

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your Ordinary Shares, please forward this document as soon as possible, but not the accompanying personalised form of proxy, to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Canaccord Genuity, which is authorised and regulated by the Financial Conduct Authority, is acting for the Company and no one else in relation to the Waiver Resolution and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Canaccord Genuity, nor for providing advice in relation to the Waiver Resolution.

## GAME Digital plc

(Incorporated and registered in England and Wales under number 09040213)

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**Notice of Annual General Meeting to be held on 15 January 2015, including proposals for the renewal of the Company's authority to make market purchases of its Ordinary Shares and approval of a waiver of the requirements under Rule 9 of the City Code on Takeovers and Mergers.**

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## Definitions

**'Act'** the Companies Act 2006

**'acting in concert'** has the meaning set out in the Code

**'AGM'** annual general meeting

**'Annual Report'** the Company's annual report, including its audited accounts, for the year ended 26 July 2014

**'Articles of Association'** the Company's articles of association

**'Buyback Authority'** the authority for the Company to make market purchases of Ordinary Shares, to be proposed to Ordinary Shareholders in the terms of resolution 17 set out in the notice of AGM

**'Canaccord Genuity'** Canaccord Genuity Limited

**'Chairman'** David Hamid, whose address is Unity House, Telford Road, Basingstoke, Hampshire, RG21 6YJ

**'Code'** the City Code on Takeovers and Mergers

**'Company'** GAME Digital plc

**'Concert Party'** means that group of persons which the Panel has confirmed is deemed to be acting in concert, details of those of which who are Shareholders being set out in paragraph 7.2 of Part III of this document

**'Concert Party Directors'** David Hamid and Franck Tuil

**'CREST'** the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear U.K. & Ireland Limited is the Operator (also as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755))

**'Current Letter'** has the meaning given to it on page 7 of this document

**'Directors'** the Company's directors

**'Disclosure and Transparency Rules'** the Disclosure Rules and Transparency Rules, as published by the Financial Conduct Authority in its handbook of rules and guidance

**'Duodi'** Duodi Investments S.à r.l. of 6 Rue Eugène Ruppert, L-2453, Luxembourg, an investment vehicle in which the majority interest is ultimately owned by Elliott International LP and Elliott Associates LP, being funds in respect of which Elliott Capital Advisors LP is either the general partner or the owner of a general partner and in respect of which Elliott Advisers (UK) Limited is a sub-adviser to the funds' investment services provider

**'Duodi Directors'** the persons listed in paragraph 7.1 of Part III of this document

**'Elliott Funds'** has the meaning given to it on page 10 of this document

**'Employee Benefit Trust'** the Company's employee benefit trust

**'Executive Directors'** Martyn Gibbs and Benedict Smith

**'Former Service Agreements'** has the meaning given to it on page 6 of this document

**'GRL'** Game Retail Limited

**'HSBC'** HSBC Bank plc

**'IMA'** the Investment Management Association

**'Independent Directors'** the Directors other than the Concert Party Directors

**'Independent Shareholders'** the Shareholders other than any member of the Concert Party

**'IPO'** the admission of the Ordinary Shares to the Official List and to trading on the Main Market for listed securities of the London Stock Exchange, which took effect on 11 June 2014

**'Latest Practicable Date'** the close of business on 4 December 2014, being the latest practicable date prior to the publication of this document

**'Liberum'** Liberum Capital Limited

**'Non-Executive Directors'** David Hamid, John Jackson, Lesley Watkins, Caspar Woolley and Franck Tuil

**'Official List'** the Official List of the UK Listing Authority

**'Ordinary Shares'** ordinary shares of one penny each in the capital of the Company

**'Panel'** the Panel on Takeovers and Mergers

**'Performance Share Plan'** the Company's performance share plan

**'Placing'** the institutional placing of 22,500,000 Ordinary Shares by Duodi on 18 September 2014 at a price of 260 pence per Ordinary Share

**'Previous Letter'** has the meaning given to it on page 7 of this document

**'Prospectus'** the prospectus published by the Company on 6 June 2014 in connection with the IPO

**'Relationship Agreement'** the relationship agreement dated 6 June 2014 entered into between the Company, Duodi and Baker Partners LP

**'Revised Service Agreements'** has the meaning given to it on page 6 of this document

**'Shareholder'** a holder of Ordinary Shares

**'Trigger Threshold'** has the meaning given to it on page 4 of this document

**'Underwriting Agreement'** the sponsor's and underwriting agreement dated 6 June 2014 entered into between the Company, Duodi, the Directors, Canaccord Genuity, Liberum and HSBC

**'Waiver'** a waiver by the Panel of the obligation which would otherwise arise, pursuant to Rule 9 of the Code, for Duodi or any other member of the Concert Party to make a general offer to the other Shareholders for all of their Ordinary Shares as a result of market purchases of up to 17,000,000 Ordinary Shares by the Company pursuant to the Buyback Authority, which could, subject to the assumptions in paragraph 3 of Part III of this document, potentially increase the Concert Party's aggregate shareholding from approximately 49.0 per cent of the total voting rights in the Company to a maximum of approximately 54.5 per cent of the total voting rights in the Company

**'Waiver Resolution'** the ordinary resolution numbered 15 in the form set out in the notice of AGM approving the Waiver

**GAME Digital plc**

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5 December 2014

Dear Shareholder,

## Notice of Annual General Meeting

I am pleased to be writing to you with details of our upcoming first AGM, which will be held at the Company's registered office at Unity House, Telford Road, Basingstoke, Hampshire, RG21 6YJ on 15 January 2015 at 11.00 a.m.

We welcome your vote on the proposed resolutions at the AGM. Should you be unable to attend the AGM in person, a form of proxy is enclosed to enable you to record your vote(s) in relation to each element of the business to be conducted at the AGM. This can be carried out either by completion and return of the enclosed form direct to Computershare, the Company's Registrars, at The Pavilions, Bridgwater Road, Bristol, BS13 8AE, or alternatively online, at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please note that, in order for your vote(s) to be counted, Computershare must receive your completed form of proxy or online vote by not later than 11.00 a.m. on 13 January 2015.

The formal notice of AGM is set out on pages 12 to 13 of this document and the remainder of this letter aims to provide you with a brief background to and explanation of the purpose of each resolution, the action to be taken and the recommendations of the Board in relation to voting on the proposed resolutions.

Your attention is drawn in particular to resolution 15 and to the information set out in Parts II – IV of this document. Resolution 15, which is being proposed as an ordinary resolution, seeks Independent Shareholders' approval of a waiver of the obligation that could arise on the Concert Party to make a general offer for the entire issued share capital of the Company as a result of purchases by the Company of Ordinary Shares pursuant to the Buyback Authority.

For the reasons set out in paragraph 3 of Part II of this document, the Panel considers Duodi (which is ultimately controlled by an Elliott entity) and myself to be acting in concert for the purposes of the Code. As at the Latest Practicable Date, Duodi and I were between us interested in 83,383,993 Ordinary Shares, representing approximately 49.0 per cent of the Ordinary Shares. Further information on the Concert Party is set out in paragraph 7 of Part III of this document.

Under Rule 9 of the Code, if the Concert Party's interests in Ordinary Shares increase beyond their current level then, in the absence of an applicable waiver or exemption, the members of the Concert Party would be required to make a general offer for the issued share capital of the Company not held by them.

## Part I – Letter from the Chairman

continued

Independent Shareholders are being asked to approve a waiver granted by the Panel in favour of the members of the Concert Party relating to the obligations they would otherwise incur pursuant to Rule 9 of the Code in connection with any increase in their holding of Ordinary Shares as a result of purchases by the Company of Ordinary Shares pursuant to the Buyback Authority. An explanation of the reasons for such a request, the background to the obligation arising from Rule 9 of the Code and further relevant details are set out in Parts II-IV of this document.

