensee will guarantee continuity of the National Lottery during the transition from the Outgoing Licensee, including a description of potential risks and a contingency and risk management plan;
 - (h) for work or projects likely to be in progress as at the Expiry Date, detail the process for the Outgoing Licensee to document the current status of the work or projects, stabilising for their continuity during transition, and provide any required training to achieve transfer of responsibility for the work or projects to the Incoming Licensee and any third parties who may enter into an agreement for the provision of supplies or services in connection with the National Lottery or the provision or operation of any asset in connection with the National Lottery without loss of momentum or adverse impact on project timetables;
 - (i) require the Incoming Licensee to provide contact details of its employees who will liaise with the Commission in relation to the Incoming Licensee's compliance with the Incoming Transition Plan; and

- (j) otherwise be consistent with, and address the issues referred to in this Agreement.

SCHEDULE 4

Arrangements at Start Date

Part A – Documents to be in Approved Form before First Readiness Date

The following documents must be in the Approved Form before the First Readiness Date:

1. The articles of association of the Incoming Licensee
2. The articles of association of any Licensee Subsidiary
3. Each Shareholders' Agreement (as defined in the Draft Licence)
4. Each Related Party Arrangement (as defined in the Draft Licence) to be entered into on or prior to the Start Date
5. The Required Standard Terms (as defined in the Draft Licence)
6. Estimation Methodology
7. Scheduling Methodology
8. Each Trust Document other than the Approved Form Trust Deed
9. The EuroMillions Trust Documents¹

¹ Note: This provision will apply if the Incoming Licensee intends to continue to operate the EuroMillions game.

Part B – Template Reports to be in Approved Form before First Readiness Date

Templates of the following reports (each as described in the Commission's Regulatory Handbook) must be in the Approved Form before the First Readiness Date:

1. Participant Behaviour and Protection Report
2. Enquiries and Complaints Report
3. Overview of Availability Report
4. Brand KPIs
5. Sales and Good Causes Contribution and Other NLDF Components Report
6. Cost Expenditure Report
7. Performance Standards Report

Part C – Strategies, Policies, Processes and Procedures

Before the First Readiness Date, the board of Directors of the Incoming Licensee must have approved all strategies, policies, processes, procedures which will be required to ensure that the Incoming Licensee complies with the New Licence on and from the Start Date, including (but not limited to) each of the following:

1. Participant Protection Strategy
2. Retailer Charter
3. Distribution and Portfolio Strategy
4. Technology and Data Architecture Strategy
5. Security Strategy
6. Core Lottery IP Guidelines
7. Code of Corporate Social Responsibility
8. Framework for Ethical Business Decision Making
9. Protection Policies
10. Protection Criteria

SCHEDULE 5

Required Third Party Approvals

[Application Specific Provision]

SCHEDULE 6

Estimated Implementation Costs

[Application Specific Provision]

SCHEDULE 7

Implementation Financial Covenants

[Application Specific Provision]

APPENDIX 1

The Draft Licence

[This will be the form determined in accordance with the Deed of Commitment]

APPENDIX 2

Documents in the Approved Form at date of this Agreement

[Application Specific Provision.

The final form Enabling Agreement will have the following documents attached as Appendix 2, each of which will have been submitted to the Commission as part of the Application:

- *The Equity and Debt Profile of the Incoming Licensee to be in place at the Start Date*
- *Participant Protection Strategy*
- *Retailer Charter*
- *Distribution and Portfolio Strategy*
- *Brand Management Plan*
- *Trust Deed*
- *Trust Implementation Agreement*
- *Protection Policies*
- *Licence Contingency Protections*
- *Exit Plan]*

APPENDIX 3

Cooperation Agreement

[Form of Cooperation Agreement entered into between the Commission and the Outgoing Licensee during Phase Two of the Competition to be appended here]

