

To: The Rank Group Plc (the **Company**)

For the attention of: The Directors

31 May 2019

Dear Sirs,

Mandate Letter in connection with the £128,125,000 term loan facility agreement (the Facility)

We, NatWest Markets Plc (as the **Bookrunner**) and National Westminster Bank Plc (as the **Mandated Lead Arranger**) are pleased to set out in this letter the terms and conditions on which we are willing to arrange and manage the primary syndication of the Facility.

In this letter:

Affiliate means in relation to a person, a subsidiary or holding company of that person, a subsidiary of any such holding company. In relation to the Mandated Lead Arranger and the Bookrunner, the term "Affiliate" shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.

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

close of Syndication means the time the Bookrunner closes Syndication under paragraphs 6.4 or 6.5.

Facility Documents means a facility agreement and related documentation dated on or about the date of this letter.

Longstop Date means the date falling six months after the date of this letter.

Mandate Documents means this letter and the Underwriting Fee Letter (as defined below).

Successful Syndication means the Original Lenders (as defined in the Facility Documents) reduce their participations in the Facility to a final hold of not more than £65,000,000 in aggregate.

Syndication means the primary syndication of the Facility.

Syndication Lenders means the parties participating as Lenders in Syndication.

Syndication Period means the period beginning on the date of this letter and ending on the earlier of the Longstop Date and the close of Syndication.

Unless a contrary intention appears, a term defined in the Facility Documents has the same meaning when used in this letter.

1. **Appointment**

1.1 The Company appoints:

- (a) the Mandated Lead Arranger as exclusive arranger of the Facility;
- (b) the Bookrunner as exclusive bookrunner in connection with Syndication; and
- (c) National Westminster Bank Plc as facility agent in connection with the Facility;

1.2 The Company agrees that:

- (a) no other person shall be appointed as mandated lead arranger, bookrunner or facility agent;
- (b) no other titles shall be awarded; and
- (c) except as provided in the Facility Documents, the Mandate Documents, or to a potential lender to enhance the prospects of Successful Syndication, no other compensation shall be paid to any person,

in connection with the Facility without the prior written consent of the Mandated Lead Arranger.

2. **Clear Market**

2.1 During the Syndication Period, the Company shall not and shall ensure that no other member of the Group shall announce, enter into discussions to raise, raise or attempt to raise any other finance in the international or any relevant domestic syndicated loan, debt, bank, capital or equity market(s) (including, but not limited to, any bilateral or syndicated facility, bond or note issuance or private placement) without the prior written consent of each of the Mandated Lead Arranger and the Bookrunner.

2.2 Paragraph 2.1 does not apply to:

- (a) the Facility; or
- (b) the renewal of any existing bilateral facility with the same lender, on substantially the same terms and for the same or a smaller principal amount.

3. **Market Flex**

3.1 During the Syndication Period, the Bookrunner shall be entitled to increase the Upfront Fee by up to 25bps and each level of the Applicable Margin in the table set out in the Facility Documents by up to 25bps, if the Bookrunner (acting reasonably and in good faith) determines that such changes (and no lesser changes) are necessary to enhance the prospects of a Successful Syndication.

3.2 The Bookrunner will consult with the Company for a maximum period of one week prior to exercising any of their rights under this paragraph 3.

3.3 The Company agrees to, and shall ensure that each other Obligor shall, act promptly to amend the Facility Documents to reflect any changes made under paragraph 3.1.

4. **Underwriting Fee**

4.1 The Company shall pay to the Agent (for the account of the Bookrunner) an underwriting fee in the amount and at the times agreed in the underwriting fee letter (the **Underwriting Fee Letter**).