**Shareholders should note that, if the Company fully utilises the Buyback Authority, and if the Concert Party were to maintain its current shareholding, Duodi and the other members of the Concert Party could come to hold between them more than 50 per cent of the voting rights of the Company. In those circumstances, Duodi and the other members of the Concert Party would be permitted (for so long as they continue to be treated as acting in concert) to make purchases of Ordinary Shares without incurring an obligation under Rule 9 of the Code to make a general offer to all Shareholders, although each individual member of the Concert Party will not be able to increase its percentage interest in Ordinary Shares through or between a Rule 9 threshold without Panel consent. Please note that, if Duodi comes to hold more than 50 per cent of the voting rights of the Company, future purchases of Ordinary Shares by Duodi could be made without incurring an obligation under Rule 9 of the Code to make a general offer to all Shareholders.**

### Recommendation

The Directors consider that resolutions 1 to 14 and 16 to 18 set out in this notice of AGM are in the best interests of the Company and its Shareholders and accordingly are most likely to promote the success of the Company for the benefit of members as a whole. Accordingly, my fellow Directors and I unanimously recommend that Shareholders vote in favour of those resolutions, as we each intend to do in respect of our own beneficial shareholdings in the Company.

The Code requires the Concert Party Directors to abstain from voting on resolution 15 and from participating in the Board's consideration of it. As a result, the Independent Directors, who have been so advised by Canaccord Genuity, consider resolution 15 set out in this notice of AGM to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of resolution 15, as they each intend to do in respect of their own beneficial shareholdings in the Company. In addition, the Code also requires the other members of the Concert Party to abstain from voting on resolution 15.

Yours faithfully,



**David Hamid**  
Chairman, GAME Digital plc

**Registered Office**  
Unity House  
Telford Road  
Basingstoke  
Hampshire RG21 6YJ

**Registered in England**  
09040213

## Part II – Background to and Details of the Waiver

### 1 Background

- 1.1 As at the Latest Practicable Date, Duodi held 82,177,981 Ordinary Shares (representing approximately 48.3 per cent of the total voting rights in the Company) and David Hamid held 1,206,012 Ordinary Shares (representing approximately 0.7 per cent of the total voting rights in the Company). If the interests of Duodi or any other member of the Concert Party in Ordinary Shares increase beyond its current level, that person would be required under Rule 9 of the Code to make a general offer for the issued share capital of the Company not held by it.
- 1.2 On 6 June 2014, the Company, Duodi and Baker Partners LP entered into the Relationship Agreement, the purpose of which is to regulate the relationship between the Company and the members of its group (on the one hand) and Duodi (on the other), so that the Company and its subsidiaries will, at all times, be capable of carrying on business independently from Duodi and its associates. The Relationship Agreement will continue in force until (i) Duodi and its associates (together with any person with whom they may be acting in concert) cease to be a significant shareholder or (ii) the Company ceases to maintain its listing on the premium segment of the Official List. For these purposes, a “significant shareholder” is any person who holds an interest, either directly or indirectly, in 10 per cent or more of the aggregate voting rights in the Company.
- 1.3 Pursuant to the Relationship Agreement, for so long as Duodi and its associates (together with any person with whom they may be acting in concert) continue to be a significant shareholder, Duodi will be entitled from time to time to nominate one person to be a Director. Currently, Franck Tuil is Duodi’s representative Director.
- 1.4 In addition, pursuant to the Relationship Agreement, the Company has, amongst other things, undertaken to procure that, upon the aggregate interest, either direct or indirect, of Duodi and its associates in the Company falling to below 50 per cent (but to not less than 30 per cent) from above 50 per cent (the “**Trigger Threshold**”), and subject to the prior consent of the Panel (if necessary) being obtained by the Company and/or Duodi, if the Company has taken or proposes to take authority from Shareholders to purchase its Ordinary Shares at the first and each subsequent AGM of the Company after the Trigger Threshold is met, the Company shall propose to the Independent Shareholders by poll a resolution to waive any obligation by Duodi to make a mandatory general offer for the Independent Shareholders’ Ordinary Shares in accordance with Rule 9 of the Code.
- 1.5 Subject to the Directors’ overriding duty to promote the success of the Company, the Company has also undertaken in the Relationship Agreement that, following the Trigger Threshold being met, it shall not make any purchases of its Ordinary Shares unless (i) the Company’s Independent Shareholders have passed at an AGM or general meeting on a poll a resolution to waive any obligation by Duodi or any concert party of Duodi to make a general offer for the Independent Shareholders’ Ordinary Shares in accordance with Rule 9 of the Code or (ii) any such purchase will be carried out in such a way that Duodi and/or any concert party of Duodi will hold (in aggregate) a percentage interest in the Ordinary Shares following the purchase as is equal to the aggregate percentage interest held by them prior to such purchase.
- 1.6 Immediately following the IPO, Duodi held 104,677,981 Ordinary Shares (representing approximately 61.6 per cent of the total voting rights in the Company). As a result of the Placing, Duodi’s holding of Ordinary Shares decreased to its current level (82,177,981 Ordinary Shares, representing approximately 48.3 per cent of the total voting rights in the Company), thereby meeting the Trigger Threshold and triggering the obligation under the Relationship Agreement for the Company to put the Waiver Resolution to this AGM.

### 2 The Waiver

- 2.1 Under Rule 9 of the Code, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent, but does not hold shares carrying more than 50 per cent, of the voting rights of a company and such person, or any persons acting in concert with him, acquires an interest in any other shares in the company which increases the percentage of shares carrying voting rights in which he is interested, such person would normally have to extend a general offer to all shareholders to acquire their shares for cash at not less than the highest price paid by him, or parties acting in concert with him, during the 12 months prior to the announcement of the offer. However, if a shareholder or group of shareholders acting in concert reduces his or their interest in shares, but without reducing his or their interest in shares to less than 30 per cent of the shares carrying voting rights of the company, such shareholder or shareholders may subsequently acquire an interest in shares without incurring an obligation to make a general offer, provided that (i) the total number of shares in which interests are acquired in the preceding 12 months does not exceed one per cent of the voting share capital for the time being and (ii) the percentage of shares in which the relevant shareholder or concert party is interested resulting from any such acquisition does not exceed the highest percentage of shares in which such shareholder or concert party was interested in the previous 12 months.
- 2.2 The percentage of Ordinary Shares carrying voting rights in which the Concert Party is interested could be increased by the purchase of Ordinary Shares through the exercise by the Company of the Buyback Authority. Any increase in the percentage of shares carrying voting rights in which the Concert Party is interested that results from such an exercise would normally be treated as an acquisition of interests in such shares by the Concert Party for the purposes of Rule 9 of the Code. Accordingly, if the effect of such exercise was either to increase the percentage of such shares in which the Concert Party is interested to above its highest level in the previous 12 months or result in the total acquisitions by the Concert Party in the previous 12 months being greater than one per cent of the voting share capital for the time being, this could result in members of the Concert Party being obliged to make a general offer for the entire issued ordinary share capital of the Company.
- 2.3 In accordance with Rule 37 of the Code, the Panel has agreed to waive any requirement on the Concert Party to make a general offer to all Shareholders which could arise as a result of an exercise of the Buyback Authority, provided that the Independent Shareholders have passed, on a poll, the Waiver Resolution. Accordingly, Independent Shareholders are being asked to approve the Waiver Resolution.

## Part II – Background to and Details of the Waiver continued

- 2.4 The Waiver will (subject to the discretion of the Panel) be invalidated if any further purchases of Ordinary Shares are made by any member of the Concert Party in the period between the date of this document and the date of the AGM. The Waiver will not apply to the purchase of Ordinary Shares by the Concert Party itself, which would remain subject to the provisions of Rule 9 of the Code as described above.
- 2.5 In considering whether to seek a waiver of the mandatory offer provisions set out in Rule 9 of the Code, the Independent Directors have taken into account (i) their belief that market purchases of Ordinary Shares as envisaged by resolution 17, details of which are set out below, will be in the best interests of the Company and Independent Shareholders as a whole and (ii) the potential increase in the aggregate Concert Party holding.
- 2.6 If the Independent Shareholders do not approve the Waiver Resolution, but resolution 17 is passed, the Directors will not make use of the authority to be granted under resolution 17 unless arrangements can be put in place to ensure that the Concert Party's aggregate percentage interest in the Ordinary Shares will not increase as a result of any such purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted), since, based on the issued share capital of the Company and the Concert Party's aggregate percentage interest in the Ordinary Shares as at the Latest Practicable Date, any purchases by the Company of its own shares from Shareholders other than the Concert Party could result in a member of the Concert Party having to make a mandatory offer to all Shareholders under Rule 9 of the Code.