APPENDIX 4

Receipt Mechanics

Transferring Item (including only those items in the category which are Transferring Items)	Transfer Mechanics	Receipt Mechanics
1. Licensee Subcontracts	1.1 In relation to each Transferring Licensee Subcontract, the Outgoing Licensee's Transfer Mechanics are as follows. <ul style="list-style-type: none"> (a) In accordance with (b) to (d) below, the Outgoing Licensee shall novate its interest under each Transferring Licensee Subcontract to the Incoming Licensee as directed by the Commission. (b) The novation of each Transferring Licensee Subcontract shall be in the form of the Licensee Subcontract Deed of Novation attached in Part A of Appendix 3 of the Cooperation Agreement. Each Licensee Subcontract Deed of Novation shall be duly executed by the Outgoing Licensee and delivered to the Incoming Licensee [by no later than [●]]. The novation shall take effect on the Start Date. (c) No novation of a Transferring Licensee Subcontract shall have the effect that the Outgoing Licensee is released from any of the following in respect of that Transferring Licensee Subcontract: <ul style="list-style-type: none"> (i) accrued but unperformed obligations of the Outgoing Licensee; (ii) the consequence of any breach which is the subject of arbitration or litigation between the parties to the Transferring Licensee Subcontract by the Outgoing Licensee; or (iii) any liability in respect of any act or omission under or in relation to the Transferring 	1.2 In relation to each Transferring Licensee Subcontract, the Incoming Licensee's Receipt Mechanics are as follows. <ul style="list-style-type: none"> (a) In accordance with (b) to (d) below, the Incoming Licensee shall consent to the novation of the Outgoing Licensee's interest under each Transferring Licensee Subcontract to the Incoming Licensee as directed by the Commission. (b) The novation of each Transferring Licensee Subcontract shall be in the form of the Licensee Subcontract Deed of Novation attached in Part A of Appendix 3 of the Cooperation Agreement. Each Licensee Subcontract Deed of Novation shall be duly executed by the Incoming Licensee and delivered to the Outgoing Licensee [by no later than [●]]. The novation shall take effect on the Start Date. (c) No novation of a Transferring Licensee Subcontract shall have the effect that the Outgoing Licensee is released from any of the following in respect of that Transferring Licensee Subcontract: <ul style="list-style-type: none"> (i) accrued but unperformed obligations of the Outgoing Licensee; (ii) the consequence of any breach which is the subject of arbitration or litigation between the parties to the Transferring Licensee Subcontract by the Outgoing Licensee; or (iii) any liability in respect of any act or omission

	Transferring Item (including only those items in the category which are Transferring Items)	Transfer Mechanics	Receipt Mechanics
		<p style="text-align: center;">Licensee Subcontract,</p> <p>in each case whether before, or as at the date of, any such novation.</p> <p>(d) No novation of a Transferring Licensee Subcontract shall oblige the Incoming Licensee, in connection with the novation, to agree to assume responsibility for any unperformed obligation, liability or the consequences of a breach referred to in (c) above.</p> <p>(e) No novation of a Transferring Licensee Subcontract shall, unless the Outgoing Licensee otherwise agrees, be on terms which release any counterparty to that Transferring Licensee Subcontract from any liability to the Outgoing Licensee arising before the date of such novation.</p> <p>(f) Where the novation of any Transferring Licensee Subcontract requires the consent of any Licensee Subcontractor and such consent is not received by the Start Date, the Outgoing Licensee will cooperate with the Incoming Licensee with a view to maintaining the benefit of that Transferring Licensee Subcontract for the operation of the National Lottery including by arrangements for the management of benefits and obligations, rights and liabilities under that Transferring Licensee Subcontract.</p>	<p style="text-align: center;">under or in relation to the Transferring Licensee Subcontract,</p> <p>in each case whether before, or as at the date of, any such novation.</p> <p>(d) No novation of a Transferring Licensee Subcontract shall oblige the Incoming Licensee, in connection with the novation, to agree to assume responsibility for any unperformed obligation, liability or the consequences of a breach referred to in (c) above.</p> <p>(e) No novation of a Transferring Licensee Subcontract shall, unless the Outgoing Licensee otherwise agrees, be on terms which release any counterparty to that Transferring Licensee Subcontract from any liability to the Outgoing Licensee arising before the date of such novation.</p> <p>(f) Where the novation of any Transferring Licensee Subcontract requires the consent of any Licensee Subcontractor and such consent is not received by the Start Date, the Incoming Licensee will cooperate with the Outgoing Licensee with a view to maintaining the benefit of that Transferring Licensee Subcontract for the operation of the National Lottery including by arrangements for the management of benefits and obligations, rights and liabilities under that Transferring Licensee Subcontract.</p>
2.	Property Interests	<p>2.1 In relation to each Transferring Property Interest, the Outgoing Licensee's Transfer Mechanics are as follows.</p> <p>(a) The Outgoing Licensee shall assign its interest under the Transferring Property Interest to the Incoming Licensee or as the Commission may direct.</p>	<p>2.2 In relation to each Transferring Property Interest, the Incoming Licensee's Receipt Mechanics are as follows.</p> <p>(a) The Outgoing Licensee shall consent to the assignment of the Outgoing Licensee's interest under the Transferring Property Interest to the Incoming Licensee.</p>