5. **Payments**

All payments to be made under the Mandate Documents:

(a) shall be paid in the currency of invoice and in immediately available, freely transferable cleared funds to such account(s) with such bank(s) as the Mandated Lead Arranger or the Bookrunner (as applicable) notify to the Company in advance of the date of this letter or otherwise on one week's notice;

(b) shall be paid without any deduction or withholding for or on account of tax (a **Tax Deduction**) unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and

(c) are exclusive of any value added tax or similar charge (**VAT**). If VAT is chargeable, the Company shall also and at the same time pay to the recipient of the relevant payment an amount equal to the amount of the VAT.

6. **Syndication**

6.1 The Bookrunner shall, in consultation with the Company, decide on the strategy to be adopted for Syndication (including timing and subject to paragraph 6.2, the selection of potential Lenders) and the Bookrunner shall, unless otherwise stated in this Letter, in consultation with the Company, manage all other aspects of the Syndication. Subject to any applicable confidentiality agreement between the Company and the Bookrunner, the Company authorises the Bookrunner to discuss the terms of the Facility with, and to disclose those terms to, potential Lenders to facilitate the Syndication.

6.2 The Bookrunner shall ensure that any potential Lenders approached during Syndication will be:

(a) selected from the list of Lenders which is agreed between the Company and the Bookrunner; or

(b) otherwise approved by the Company,

(each an **Approved Lender**),

and, until the end of the Certain Funds Period (as defined in the Facility Documents), the Bookrunner shall not arrange a transfer under the Facility Documents to a Lender which is not an Approved Lender without the prior written consent of the Company.

- 6.3 For the avoidance of doubt, any assignment or transfer by a Lender of its rights and / or obligations under the Facility Documents to an Approved Lender or any Affiliate or related Fund (as defined in the Facility Documents) of an Approved Lender, shall not require consent of the Company provided that Evercore, as financial adviser to the Company, has confirmed that they approve the lending vehicle of the proposed transferee to the Company, the Mandated Lead Arranger and the Bookrunner.
- 6.4 At any time after the Bookrunner has received sufficient commitments that (when reflected as participations in the Facility) would result in a Successful Syndication, the Bookrunner may :
- (a) close Syndication; and
 - (b) accept the commitments received and allocate resulting participations in the Facility (in a way that will result in a Successful Syndication).
- 6.5 If by the Longstop Date the Bookrunner has not received sufficient commitments that (when reflected as participations in the Facility) would result in a Successful Syndication, the Bookrunner may close Syndication, accept the commitments received and allocate resulting participations in the Facility.
- 6.6 During the Syndication Period, the Company shall, and shall ensure that the other members of the Group will, give any assistance which the Mandated Lead Arranger or Bookrunner reasonably requires in relation to Syndication including, but not limited to:
- (a) giving reasonable assistance to the Mandated Lead Arranger with the preparation of an information memorandum containing all relevant information (including projections) including, but not limited to, information about the Group and how the proceeds of the Facility will be applied (the **Information Memorandum**). The Company shall approve the Information Memorandum before the Mandated Lead Arranger distributes it to potential Lenders;
 - (b) providing any information reasonably requested by the Mandated Lead Arranger or potential Lenders in connection with Syndication;
 - (c) making available appropriate senior management or representatives of the Company and other members of the Group for the purposes of giving presentations to, and participating in meetings with, potential Lenders at such times and places as the Mandated Lead Arranger may reasonably request;
 - (d) using best efforts to ensure that Syndication benefits from the Group's existing lending relationships;

- (e) agreeing to such shorter Interest Periods during the Syndication process as are necessary for the purposes of Syndication;
- (f) entering into a syndication agreement in a form to be agreed between the Mandated Lead Arranger, the relevant Syndication Lenders and the Company;
- (g) making any minor amendments to the Facility Documents which the Mandated Lead Arranger reasonably requests on behalf of potential Lenders; and
- (h) amending clause 34.2 (*All Lender matters*) of the Facility such that any amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to sanctions provisions shall require the prior consent of all the Lenders,

provided that in the case of paragraph (g) above, to the extent that (i) the Company is obliged pursuant to any agreement dated on or before the date hereof to obtain the consent of Evercore as financial advisor in respect of such amendments to the Facility Documents and (ii) the Company is using all reasonable endeavours to obtain such consent, then the Company shall not be in breach of its obligations under this paragraph 6.6.