### 3 Relationship between Duodi and David Hamid

David Hamid is a partner of OpCapita, an independent private equity partnership, a related partnership of which was a minority co-investor with the Elliott Funds at the time of the initial investment in the GAME group. David Hamid was a limited partner in the OpCapita partnership used to co-invest in the GAME group until a pre-IPO reorganisation took place and currently his only interest in the Company and its subsidiaries is his direct holding of ordinary shares in the Company, representing 0.7 per cent of the share capital.

Duodi and its associates and Mr Hamid and his associates: (i) are not collectively party to any shareholders' or similar agreement in relation to the Company and its subsidiaries, (ii) are not collectively, nor have they since the IPO been, party to an agreement or understanding (whether formal or informal) to co-operate to obtain or consolidate control (as defined in the Code) of the Company nor to frustrate the successful outcome of an offer for the Company and (iii) do not collude to raise particular issues at the Company board level, make joint representations to the Company's board or agree to vote in the same way on particular resolutions at Company general meetings (and, in this respect, the Relationship Agreement, which seeks to ensure appropriate independence between Duodi and its associates and the Company, has been respected by Duodi).

However, due to their historical business relationship and the circumstances in which they came to be interested in the GAME group, the Panel has informed Duodi and David Hamid that it regards them as acting in concert for the purposes of the Code.

### 4 Concert Party's intentions

In the event that the proportionate shareholding of the Concert Party increases as a result of the exercise by the Company of the Buyback Authority, the members of the Concert Party have confirmed that presently there would be no intention to cause the Company to undergo a material change from the business carried on by it as at the date of this document. The Concert Party members have further confirmed that presently there would be no intention to effect any changes which would have material repercussions on employment or result in a change to the location of the Company's places of business. In addition, the members of the Concert Party have confirmed that presently there would be no intention to terminate the continued employment of, or materially change the existing employment rights, including pension rights of, any of the employees or members of the management of the Company or any of its subsidiaries, redeploy the Company's fixed assets or cease to maintain any of the trading facilities in respect of the Ordinary Shares. In this context it should be noted that Duodi is restricted from making such changes or altering the Company's strategic direction on its own initiative by the terms of the Relationship Agreement.

### 5 Independent advice

- 5.1 Canaccord Genuity has provided advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Code, in relation to the granting of the Waiver.
- 5.2 This advice was provided by Canaccord Genuity to the Independent Directors of the Company only and, in providing such advice, Canaccord Genuity has taken into account the Independent Directors' commercial assessments as well as the Concert Party's future intentions in relation to the Company (as set out in paragraph 4 of Part II of this document).

### 6 Recommendation by Independent Directors

The Independent Directors, who have been so advised by Canaccord Genuity, consider the Waiver to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors, Canaccord Genuity has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolution at the AGM, as they intend to do in respect of their own beneficial shareholdings. No member of the Concert Party will be voting its interest in any Ordinary Shares in relation to the Waiver Resolution. In addition, the Concert Party Directors have not participated in the Board's consideration of the Waiver.

## Part III – Additional Information

### 1 Responsibility

- 1.1 The Directors take responsibility for the information contained in this document, other than:
- 1.1.1 the information referred to in paragraph 1.2 of Part III of this document (for which the Duodi Directors and David Hamid take responsibility);
- 1.1.2 the information referred to in paragraph 1.3 of this document (for which the Duodi Directors take responsibility);
- 1.1.3 the information referred to in paragraph 1.4 of Part III of this document (for which the Independent Directors take responsibility); and
- 1.1.4 the information referred to in paragraph 1.5 of Part III of this document (for which David Hamid takes responsibility).

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.2 The Duodi Directors and David Hamid take responsibility for the statements in paragraph 4 of Part II of this document relating to the intentions of the Concert Party and to the Company's strategic direction. To the best of the knowledge and belief of the Duodi Directors (who have taken all reasonable care to ensure that such is the case), the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Duodi Directors take responsibility for the information relating to Duodi and the other members of the Concert Party (other than David Hamid) contained in this document. To the best of the knowledge and belief of the Duodi Directors (who have taken all reasonable care to ensure that such is the case), the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 The Independent Directors take responsibility for the recommendation and associated opinion attributed to them in the final paragraph of the Letter from the Chairman and paragraph 6 of Part II of this document. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.5 David Hamid takes responsibility for the information relating to himself contained in this document. To the best of the knowledge and belief of David Hamid (who has taken all reasonable care to ensure that such is the case), the information for which he takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2 Directors

- 2.1 The Directors of the Company and their functions are as follows:

<b>Name</b>	<b>Function</b>
David Hamid	Chairman
Martyn Gibbs	Chief Executive Officer
Benedict Smith	Chief Financial Officer
John Jackson	Senior Independent Director
Lesley Watkins	Independent Non-Executive Director
Caspar Woolley	Independent Non-Executive Director
Franck Tuil	Non-Executive Director

In addition, Franck Tuil is also a Portfolio Manager at Elliott Advisors (UK) Limited, the UK sub-adviser to the investment services provider to Elliott International LP and Elliott Associates LP, the ultimate majority owners of Duodi.

#### Executive Directors

- 2.2 In anticipation of the IPO, the Company reviewed the Executive Directors' service agreements (the "**Former Service Agreements**") in light of the requirements of the UK Corporate Governance Code and best practice and replaced them with a new form of service agreement (the "**Revised Service Agreements**"). The material differences between the Former Service Agreements and the Revised Service Agreements are set out below.

#### Date of contract and unexpired term

- 2.2.1 Benedict Smith's Former Service Agreement is dated 14 January 2013 and his Revised Service Agreement is dated 23 May 2014. Martyn Gibbs' Former Service Agreement is dated 26 November 2012 and his Revised Service Agreement is dated 23 May 2014.

The Executive Directors are not expected to serve any particular term in office but their position will be subject to appointment at the Company's first AGM and to re-appointment annually thereafter.

#### Details of notice periods

- 2.2.2 Under both the Former Service Agreements and the Revised Service Agreements, each Executive Director's service agreement is terminable by him or the Company on not less than 12 months' prior written notice (in respect of Martyn Gibbs) or six months' prior written notice (in respect of Benedict Smith).

Under the Former Service Agreements, GRL was entitled to terminate employment and make a payment in lieu of notice to the Executive Director in respect of his notice period. This payment in lieu of notice was calculated by reference to basic salary and any other contractual benefits which the Executive Director was entitled to receive pursuant to the terms of the Former Service Agreement and which would have accrued during such unexpired period of notice given or deemed to be given, and would have had to be paid in one lump sum.

## Part III – Additional Information

continued

Under the Revised Service Agreements, the Company can terminate either Executive Director's service agreement by payment of a cash sum in lieu of notice equivalent to the basic salary to which the relevant Executive Director would have been entitled for the remainder of his notice period. At the Company's discretion, such a payment in lieu of notice can either be made as a lump sum or in monthly instalments in arrears on the Company's normal payroll dates. The Revised Service Agreements include an obligation to mitigate, together with a mechanism to reduce the monthly payments where the relevant Executive Director commences alternative employment during the notice period. The Company also has discretion to include pension contributions, car allowance and the cost of providing insured benefits within the payment in lieu of notice.

Both the Former Service Agreements and the Revised Service Agreements are terminable with immediate effect without notice in certain circumstances, including where the Executive Director is guilty of dishonesty or other gross misconduct or incompetence, acts in a way which brings the Company or its subsidiaries into serious disrepute, engages in unacceptable conduct, has a bankruptcy order made against him, is convicted of a criminal offence (other than a road traffic offence not punishable by imprisonment), is prohibited by law from being a director, becomes of unsound mind, resigns as a Director or is in breach of any regulatory requirement that applies to him (these last two categories applying only to the Revised Service Agreements).