Transferring Item (including only those items in the category which are Transferring Items)	Transfer Mechanics	Receipt Mechanics
	<p>(b) The assignment of the Transferring Property Interest shall be on such terms as the Commission may require.</p> <p>(c) The assignment directed by the Commission in accordance with (b) above shall be duly executed by the Outgoing Licensee and delivered to the Incoming Licensee [by no later than [●]]. The assignment shall take effect on the Start Date.</p> <p>(d) The assignment of the Transferring Property Interest shall not release the Outgoing Licensee from:</p> <ul style="list-style-type: none"> (i) any accrued but unperformed obligation (ii) the consequences of any antecedent breach of a covenant or obligation relating to the Transferring Property Interest; or (iii) any liability in respect of any act or omission under or in relation to the Transferring Property Interest before, or as at the date of assignment to the Incoming Licensee (subject to any continuing liability under the relevant leasehold property and/or any authorised guarantee agreement which the Outgoing Licensee may be required to enter into upon the assignment of the relevant leasehold property); <p>(e) The assignment of the Transferring Property Interests shall oblige the Incoming Licensee to agree to assume, as at the date of assignment:</p> <ul style="list-style-type: none"> (i) responsibility for any covenants, obligations and liabilities (whether accrued and unperformed or current); (ii) the consequences of a breach referred to in (d) above; 	<p>(b) The assignment of the Transferring Property Interest shall be on such terms as the Commission may require.</p> <p>(c) The assignment directed by the Commission in accordance with (b) above shall be duly executed by the Incoming Licensee and delivered to the Outgoing Licensee [by no later than [●]]. The assignment shall take effect on the Start Date.</p> <p>(d) The assignment of the Transferring Property Interest shall not release the Outgoing Licensee from:</p> <ul style="list-style-type: none"> (i) any accrued but unperformed obligation (ii) the consequences of any antecedent breach of a covenant or obligation relating to the Transferring Property Interest; or (iii) any liability in respect of any act or omission under or in relation to the Transferring Property Interest before, or as at the date of assignment to the Incoming Licensee (subject to any continuing liability under the relevant leasehold property and/or any authorised guarantee agreement which the Outgoing Licensee may be required to enter into upon the assignment of the relevant leasehold property); <p>(e) The assignment of the Transferring Property Interests shall oblige the Incoming Licensee to agree to assume, as at the date of assignment:</p> <ul style="list-style-type: none"> (i) responsibility for any covenants, obligations and liabilities (whether accrued and unperformed or current); (ii) the consequences of a breach referred to in (d) above;

Transferring Item (including only those items in the category which are Transferring Items)	Transfer Mechanics	Receipt Mechanics
	<p style="text-align: center;">and</p> <p>(iii) in each case attaching to the relevant Transferring Property Interest but excluding any covenants, obligations and liabilities which are personal to the Outgoing Licensee which (for the avoidance of doubt) shall remain with the Outgoing Licensee and shall not pass to the Incoming Licensee.</p> <p>(f) The Outgoing Licensee shall indemnify the Incoming Licensee against all claims, demands, losses and liabilities arising as a result of non-observance or non-performance by the Outgoing Licensee prior to the date of the assignment of any of the covenants and obligations referred to in (d) or (e) above. Claims by the Incoming Licensee under this indemnity shall be made in accordance with clause 15 of the Cooperation Agreement.</p>	<p style="text-align: center;">and</p> <p>(iii) in each case attaching to the relevant Transferring Property Interest but excluding any covenants, obligations and liabilities which are personal to the Outgoing Licensee which (for the avoidance of doubt) shall remain with the Outgoing Licensee and shall not pass to the Incoming Licensee.</p> <p>(f) The Outgoing Licensee shall indemnify the Incoming Licensee against all claims, demands, losses and liabilities arising as a result of non-observance or non-performance by the Outgoing Licensee prior to the date of the assignment of any of the covenants and obligations referred to in (d) or (e) above. Claims by the Incoming Licensee under this indemnity shall be made in accordance with clause 15 of the Cooperation Agreement.</p>
3. Operator Goodwill and Transferring Lottery IP	<p>3.1 In relation to each item of Transferring Lottery IP and the Operator Goodwill of the Outgoing Licensee, the Outgoing Licensee's Transfer Mechanics are as follows.</p> <p>(a) By no later than the Expiry Date the Outgoing Licensee shall execute and deliver (and procure that any relevant Group Companies shall execute and deliver) an assignment in the form of the Deed of Transfer of Goodwill and Transferring Lottery IP attached in Part D of Appendix 3 of the Cooperation Agreement:</p> <p>(i) to the Incoming Licensee, the goodwill, interest and connection of the Outgoing Licensee or its relevant Group Companies in the business of acting as the licensees under section 5 of the Act, the promoter of any Constituent Lotteries and the operator of any Ancillary Activities; and</p>	<p>3.2 In relation to each item of Transferring Lottery IP and the Operator Goodwill of the Outgoing Licensee, the Incoming Licensee's Receipt Mechanics are as follows.</p> <p>(a) By no later than the Expiry Date the Outgoing Licensee shall execute and deliver (and procure that any relevant Group Companies shall execute and deliver) a countersignature to an assignment in the form of the Deed of Transfer of Goodwill and Transferring Lottery IP attached in Part D of Appendix 3 of the Cooperation Agreement:</p> <p>(i) to the Incoming Licensee, the goodwill, interest and connection of the Outgoing Licensee or its relevant Group Companies in the business of acting as the licensees under section 5 of the Act, the promoter of any Constituent Lotteries and the</p>