7. **Indemnity**

7.1

- (a) Whether or not the Facility Documents are signed, the Company shall within three Business Days of demand indemnify each Indemnified Person against any cost, expense, loss or liability (including without limitation legal fees) incurred by or awarded against that Indemnified Person in each case arising out of or in connection with any action, claim, investigation or proceeding commenced or threatened (including, without limitation, any action, claim, investigation or proceeding to preserve or enforce rights) in relation to:
 - (i) any Mandate Document; and/or
 - (ii) the arranging or syndicating of the Facility.
- (b) The Company will not be liable under paragraph (a) above for any cost, expense, loss or liability (including without limitation legal fees) incurred by or awarded against an Indemnified Person if that cost, expense, loss or liability results directly from any breach by that Indemnified Person of any Mandate Document or any Facility Document which is in each case finally judicially determined to have resulted directly from the fraud, gross negligence or wilful misconduct of that Indemnified Person.
- (c) For the purposes of this paragraph 7:

Indemnified Person means the Mandated Lead Arranger, the Bookrunner, and, in each case, any of their respective Affiliates and each of their (or their respective Affiliates') respective directors, officers, employees and agents.

7.2 Neither the Mandated Lead Arranger nor the Bookrunner shall have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any payment made or required to be made under paragraph 7.1.

7.3

- (a) The Company agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any of its Affiliates for or in connection with anything referred to in paragraph 7.1 above except, following the Company's agreement to the Mandate Documents, for any such cost, expense, loss or liability incurred by the Company that results directly from any breach by that Indemnified Person of any Mandate Document or any Facility Document which is in each case finally judicially determined to have resulted directly from the fraud, gross negligence or wilful misconduct of that Indemnified Person.
- (b) Notwithstanding paragraph (a) above, no Indemnified Person shall be responsible or have any liability to the Company or any of its Affiliates or anyone else for consequential losses or damages.
- (c) The Company represents to the Mandated Lead Arranger and the Bookrunner that:
 - (i) it is acting for its own account and it has made its own independent decisions to enter into the transaction contemplated in the Mandate Documents (the **Transaction**) and as to whether the Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary;
 - (ii) it is not relying on any communication (written or oral) from any of the Mandated Lead Arranger or the Bookrunner as investment advice or as a recommendation to enter into the Transaction, it being understood that information and explanations related to the terms and conditions of the Transaction shall not be considered investment advice or a recommendation to enter into the Transaction. No communication (written or oral) received from of the Mandated Lead Arranger or the Bookrunner shall be deemed to be an assurance or guarantee as to the expected results of the Transaction;
 - (iii) it is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction. It is also capable of assuming, and assumes, the risks of the Transaction; and
 - (iv) neither the Mandated Lead Arranger nor the Bookrunner is acting as a fiduciary for or as an adviser to it in connection with the Transaction.

7.4 The Contracts (Rights of Third Parties) Act 1999 shall apply to this paragraph 7 but only for the benefit of the other Indemnified Persons, subject always to the terms of

paragraph 14.2 (*Third Party Rights*) and paragraph 16 (*Governing Law and Jurisdiction*).

8. **Confidentiality**

Each party to this letter acknowledges that the Mandate Documents are confidential and no party to this letter shall, and the Company shall ensure that no other member of the Group shall, without the prior written consent of each other party to this letter, disclose the Mandate Documents or their contents to any other person except:

- (a) as required by law or by any applicable governmental or other regulatory authority or by any applicable stock exchange; and
- (b) to its employees or professional advisers for the purposes of the Facility who have been made aware of and agree to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice.

9. **Publicity/Announcements**

9.1 All publicity in connection with the Facility shall be managed by the Mandated Lead Arranger and the Company together, and each party should consult with the other in respect of any publicity in connection with the Facility.