### Remuneration and other benefits

2.2.3 Benedict Smith is entitled to receive an annual salary of £300,000 and an annual car allowance of £10,000 under both his Former Service Agreement and his Revised Service Agreement.

Martyn Gibbs was entitled to receive an annual salary of £325,000 under his Former Service Agreement and is entitled to receive an annual salary of £425,000 under his Revised Service Agreement. In each case, Martyn Gibbs is also entitled to receive an annual car allowance of £14,000.

Under both the Former Service Agreements and the Revised Service Agreements, each Executive Director receives private health insurance, life insurance and a contribution worth 10 per cent of basic salary to a defined contribution pension scheme. With effect from and including 1 October 2014, the contributions to defined contribution pension schemes on behalf of the Executive Directors have been increased to 15 per cent of basic salary. The Revised Service Agreements also provide for the Executive Directors to benefit from directors' and officers' indemnity insurance.

### Bonus

2.2.4 Under the Former Service Agreements, each Executive Director was eligible to participate in a discretionary bonus scheme which GRL was entitled to amend in its sole discretion.

Under the Revised Service Agreements, each Executive Director is eligible to participate in such bonus arrangement as the board of Directors may specify from time to time. There is a claw-back provision which allows the Company to recalculate the bonus paid in the event that accounts need to be materially restated or the Company becomes aware of material malfeasance on the part of the Executive Director in the first year after payment. The Executive Director is only entitled to be considered for a bonus if he is in employment (and not under notice of termination) on the date for payment.

### Chairman

2.3 In anticipation of the IPO, the Chairman's previous letter of appointment dated 20 June 2013 (the "**Previous Letter**") was replaced with a new letter of appointment dated 23 May 2014 (the "**Current Letter**").

Under the Previous Letter, the Chairman was entitled to an annual fee of £125,000 and under the Current Letter he is entitled to an annual fee of £180,000 (inclusive of all committee roles).

The Chairman is expected to serve as such for an initial term of three years from the first AGM and he may be invited to serve for a second three year term (and thereafter for additional periods) but will be subject to appointment at the Company's first AGM and to re-appointment annually thereafter.

The Previous Letter provided that the appointment would terminate automatically in the event of a serious breach of the Chairman's obligations or in the event of gross misconduct. The appointment was also terminable on 12 months' notice in writing (and a payment in lieu of notice could be made by GRL). The Current Letter provides that the Chairman's appointment will terminate automatically in the event that the Chairman is not re-elected, if he is removed from office pursuant to the Articles of Association or he is given three months' notice by the Company.

Pursuant to the Current Letter, the Chairman's appointment is terminable by summary notice in writing in certain circumstances, including where the Chairman commits or continues to commit (having received a warning) breaches of his obligations under the Current Letter, is guilty of fraud, dishonesty or conduct which brings the Company or its subsidiaries into disrepute, has a bankruptcy petition presented to him or enters into an arrangement with creditors to take advantage of legislation offering relief for insolvent debtors, is convicted of any criminal offence (other than a road traffic offence not punishable by imprisonment), is unable to provide services due to ill health or incapacity for an aggregate of six months in any 12 month period or has been disqualified from acting as a director.

### Non-Executive Directors other than the Chairman

2.4 For the purposes of this paragraph 2.4, any reference to the Non-Executive Directors excludes the Chairman.

The Non-Executive Directors (other than Franck Tuil) are appointed subject to the terms of letters of appointment dated 23 May 2014. Franck Tuil's appointment is subject to the terms of a letter of appointment dated 5 June 2014.

John Jackson, as the Senior Independent Director, is entitled to receive an annual fee of £72,000 and the other Non-Executive Directors are entitled to receive an annual fee of £45,000 (in both cases being inclusive of all committee roles). Franck Tuil has waived any entitlement to fees under his letter of appointment. The maximum aggregate annual fee for Non-Executive Directors for which the Articles of Association provide is £1 million per annum.

The Non-Executive Directors (other than Franck Tuil) are expected to serve as such for an initial term of three years from the first AGM and may be invited to serve for a second three year term (and thereafter for additional periods) but will be subject to appointment at the Company's first AGM and to re-appointment annually thereafter.

The Non-Executive Directors' appointments will terminate automatically in the event that the relevant Non-Executive Director is not re-elected, if he is removed from office pursuant to the Articles of Association or (save in respect of Franck Tuil) he is given three months' notice by the Company.

The appointments of the Non-Executive Directors (other than Franck Tuil) are terminable by summary notice in writing in certain circumstances, including where the relevant Non-Executive Director commits or continues to commit (having received a warning) breaches of his obligations under the letter of appointment, is guilty of fraud, dishonesty or conduct which brings the Company or its subsidiaries into disrepute, has a bankruptcy petition presented to him or enters into an arrangement with creditors to take advantage of legislation offering relief for insolvent debtors, is convicted of any criminal offence (other than a road traffic offence not punishable by imprisonment), is unable to provide services due to ill health or incapacity for an aggregate of six months in any 12 month period or has been disqualified from acting as a director.

Franck Tuil serves as a Director representing Duodi under the terms of the Relationship Agreement. He is expected to serve for as long as he remains Duodi's representative Director under the Relationship Agreement and Duodi retains the right to nominate a Director. The Relationship Agreement provides that Duodi will be entitled to remove from office such person as is appointed as its representative Director and to nominate another individual in their place.

Franck Tuil's appointment is terminable (immediately or otherwise) by the Company giving notice in writing in certain circumstances, including where he is removed as an office holder of the Company in accordance with the Act or the Articles of Association, he is convicted of any act of fraud or he commits a material breach of his obligations under the terms of his letter of appointment.

### 3 Maximum potential holding

Pursuant to the Code, it is necessary to provide an illustration of the Concert Party's maximum potential interest in Ordinary Shares. Assuming (i) the repurchase of 17,000,000 Ordinary Shares pursuant to the Buyback Authority, (ii) no participation or other sales of interests in Ordinary Shares by any member of the Concert Party in connection with any share repurchases or otherwise and (iii) no other change in the Company's issued share capital, the Concert Party's maximum potential interest in the Ordinary Shares if the Waiver is approved would be 54.5 per cent. The breakdown of the maximum holdings of each member of the Concert Party in this scenario would be as follows:

	Current		Following full exercise of Buyback Authority and using assumptions in paragraph 3 above	
	Number of Ordinary Shares	Interest in Ordinary Shares as % of total voting rights	Number of Ordinary Shares	Interest in Ordinary Shares as % of total voting rights
Duodi	82,177,981	48.3%	82,177,981	53.7%
David Hamid	1,206,012	0.7%	1,206,012	0.8%
<b>Total Concert Party</b>	<b>83,383,993</b>	<b>49.0%</b>	<b>83,383,993</b>	<b>54.5%</b>
<b>Total Company</b>	<b>170,000,000</b>		<b>153,000,000</b>	

### 4 Interests in Ordinary Shares

4.1 As at the Latest Practicable Date, and so far as is known to the Company, the following persons are directly or indirectly interested in 3 per cent or more of the issued Ordinary Shares of the Company:

Name	Number of Ordinary Shares	Interest in Ordinary Shares as % of total voting rights
Duodi	82,177,981	48.3
Invesco Limited	21,315,000	12.5
Schroders plc	10,018,059	5.7
Pelham Long/Short Master Fund Limited	9,340,000	5.5
Woodford Investment Management LLP	8,983,034	5.3

4.2 As at the Latest Practicable Date, the interests of the Directors in the issued share capital of the Company and (so far as the relevant Director is aware, having made due and careful enquiry) persons whose interests in Ordinary Shares each Director is taken to be interested in pursuant to Part 22 of the Act (as have been notified or are required to be notified to the Company pursuant to Rule 3 of the Disclosure and Transparency Rules) were as follows:

Name	Number of Ordinary Shares	Interest in Ordinary Shares as % of total voting rights
David Hamid	1,206,012	0.7
Martyn Gibbs	1,444,911	0.8
Benedict Smith	556,646	0.3
John Jackson	-	-
Lesley Watkins	3,000	<0.1
Caspar Woolley	5,000	<0.1
Franck Tuil	-	-

## Part III – Additional Information

continued

- 4.3 As at the Latest Practicable Date, nil cost options over Ordinary Shares had been granted to the following Directors and senior managers under the Performance Share Plan:

Name	Position	Date of grant	Number of Ordinary Shares over which nil cost options were awarded
Martyn Gibbs	Director	11 June 2014	637,500
		23 October 2014	205,288
Benedict Smith	Director	11 June 2014	225,000
		23 October 2014	115,927
Pablo Crespo	Senior manager	11 June 2014	555,380
		23 October 2014	52,849

The nil cost options are subject to a 36 month vesting period, performance conditions and a clawback period of one year after vesting.