Transferring Item (including only those items in the category which are Transferring Items)	Transfer Mechanics	Receipt Mechanics
	(ii) to the Commission, the Transferring Lottery IP (b) The assignment directed by the Commission in accordance with (a) above shall take effect on the Start Date.	operator of any Ancillary Activities; and (ii) to the Commission, the Transferring Lottery IP (b) The assignment directed by the Commission in accordance with (a) above shall take effect on the Start Date.
4. Lottery Staff	See clause 12 of the Cooperation Agreement	See clause 12 of the Cooperation Agreement
5. Lottery Data and Databases	(a) Delivery of the data and all supporting information (including details of relevant correspondence with and from data subjects) (b) Execution of the Deed of Transfer of Databases attached as Part D of Appendix 3 of the Cooperation Agreement	(a) Receipt of the data and all supporting information (including details of relevant correspondence with and from data subjects) (b) Execution of the Deed of Transfer of Databases attached as Part D of Appendix 3 of the Cooperation Agreement
6. Inventory of Scratchcard Lottery Tickets	6.1 In relation to Transferring Scratchcard Lottery Tickets, the Outgoing Licensee's Transfer Mechanics are as follows. (a) Title to the Transferring Scratchcard Lottery Tickets will be transferred to the Incoming Licensee on the Start Date by the Outgoing Licensee pursuant to the Deed of Transfer executed by the Outgoing Licensee and the Incoming Licensee in accordance with paragraphs 6.1 and 6.2 of Part A of Appendix 2 of the Cooperation Agreement. (b) Possession of the Transferring Scratchcard Lottery Tickets will be transferred to the Incoming Licensee by the Outgoing Licensee on the Start Date in accordance with paragraph 12 of Schedule 4 of the Cooperation Agreement. (c) The amount payable by the Incoming Licensee to the Outgoing Licensee shall be agreed between the Outgoing Licensee and	6.2 In relation to Transferring Scratchcard Lottery Tickets, the Incoming Licensee's Transfer Mechanics are as follows. (a) Title to the Transferring Scratchcard Lottery Tickets will be transferred to the Incoming Licensee on the Start Date by the Outgoing Licensee pursuant to the Deed of Transfer executed by the Outgoing Licensee and the Incoming Licensee in accordance with paragraphs 6.1 and 6.2 of Part A of Appendix 2 of the Cooperation Agreement. (b) Possession of the Transferring Scratchcard Lottery Tickets will be transferred to the Incoming Licensee by the Outgoing Licensee on the Start Date in accordance with paragraph 12 of Schedule 4 of the Cooperation Agreement. (c) The amount payable by the Incoming Licensee to the Outgoing Licensee shall be agreed between the Outgoing Licensee and