9.2 No announcements regarding the Facility or any roles as arranger, bookrunner, lender or agent shall be made without the prior written consent of the Company, the Mandated Lead Arranger and the Bookrunner provided that once information has been agreed to be published by the Company, the Mandated Lead Arranger and the Bookrunner no further consultation will be required to include that information in future publicity.

10. **Conflicts**

10.1 The Company and the Mandated Lead Arranger and the Bookrunner acknowledge that the Mandated Lead Arranger or its Affiliates and the Bookrunner or its Affiliates may provide debt financing, equity capital or other services to other persons with whom the Company or its Affiliates may have conflicting interests in respect of the Facility in this or other transactions.

10.2 The Company and the Mandated Lead Arranger and the Bookrunner acknowledges that the Mandated Lead Arranger or its Affiliates and the Bookrunner or its Affiliates may act in more than one capacity in relation to this transaction and may have conflicting interests in respect of such different capacities.

10.3 The Mandated Lead Arranger and the Bookrunner shall not use confidential information obtained from the Company or its Affiliates for the purposes of the Facility in connection with providing services to other persons or furnish such information to such other persons.

10.4 The Company acknowledges that the Mandated Lead Arranger and the Bookrunner have no obligation to use any information obtained from another source for the purposes of the Facility or to furnish such information to the Company or its Affiliates.

11. **Assignments**

- 11.1 The Company shall not assign any of its rights or transfer any of its rights or obligations under the Mandate Documents without the prior written consent of each of the Mandated Lead Arranger and the Bookrunner.
- 11.2 Each of the Mandated Lead Arranger and the Bookrunner shall not assign any of its rights or transfer under the Mandate Documents without the prior written consent of the Company, unless the assignment or transfer is made to an Affiliate, or is otherwise required as a result of legal or regulatory requirements.

12. **Survival**

- 12.1 The terms of this letter shall survive and continue after the Facility Documents are signed.

13. **Entire Agreement**

- 13.1 The Mandate Documents set out the entire agreement between the Company, the Mandated Lead Arranger and the Bookrunner as to arranging and managing the primary syndication of the Facility and supersede any prior oral and/or written understandings or arrangements relating to the Facility.
- 13.2 Any provision of a Mandate Document may only be amended or waived in writing signed by the Company and the Mandated Lead Arranger and the Bookrunner.

14. **Third Party Rights**

- 14.1 Unless expressly provided to the contrary in this letter, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any of its terms.
- 14.2 Notwithstanding any term of this letter, the consent of any person who is not a party to this letter is not required to rescind or vary this letter at any time.

15. **Counterparts**

This letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.

16. **Governing Law and Jurisdiction**

- 16.1 This letter (including the agreement constituted by your acknowledgement of its terms) (the **Letter**) and any non-contractual obligations arising out of or in connection with it (including any non-contractual obligations arising out of the negotiation of the transaction contemplated by this Letter) are governed by English law.
- 16.2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter (including a dispute relating to any non-contractual obligation arising out of or in connection with either this Letter or the negotiation of the transaction contemplated by this Letter).

If you agree to the above, please acknowledge your agreement and acceptance of the offer by signing and returning the enclosed copy of this letter to:

National Westminster Bank Plc – Calvin Jack at 9th Floor, 250 Bishopsgate, London, EC2M 4AA.; and

NatWest Markets Plc – Jonathan Pughe at 9th Floor, 250 Bishopsgate, London, EC2M 4AA.

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a series of loops and a final flourish.

.....
For and on behalf of

National Westminster Bank Plc in its capacity as Mandated Lead Arranger

A handwritten signature in black ink, identical to the one above, consisting of a large, stylized 'B' followed by a series of loops and a final flourish.

.....
For and on behalf of

NatWest Markets Plc in its capacity as Bookrunner

We acknowledge and agree to the above:

A handwritten signature in black ink, appearing to be 'Saul', written over a dotted line.

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For and on behalf of
The Rank Group Plc