- 4.4 As at the Latest Practicable Date, and so far as is known to the Company, no persons acting in concert with the Company (other than the Directors and senior managers, in respect of which information is disclosed in paragraphs 4.2 and 4.3 of Part III of this document) were interested in Ordinary Shares of the Company, other than in the capacity of an exempt principal trader, except that Liberum held 97 Ordinary Shares in its capacity as market maker.
- 4.5 Please refer to paragraph 13.11 on pages 243 to 244 of the Prospectus for details of a cash-settled equity forward referenced to certain Ordinary Shares which was entered into by GRL and HSBC on 6 June 2014. The Prospectus is available on the Company's website, as set out in paragraph 3 of Part IV of this document.
- 4.6 Neither the Company nor any of the Directors has any interests in, rights to subscribe for or short positions in any relevant securities (as defined in the Code) of Duodi.
- 4.7 Neither the Company nor any of the Directors, nor any person acting in concert with the Company, has borrowed or lent any Ordinary Shares as at the Latest Practicable Date, other than in the capacity as an exempt principal trader.

### 5 Information about the Company

The Company, together with its subsidiaries, is the leading omni-channel specialist retailer of video games in the UK and Spain (based on revenue). The Directors consider that the Company and its subsidiaries have adequate financial resources, together with a strong business model, to ensure that they continue to operate for the foreseeable future and they are confident that the Company is in a good financial position following the IPO. Furthermore, the Company is a cash generative business that, when required, has access to borrowing facilities to meet the future cash requirements of the Company and its subsidiaries.

### 6 Standstill arrangements

Pursuant to the Underwriting Agreement, each of the Directors has agreed that, subject to certain exceptions (including for the purpose of meeting, in whole or in part, certain tax liabilities which the Directors might incur or for the purpose of accepting a general offer for the Company's Ordinary Shares made in accordance with the Code), during the period of 365 days from 11 June 2014, he will not, without the prior written consent of Canaccord Genuity, Liberum and HSBC, directly or indirectly, offer, allot, issue, lend, mortgage, assign, charge, pledge, sell or contract to sell or issue options in respect of, or otherwise dispose of, directly or indirectly, or announce an offering or issue of, any Ordinary Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing.

### 7 Details of Duodi and the Concert Party

- 7.1 The directors of Duodi are Joshua Nadell, Joshua Levine, Jérôme Devillet, Christophe-Emmanuel Sacre and Pierre Claudel.
- 7.2 The members of the Concert Party had the following beneficial and non-beneficial interests in, or rights to subscribe for or short positions in, Ordinary Shares as at the Latest Practicable Date:

Name	Number of Ordinary Shares (beneficial and non-beneficial)	Interest in Ordinary Shares as % of total voting rights
Duodi	82,177,981	48.3
David Hamid	1,206,012	0.7

- 7.3 As part of a pre-IPO reorganisation of the Company and its subsidiaries, which completed on 10 June 2014, 151,367,986 Ordinary Shares were issued to Duodi and 481,636 Ordinary Shares were issued to David Hamid, in each case in consideration for the transfer by Duodi and David Hamid to the Company of their respective shareholdings in Capitex Holdings Limited, the Company's wholly-owned subsidiary. In addition, members of the Concert Party have dealt in Ordinary Shares during the 12 month period ended on the Latest Practicable Date as follows:

Name	Date	Transaction	Number of Ordinary Shares	Price (pence)
David Hamid	11 June 2014	Subscription as part of the IPO	724,376	200
Duodi	11 June 2014	Transfer to the Employee Benefit Trust as part of the IPO	1,804,780	Nil
Duodi	11 June 2014	Transfer to HSBC as part of the IPO	625,000	Nil
Duodi	11 June 2014	Sale as part of the IPO	49,260,225	200
Duodi	18 September 2014	Sale pursuant to the Placing	22,500,000	260

Save as disclosed in this paragraph 7.3, no member of the Concert Party, nor any person acting in concert with members of the Concert Party, has dealt in any relevant securities (as defined in the Code) of the Company during the 12 month period ended on the Latest Practicable Date.

- 7.4 As at the Latest Practicable Date, none of the Duodi Directors had any interests in, rights to subscribe for or short positions in any relevant securities (as defined in the Code) of the Company.
- 7.5 No member of the Concert Party, nor any person acting in concert with any of them, has borrowed or lent any Ordinary Shares.
- 7.6 Duodi is an investment vehicle, the immediate parent of which is Baker Partners LP, a limited partnership established under the laws of the Cayman Islands, all of which is owned by Elliott International Limited and Elliott Associates LP (the latter via a participation interest with Elliott International Limited) (together, the “**Elliott Funds**”) and which is controlled by a general partner of which the ultimate controller is an Elliott entity. Baker Partners LP’s only subsidiary other than Duodi is Friday Finance Limited (a corporate vehicle established on the original purchase of GAME from its administrators to hold contingent creditor claims).
- 7.7 A series of Elliott entities are the general partners/ investment managers of the Elliott Funds. Elliott Management Corporation is the investment services provider to the Elliott Funds and Elliott Advisors (UK) Limited is a sub-adviser to Elliott Management Corporation.
- 7.8 Elliott Associates, L.P. and Elliott International, L.P. have more than \$25 billion of capital under management. Founded in 1977, Elliott Associates is one of the oldest hedge funds under continuous management. The Elliott funds’ investors include large institutions, high-net-worth individuals and families, and employees of the firm.

## 8 Material contracts The Company and its subsidiaries

- 8.1 Please refer to paragraphs 13.1 to 13.5 and 13.7 to 13.11 on pages 238 to 244 of the Prospectus for a summary of the principal contents of each material contract (not being a contract entered into in the ordinary course of business) entered into by the Company or its subsidiaries during the period beginning two years before the date of this document. The Prospectus is available on the Company’s website, as set out in paragraph 3 of Part IV of this document.
- 8.2 In addition, on 31 July 2014 the Company’s Spanish subsidiary, Game Stores Iberia SLU, entered into short-term financing facilities with Spanish banks Banco Bilbao Vizcaya Argentaria, S.A. and Banco Santander in an aggregate amount of €32,000,000. The cost to the Company and its group of these facilities is an arrangement fee of between 0.15 per cent and 0.18 per cent, a commitment fee of 0.10 per cent per annum and interest on drawn funds of between 3.0 per cent and 3.6 per cent per annum above Euribor90.

## Duodi and the other members of the Concert Party

- 8.3 Please refer to paragraphs 13.1 to 13.3, 13.7.2 to 13.7.4, 13.9 and 13.11 on pages 238 to 244 of the Prospectus for a summary of the principal contents of each material contract (not being a contract entered into in the ordinary course of business) entered into by Duodi and other members of the Concert Party during the period beginning two years before the date of this document. The Prospectus is available on the Company’s website, as set out in paragraph 3 of Part IV of this document.