Transferring Item (including only those items in the category which are Transferring Items)	Transfer Mechanics	Receipt Mechanics
	the Incoming Licensee. If this cannot be agreed within 15 Business Days from the Start Date, the price payable by the Incoming Licensee to the Outgoing Licensee shall be determined by an Expert in accordance with Schedule 5 of the Cooperation Agreement.	the Incoming Licensee. If this cannot be agreed within 15 Business Days from the Start Date, the price payable by the Incoming Licensee to the Outgoing Licensee shall be determined by an Expert in accordance with Schedule 5 of the Cooperation Agreement.
7. Other Licensee Assets	7.1 In relation to each Transferring Licensee Asset, the Outgoing Licensee's Transfer Mechanics are as follows. (a) The Outgoing Licensee shall enter into an agreement with the Incoming Licensee which shall be in the form of the Deed of Transfer for Transferring Assets attached in Part A of Appendix 3 of the Cooperation Agreement. (b) The Deed of Transfer for Transferring Assets shall be duly executed by the Outgoing Licensee and delivered to the [Commission and the] Incoming Licensee [by no later than [●]]. (c) Subject to the execution of the Deed of Transfer for Transferring Assets by the Incoming Licensee in accordance with 2(b), the Incoming Licensee shall take possession of the Transferring Licensee Asset on the Start Date. (d) Save as prohibited by law, no amounts shall be payable to the Outgoing Licensee for the transfer of the Transferring Assets (as defined in the Deed of Transfer for Transferring Assets), other than in respect of Scratchcard Lottery Tickets, in respect of which the amounts payable shall be determined in accordance with 6(c) above.	7.2 In relation to each Transferring Licensee Asset, the Incoming Licensee's Receipt Mechanics are as follows. (a) The Incoming Licensee shall enter into an agreement with the Outgoing Licensee which shall be in the form of the Deed of Transfer for Transferring Assets attached in Part A of Appendix 3 of the Cooperation Agreement. (b) The Deed of Transfer for Transferring Assets shall be duly executed by the Incoming Licensee and delivered to the [Commission and the] Outgoing Licensee [by no later than [●]]. (c) Subject to the execution of the Deed of Transfer, the Incoming Licensee shall take possession of the Transferring Licensee Asset on the Start Date. (d) Save as prohibited by law, no amounts shall be payable to the Outgoing Licensee for the transfer of the Transferring Assets (as defined in the Deed of Transfer for Transferring Assets), other than in respect of Scratchcard Lottery Tickets, in respect of which the amounts payable shall be determined in accordance with 6(c) above.

Part B – Cooperation Agreement Transfer Obligations

	Transferring Item	Transfer Mechanics	Receipt Mechanics
8.	EuroMillions²	<p>8.1 In relation to the EuroMillions Shares, the Outgoing Licensee's Transfer Mechanics are as follows.</p> <p>(a) No later than [●], the Outgoing Licensee shall submit a duly executed Permitted Transfer Notice (as defined in, and required by, the Articles of Association of SLE) to the board of directors of SLE, including:</p> <ul style="list-style-type: none"> (i) details of the terms and conditions of the transfer; and (ii) evidence sufficient to satisfy the board of SLE that the Incoming Licensee will, on and from the Start Date, meet the membership criteria set out in the Articles of Association of SLE. <p>(b) By no later than [●], the Outgoing Licensee shall execute and deliver to the Incoming Licensee:</p> <ul style="list-style-type: none"> (i) a duly executed form of transfer in respect of the EuroMillions Shares; and (ii) any share certificates held by the Outgoing Licensee in respect of the EuroMillions Shares or an indemnity in respect of the same, in a form reasonably satisfactory to the Incoming Licensee. 	<p>8.2 In relation to the EuroMillions Shares, the Incoming Licensee's Transfer Mechanics are as follows.</p> <p>(a) No later than [●], the Incoming Licensee shall provide to the Outgoing Licensee evidence sufficient to satisfy the board of SLE that the Incoming Licensee will, on and from the Start Date, meet the membership criteria set out in the Articles of Association of SLE, in order that such evidence can be submitted to SLE by the Outgoing Licensee in accordance with paragraph 1.1(a).</p> <p>(b) No later than [●], the Incoming Licensee shall deliver to SLE:</p> <ul style="list-style-type: none"> (i) a duly executed copy of a Deed of Adherence to the Lottery Operators' Agreement; (ii) a duly executed copy of a Deed of Adherence to the Cost Reimbursement Agreement(s), <p style="padding-left: 40px;">in each case conditional upon Start and to take effect from the Start Date.</p>

² Note: This provision will apply if the Incoming Licensee intends to continue to operate the EuroMillions game.