## 9 Middle market quotations

Set out below are the middle market quotations for the Ordinary Shares, as derived from the Official List, for (i) 11 June 2014 (being the date of the IPO), (ii) the first business day of each month since 11 June 2014 and (iii) the Latest Practicable Date:

Date	Price per Ordinary Share (pence)
11 June 2014	198
1 July 2014	205
1 August 2014	222
1 September 2014	259
1 October 2014	285
3 November 2014	311
1 December 2014	340
4 December 2014	345

## 10 General

- 10.1 Canaccord Genuity has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 10.2 There has been no material or significant change in the financial or trading position of the Company since 26 July 2014, being the date to which the latest audited accounts have been prepared.
- 10.3 No agreement, arrangement or understanding currently exists whereby beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Buyback Authority will be transferred to any other person.
- 10.4 No agreement, arrangement or understanding (including any compensation arrangement) exists between the Concert Party or any person acting in concert with it and any of the Directors or recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence on, or which is conditional on, the implementation of the Buyback Authority.

## Part IV – Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of the Company during usual business hours and from 10.45 a.m. on 15 January 2015 until the conclusion of the AGM and also on the Company's website at [www.gamedigitalplc.com](http://www.gamedigitalplc.com):

1. **the Annual Report, which can be found at:**  
[www.gamedigitalplc.com/investor-relations/results-reports-and-presentation/rrp-2014.aspx](http://www.gamedigitalplc.com/investor-relations/results-reports-and-presentation/rrp-2014.aspx);
2. **the accounts of Duodi for the financial years ended 31 March 2013 and 31 March 2014, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>;
3. **the Prospectus, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/results-reports-and-presentation/rrp-2014.aspx>;
4. **Canaccord Genuity's consent letter referred to in paragraph 10.1 of Part III of this document, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>;
5. **the memorandum of association of the Company and the Articles of Association, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>;
6. **the articles of association of Duodi, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>;
7. **the cash-settled equity forward referred to in paragraph 4.5 of Part III of this document, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>; and
8. **this document, which can be found at:**  
<http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>.

The documents available for inspection listed under items 1 to 3 above are incorporated by reference into this document. A copy of the Annual Report was sent to Shareholders on 21 November 2014. The Company's interim management statements published since 26 July 2014 are also incorporated by reference into this document and are available at [www.gamedigitalplc.com/investor-relations/results-reports-and-presentation/rrp-2014.aspx](http://www.gamedigitalplc.com/investor-relations/results-reports-and-presentation/rrp-2014.aspx). Hard copies of the accounts of Duodi for its financial years ended 31 March 2013 and 31 March 2014 and of the Prospectus will not be sent to Ordinary Shareholders, persons with information rights or other persons to whom this document is being sent, unless requested. Hard copies of all of the documents incorporated by reference into this document are available free of charge on request in writing or by telephone from the Company Secretary at GAME Digital plc, Unity House, Telford Road, Basingstoke, Hampshire, RG21 6YJ (Tel: +44 (0)1256 784 000).

## Notice of AGM

NOTICE IS HEREBY GIVEN that the AGM of the Company will be held on 15 January 2015 at 11.00 a.m. at the registered office of the Company at Unity House, Telford Road, Basingstoke, Hampshire, RG21 6YJ to transact the following business:

### Ordinary Resolutions

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

#### Resolution 1 – Annual Report and Accounts

TO receive and consider the audited accounts of the Company for the year ended 26 July 2014 and the reports of the Directors and auditor thereon.

#### Resolution 2 – Annual Report on Remuneration

TO receive and approve the Remuneration Committee's Annual Report on Remuneration (as contained in the Directors' Remuneration Report) for the year ended 26 July 2014.

#### Resolution 3 – Directors' Remuneration Policy

TO receive and approve the Directors' Remuneration Policy (as contained in the Directors' Remuneration Report for the year ended 26 July 2014).

#### Resolutions 4-10 inclusive Election of Directors

##### Resolution 4

TO elect David Hamid as a Director of the Company.

##### Resolution 5

TO elect Martyn Gibbs as a Director of the Company.

##### Resolution 6

TO elect Benedict Smith as a Director of the Company.

##### Resolution 7

TO elect John Jackson as a Director of the Company.

##### Resolution 8

TO elect Lesley Watkins as a Director of the Company.

##### Resolution 9

TO elect Caspar Woolley as a Director of the Company.

##### Resolution 10

TO elect Franck Tuil as a Director of the Company.

#### Resolution 11 Re-appointment of Auditor

TO re-appoint Deloitte LLP as the auditor of the Company to hold office until the conclusion of the next AGM.

#### Resolution 12 Auditor's Remuneration

TO authorise the Directors to determine the remuneration of the auditor.

#### Resolution 13 – Authority to Allot Shares

THAT the Directors be generally and unconditionally authorised, pursuant to Section 551 of the Act and in substitution for any existing authorities previously given, to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- (a) up to an aggregate nominal amount of £566,666 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of £566,666); and
- (b) comprising equity securities (as defined in Section 560 of the Act) up to an aggregate nominal amount of £1,133,333 (such amount to be reduced by the nominal amount allotted or granted under paragraph (a) above) in connection with an offer by way of a rights issue to:
  - i. Shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - ii. holders of other equity securities as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next AGM of the Company after the date of the passing of this resolution, save that the Company may before expiry of this authority make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority ends.

#### Resolution 14 – Political Donations

THAT, in accordance with Sections 366 and 367 of the Act, the Company and all its subsidiaries during the period for which this resolution has effect be generally and unconditionally authorised to:

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

(as such terms are defined in the Act) during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next AGM of the Company or, if earlier, on 14 April 2016 provided that the authorised sums referred to in paragraphs (a), (b) and (c) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day on which the Company enters into any contract or undertaking in relation to the same provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to the authority granted by this resolution shall not exceed £150,000.

## Notice of AGM

continued

### Resolution 15 – Whitewash resolution in relation to the Concert Party

THAT the waiver granted by the Panel of the obligation which would otherwise arise, pursuant to Rule 9 of the Code, for Duodi or any other member of the Concert Party to make a general offer to the other Shareholders for all of their Ordinary Shares as a result of market purchases of up to 17,000,000 Ordinary Shares by the Company pursuant to the authority granted under resolution 17 that could potentially increase the Concert Party's aggregate shareholding from approximately 49.0 per cent of the total voting rights in the Company to a maximum of approximately 54.5 per cent of the total voting rights in the Company, be approved.

### To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

#### Resolution 16 – Disapplication of statutory pre-emption rights

THAT, subject to the passing of resolution 13 and in substitution for any existing authorities granted, the Directors be empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act), for cash, pursuant to the authority conferred by resolution 13 and/or by way of a sale of treasury shares as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, provided that the power conferred by this resolution:

- (a) shall (unless previously renewed, varied or revoked by the Company in general meeting) expire 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the next AGM of the Company after the date of the passing of this resolution, save that the Company may before expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot securities in pursuance of such an offer or agreement as if the power hereby had not expired; and
- (b) is limited to:
  - i. allotments of equity securities in connection with a rights issue or otherwise in favour of holders of Ordinary Shares and in favour of all holders of any other class of equity securities in accordance with the rights attached to such class (in each case excluding any shareholder holding shares as treasury shares) where the equity securities offered to such persons are proportionate (as nearly as may be) to the respective existing holdings of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities, provided that the Directors may make such arrangements as they consider necessary or expedient to deal with equity securities representing fractional entitlements or legal, practical or regulatory problems in any territory; and
  - ii. allotments (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount of £85,000.

### Resolution 17 Purchase of Own Shares

THAT the Company be generally and unconditionally authorised for the purposes of Section 701 of the Act to make one or more market purchases (as defined in Section 693(4) of the Act) of Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 17,000,000;
- (b) the minimum price, exclusive of expenses, which may be paid for an Ordinary Share is one penny;
- (c) the maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the higher of (i) an amount equal to 105 per cent of the average of the middle market quotations for an Ordinary Share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out or otherwise as stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No.2273/2003/EC); and
- (d) the authority granted by this resolution shall, unless previously renewed, varied or revoked, expire on the date falling 12 months after the date of the passing of this resolution or, if later, at the conclusion of the next AGM of the Company after the date of the passing of this resolution, save that the Company may, before such expiry, enter into a contract for the purchase of Ordinary Shares which will or may be completed wholly or partly after such expiry, and the Company may purchase Ordinary Shares in pursuance of any such contract as if the authority had not expired.

### Resolution 18 – Length of notice for general meetings (other than AGMs)

THAT a general meeting (other than an AGM) of the Company may be called on 14 clear days' notice, provided that this authority shall expire at the conclusion of the next AGM of the Company.

By order of the Board



#### Ruth Cartwright ACIS

Company Secretary  
5 December 2014

**Registered Office**  
Unity House  
Telford Road  
Basingstoke  
Hampshire RG21 6YJ

## Explanatory Notes to the Resolutions

As at the Latest Practicable Date, Duodi held Ordinary Shares representing approximately 48.3 per cent of the Company's issued ordinary share capital. In order to enable the Company to evidence compliance with Listing Rule 9.2.2E in relation to resolutions 5 to 9 inclusive, it is expected that the Chairman will exercise his discretion, in accordance with Article 32.1 of the Articles of Association, to direct that the voting in relation to each of the resolutions shall be by way of a poll.

**You are requested to consider the following resolutions which will be proposed as ordinary resolutions (which means that, for each of those resolutions to be passed, more than half of all votes cast at the AGM must be in favour of the relevant resolution):**

### Resolution 1 – Annual Report and Accounts

The Directors are required by the Act to present the Company's audited accounts and the directors' and auditor's reports thereon to the AGM. This allows Shareholders the opportunity to ask questions on the reports and accounts before they vote on them. The reports and accounts were sent to you on 21 November 2014.

### Resolutions 2 & 3 – Annual Report on Remuneration and Directors' Remuneration Policy

The Directors' Remuneration Report is presented in three sections:

- the annual statement by the Chairman of the Remuneration Committee;
- the Directors' Remuneration Policy as set out in the Remuneration Policy Report; and
- the Annual Report on Remuneration.

The annual statement by the Chairman of the Remuneration Committee, set out on page 68 of the Annual Report, summarises the major decisions taken on Directors' remuneration, any substantial changes relating to Directors' remuneration made during the Company's financial year, and the context in which those changes occurred and decisions took place.

The Directors' Remuneration Policy, set out in the Remuneration Policy Report on pages 69 to 72 of the Annual Report, provides details of the Company's proposed policy on Directors' remuneration (including the proposed policy on payments for loss of office).

The Annual Report on Remuneration, set out on pages 73 to 76 of the Annual Report, provides details of the remuneration paid to Directors in respect of the Company's financial year, including: base salary, taxable benefits, short-term incentives (including percentage deferred), long-term incentive awarded in the year, pension-related benefits and any other items in the nature of remuneration and any sum(s) recovered or withheld during the year in respect of amounts paid in earlier years. Resolution 2 requests the approval of the Annual Report on Remuneration. You should note that the vote on the Annual Report on Remuneration is advisory in nature and the Directors' entitlement to receive remuneration is not conditional upon it being passed.

Resolution 3 requests the approval of the Directors' Remuneration Policy, which is subject to a binding shareholder vote by way of an ordinary resolution at least once every three years. The Directors' Remuneration Policy will, subject to shareholder approval, take effect from the conclusion of the AGM. Payments (including payments for loss of office) will continue to be made to the current and any former Directors in line with existing contractual arrangements until that time.

Once the Directors' Remuneration Policy takes effect, all remuneration payments and payments for loss of office made by the Company to the current and any former (or future) Directors must be consistent with the Directors' Remuneration Policy or, if inconsistent with the Directors' Remuneration Policy, must have been separately approved by way of an ordinary resolution of the Shareholders in accordance with the relevant provisions of the Act.

The renewal of this authority will be sought at the AGM each year, unless the approved policy remains unchanged, in which case it will be valid for up to three years from approval without the requirement for a new shareholder approval.

If the Directors' Remuneration Policy is not approved for any reason, the Company will, if and to the extent permitted by the Act, continue to make payments (including payments for loss of office) to the current and any former Directors in accordance with existing contractual arrangements and will seek the approval of a proposed revised Directors' Remuneration Policy from the Shareholders as soon as practicable.

### Resolutions 4 to 10 inclusive – Election of Directors

These resolutions concern the election of each of the Directors following their appointment, in preparation for the IPO, during the Company's financial year ended 26 July 2014. The AGM will be the first annual general meeting of the Company since the IPO and the appointment of each of the Directors. In accordance with the UK Corporate Governance Code and the Articles of Association, every Director will stand for election at the AGM.

The biographies of the Directors standing for election at the AGM can be found on pages 58 to 59 of the Annual Report.

The Board has confirmed that, in the short time between 11 June 2014 (the date of the IPO) and the Company's financial year end, it has found all Directors to perform effectively and demonstrate appropriate commitment to their roles.

John Jackson, Lesley Watkins and Caspar Woolley were appointed as Directors on 16 May 2014 in preparation for the IPO and, apart from this appointment, there are no existing or previous relationships, transactions or arrangements between any of them and the Company, the Company's other Directors, Duodi or Baker Partners LP.

The Company has, in accordance with the provisions of the UK Corporate Governance Code, determined that each of John Jackson, Lesley Watkins and Caspar Woolley are independent from the Company.

In preparation for the IPO and prior to the appointment of a nomination committee, the Board undertook a thorough process, with the assistance of external search consultancy Korn Ferry, to identify appropriate Non-Executive Directors with the correct balance of skill, knowledge and experience to be relevant to the Company's group and to drive the Company forward. At its inaugural meeting, the Company's nomination committee agreed that all the Directors (including John Jackson, Lesley Watkins and Caspar Woolley) had thus far been effective in their roles and should be put forward for re-appointment at the AGM.

## Explanatory Notes to the Resolutions

continued

In light of the close proximity between the completion of the Company's IPO and the AGM, a formal and rigorous Board evaluation process has not been undertaken. It is envisaged that an internal review will take place in the coming year and a formal Board evaluation will be conducted at an appropriate stage in the Board's development, but nevertheless within three years in line with the UK Corporate Governance Code. Nevertheless, the Board has no reason to believe that John Jackson, Lesley Watkins or Caspar Woolley would not be effective Directors if re-elected to the Board at the AGM.

### Resolutions 11 and 12 – Re-appointment of the Auditor and Auditor's remuneration

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Company's Audit Committee has reviewed the effectiveness, performance, independence and objectivity of the existing external auditor and has recommended the re-appointment of Deloitte LLP to hold office until the conclusion of the Company's next AGM.

Shareholders may further grant the Directors authority to set the level of remuneration payable to the auditor of the Company and resolution 12 seeks that authority. Details of the remuneration paid to the auditor during the Company's financial year ended 26 July 2014 can be found on page 96 of the Annual Report.

### Resolution 13 – Allotment of share capital

Paragraph (a) of resolution 13 would give the Board the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal amount equal to £566,666. This amount represents approximately one-third of the Company's current issued share capital as at the Latest Practicable Date.

In line with guidance issued by the IMA, paragraph (b) of this resolution would give the Board the authority to allot shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to £1,133,333, as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents an amount equal to approximately two-thirds of the Company's current issued share capital as at the Latest Practicable Date.

The authorities sought under paragraphs (a) and (b) of resolution 13 are in substitution for all existing authorities, granted by the Articles of Association or otherwise, and without prejudice to previous allotments made under such existing authorities. The authorities sought under this resolution will expire at the earlier of the conclusion of the next AGM of the Company or 14 April 2016 (being 15 months after the passing of this resolution). Other than in relation to the Company's employee share plans, the Directors have no present intention of exercising the authority but believe that it is in the best interests of the Company to have the authority available. This gives the Directors the flexibility to issue further shares at short notice and without the need for a general meeting should they determine that it would be in the best interests of the Company and the Shareholders as a whole to do so.

The guidance issued by the IMA supersedes and replaces the previous guidance issued by the Association of British Insurers in relation to the subject matter of resolution 13.

### Resolution 14 – Political donations

This resolution deals with political donations. The Company does not make, and does not intend to make, any political donations (to political parties or other political organisations) or incur political expenditure. However, as the provisions in the Act that relate to political expenditure are very widely drafted, what may constitute a political donation, a political party, a political organisation or political expenditure for the purposes of the relevant legislation is not easily identifiable and unintended activities may otherwise be prohibited. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this regime. Under the Act, any such deemed political expenditure is prohibited unless authorised by Shareholders in advance.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward this resolution to enable the Company to continue to support the community and put forward its views to wider business and government entities as part of its normal business activities without running the risk of being in breach of the law.

This resolution does not, if passed, authorise any specific donations or expenditure. The authority will cover the period from the date this resolution is passed until the conclusion of the next AGM of the Company or, if earlier, 14 April 2016. As permitted under the Act, this resolution also covers any political donations made, or political expenditure incurred, by any subsidiaries of the Company.

### Resolution 15 – Whitewash resolution in relation to the Concert Party

In accordance with the requirements of Rule 37.1 of the Code, we are asking the Independent Shareholders to approve the terms of the Waiver for the reasons set out in Part II of this document.

In accordance with the requirements of the Code, no member of the Concert Party will be voting, in respect of resolution 15, its interest in any of the Ordinary Shares held by the relevant member of the Concert Party. The vote in respect of resolution 15 will be held by means of a poll and only Independent Shareholders will be entitled to vote. Accordingly, it is very important that the form of proxy is duly completed by Shareholders and returned or submitted by one of the methods described below.

**Shareholders should note that, if the Company fully utilises the authority to purchase Ordinary Shares conferred by resolution 17, if passed, and if the Concert Party were to maintain its current shareholding, Duodi and the other members of the Concert Party could come to hold between them more than 50 per cent of the voting rights of the Company. In those circumstances, Duodi and the other members of the Concert Party would be permitted (for so long as they continue to be treated as acting in concert) to make purchases of Ordinary Shares without incurring an obligation under Rule 9 of the Code to make a general offer to all Shareholders, although each individual member of the Concert Party will not be able to increase its percentage interest in Ordinary Shares through or between a Rule 9 threshold without Panel consent. Please note that, if Duodi comes to hold more than 50 per cent of the voting rights of the Company, future purchases of Ordinary Shares by Duodi could be made without incurring an obligation under Rule 9 of the Code to make a general offer to all Shareholders.**

**You are requested to consider the following resolutions which will be proposed as special resolutions (which means that, for each of the resolutions to be passed, at least three-quarters of all votes cast at the AGM must be in favour of the relevant resolution):**

**Resolution 16 – Disapplication of statutory pre-emption rights**

This resolution, if approved, will allow the Company to disapply pre-emption rights on allotments made pursuant to the authority in resolution 13 for cash in connection with a fully pre-emptive offer or rights issue or otherwise up to 5 per cent of the Company's issued share capital as at the Latest Practicable Date.

Other than in relation to the Company's employee share plans, the Directors have no present intention of exercising the authority, but believe that it is in the best interests of the Company to have the authority available so that the Directors have flexibility in the management of the Company's capital resources. The Company does not intend to issue more than 7.5 per cent of its issued share capital on a non pre-emptive basis in any rolling three-year period.

The authority contained in resolution 16 will expire upon the expiry of the general authority conferred in resolution 13 (i.e., at the conclusion of the next AGM of the Company or, if earlier, on 14 April 2016).

**Resolution 17 – Authority to purchase own shares**

This resolution seeks shareholder approval to grant the Company the authority to purchase its own shares pursuant to Sections 693 and 701 of the Act. The minimum price at which Ordinary Shares may be purchased by the Company is one penny, being their nominal value. The maximum price which may be paid for an Ordinary Share will be an amount which is not more than the higher of (i) 5 per cent above the average of the middle market quotations for an Ordinary Share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case, exclusive of any expenses incurred by the Company in connection with effecting such purchase).

The Company may consider holding any of its own shares which it purchases pursuant to the authority conferred by this resolution as treasury shares. This would allow the Company to sell shares out of treasury. No dividends will be paid on any shares held in treasury and no voting rights will attach to any such shares. It will also be possible for the Company to transfer shares out of treasury pursuant to an employees' share scheme. If any shares are so used then the Company will count them towards the limits in such employees' share schemes on the number of new shares which may be issued under them. As at the Latest Practicable Date, the Company held no shares in treasury.

The Directors are committed to managing the Company's capital structure effectively. Purchases will only be made if the effect would be expected to improve earnings per share and the Directors consider that it would be in the best interests of the Company to do so. This resolution caps the maximum number of shares to be purchased at 10 per cent of the current issued share capital, being 170,000,000 Ordinary Shares, as at the Latest Practicable Date. In the Company's financial year ended 26 July 2014, the Company did not purchase any of its own shares.

The Company has options and awards outstanding over 3,444,396 Ordinary Shares, which represents approximately 1.99 per cent of the Company's issued ordinary share capital as at the Latest Practicable Date and would, assuming no further Ordinary Shares are issued and that the authority given by resolution 17 and the existing authority are both fully used, represent approximately 2.66 per cent of the Company's issued ordinary share capital.

**If approved, the authority shall, unless previously renewed, varied or revoked, expire on the date falling 12 months after the date on which it was given or, if later, at the conclusion of the Company's next AGM after the resolution is passed. The Directors have no present intention of exercising all or any of the powers conferred by this resolution and will only exercise their authority if they believe it will be in the best interests of the Company and Shareholders as a whole.**

**Resolution 18 – Length of notice for general meetings (other than AGMs)**

The Company must call general meetings (other than AGMs) on not less than 21 clear days' notice unless (i) Shareholders consent annually to a shorter period (which cannot be less than 14 clear days) and (ii) the facility to vote by electronic means is accessible for all Shareholders. This resolution is proposed to allow the Company to hold general meetings (other than AGMs) on 14 clear days' notice so long as both conditions are met. AGMs will continue to be held on at least 21 clear days' notice.

The Directors do not expect that the shorter notice period would be used as a matter of routine, but will instead only be used where the flexibility is merited by the business of the relevant meeting and if it is thought likely to be for the benefit of Shareholders as a whole.

## Explanatory Notes as to the Proxy, Voting and Attendance Procedures at the AGM

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to exercise all or any of his rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. A proxy form should accompany this notice. If you did not receive a proxy form and believe that you should have one, or if you require additional proxy forms, please contact 0845 002 1125. If you hold your shares through a nominee service, please contact your nominee service provider regarding the process for appointing a proxy.
2. Under Section 146 of the Act, a person who is not a member of the Company, but has been nominated by a member of the Company (the "relevant member") to enjoy information rights (the "nominated person"), does not have a right to appoint any proxies under the procedure specified in note 1 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the AGM. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights.
3. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited with the Company's registrars by **11.00 a.m. on 13 January 2015**. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting.
4. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID number 3RA50) by **11.00 a.m. on 13 January 2015**. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's registrars by not later than **11.00 a.m. on 13 January 2015**.
5. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and Section 360B(2) of the Act, only those members entered on the relevant register of members of the Company as at 6.00 p.m. on 13 January 2015 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after 6.00 p.m. on 13 January 2015 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
6. As at the Latest Practicable Date, the issued share capital of the Company consisted of 170,000,000 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at the Latest Practicable Date were 170,000,000. As at the Latest Practicable Date, the Company held no shares in treasury.
7. A corporate member may authorise a person or persons to act as its representative(s) at the AGM. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Shareholder in the Company, provided that they do not do so in relation to the same shares.
8. Under Section 527 of the Act, the Company may be required by members meeting the threshold set out in that section to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the audit report and the conduct of the audit) that are to be laid before the meeting or (ii) any circumstances connected with the auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act, in each case which they intend to raise at the meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with the relevant requirements of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
9. Any member attending the meeting has a right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information, (ii) the answer has already been given on the website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Copies of the Executive Directors' service contracts and the Non-Executive Directors' letters of appointment will be available for inspection at the registered office of the Company during usual business hours and from 10.45 a.m. on 15 January 2015 until the conclusion of the AGM.
11. A copy of this notice, and other information required by Section 311A of the Act, can be found at <http://www.gamedigitalplc.com/investor-relations/shareholder-services/agm.aspx>.



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