

## General Business Terms and Conditions of SYNOT W, a.s. for Lease Contracts – foreign markets as of 15 July 2016

### 1. General provisions and definitions of terms

- 1.1. These General Business Terms and Conditions (hereinafter referred to as the "GTC") regulate the rights and obligations of the Lessor, i.e. **SYNOT W, a. s.**, CRN: 25548832, Jaktáře 1475, Uherské Hradiště – Mařatice, 686 01, Czech Republic, registered at the Regional Court in Brno, File No. B-2814 (hereinafter referred to as the "**Lessor**") being the party of the first part and the persons to whom the Lessor leases the Gaming Devices (hereinafter referred to as the "**Lessee**") being the party of the second part. The Lessor and Lessee are jointly hereinafter referred as the "**Parties**".
- 1.2. The **Lessor** is a legal entity founded and existing under the laws of the Czech Republic with capacity to undertake legal acts and authorised to trade pursuant to the laws of the Czech Republic and also eligible to perform the lease contract.
- 1.3. The **Lessee** is the person or legal entity that concludes a lease contract within the scope of own business operations. The Lessee represents that in case of his not being an entrepreneur pursuant to 420 of Act No. 89/2012 Coll., he shall immediately notify the Lessor. The Lessee represents that he has legal capacity to act and engage in business activities pursuant to the legislation of the country in which the Lessee has his registered office.
- 1.4. An **Entrepreneur** is a person, who individually and on their own account performs gainful activities as a trade or in a similar manner with the aim to do so systematically to achieve profit.
- 1.5. **Central Server** - central computer server on which the Software is installed and allows the operation of the individual Terminals within the VLT System. The technical solution of the server is via hosting.
- 1.6. **Hosting** is a service provided by the Lessor to the Lessee according to this contract consisting in that the Lessor shall locate the Central Server leased to the Lessee in the head office of the Lessor, in which the Supplier shall ensure further performance according to the Lease Contract and these GTC.
- 1.7. The **Provider** is a third party that is the holder of copyright and licences for the given Software or part thereof, whereas the Lessor holds the applicable rights and consent to provide the software rights acquired from the Provider for the Lessee.
- 1.8. **Software** is a computer program of the Provider installed on the Central Server, in the Terminal and VHP, which is further specified in the Conditions or Lease Contract.
- 1.9. **VLT System** means a gaming system comprising mainly the Central Server, Terminals and Software, which is intended for operating the game or games and is one of the Gaming Devices.
- 1.10. **Terminal** means an interactive video terminal connected to the Central Server and allowing players to play games within the VLT System.
- 1.11. **Gaming Machine** means cylindrical and electro-mechanical and other gaming devices that do not connect to or do not require a continuous connection to a central server and form compact, functionally indivisible devices. The gaming machines (hereinafter "**GM**") are one of the Gaming devices. In the event of lease of a GM, the Central Server is not leased unless the Parties agree otherwise.
- 1.12. **Gaming Device** is the common term for the VLT System and GMs. If the terms GM or VLT System are used, this means only GM or VLT System.
- 1.13. **Lease Payment** is the general term for the consideration for lease of the GM or VLT System and in the case of the VLT System, also the consideration for provision of the Sub-liscence, support and service and Hosting from the Lessor.
- 1.14. These Conditions comply with the provisions of § 1751 et seq. of Act No. 89/2012 Coll., Civil Code, as amended (hereinafter the "**CC**") and regulate the rights and obligations and thus supplement the LC and these conditions are thus an integral part of the LC.
- 1.15. **Every Party that concludes a Lease Contract with the Lessor, whose component shall be these Conditions, accepts them in full.**

## 2. Lease

- 2.1. The object of the lease contract (lease), whose components are these Conditions, are Gaming devices leased by the Lessor. The Lessor shall on the basis of the concluded lease contract and in compliance with these Conditions undertakes to lease Gaming devices including accessories to the Lessee for temporary usage and consumption and the Lessee undertakes to pay to Lessor a monthly Lease Payment stipulated in the contract. Together with the VLT System, the Lessor provides to the Lessee a Sub-liscence, support, service and Hosting according to Article 8 of these Conditions. The Lessee undertakes to accept the Gaming Devices and pay monthly Rent for them to the Lessor, including any Sub-liscence, support and servicing as well as Hosting, according to the conditions agreed upon in the Lease Contract.
- 2.2. The Lessor declares that he is the exclusive owner of the Gaming Devices, holder of a licence to the Software and is authorised to rent such Gaming Devices, provide the sub-liscence to the Software and by such rent, he does not violate any legislation of the Czech Republic.
- 2.3. The Lessor reserves the right to make changes to the GMs even after conclusion of the Lease Contract particularly on the basis of technical innovations or new legislation.
- 2.4. An integral part of the lease are also spare parts, which are specified in the protocol of handover and acceptance, which shall be an integral component of the lease contract as Annex in compliance with point 4.6. In case of termination of this contract, the Lessee is obliged to return all spare parts to the Lessor together with the gaming devices with the exception of spare parts, which the Lessee demonstrably used in the repair according to point 7.13.
- 2.5. By lease of the GMs, the Lessor does not participate in the operation of a casino, gaming house or similar facility in which the GMs shall be located. The facility and costs related to the operation of such equipment are the responsibility of the Lessee.

## 3. Lease contract

- 3.1. The lease of the Gaming Device shall be done on the basis of a written lease contract by and between the Lessor and Lessee, whose integral part shall also be these Conditions.
- 3.2. The Lessee is obliged to check the Lease Contract and upon signature represents that the data contained in it are correct, valid and correspond to reality, particularly:
  - a) The business name in the case of a legal entity, in the case of natural person who is an entrepreneur, the name and surname,
  - b) The registered office address in the case of a legal entity, in the case of natural person who is an entrepreneur, the place of business,
  - c) Identification number of the Lessee,
  - d) Tax ID number of the Lessee,
  - e) whether he is or is not a VAT tax payer,
  - f) Name of the representative concluding the Lease Contract on behalf of the Lessee,
  - g) Contact details, particularly E-mail address of the Lessee and telephone connection.
- 3.3. The Lessee takes note of the fact that by signature of the Lease Contract, whose integral component are these Conditions, the Lessee concludes the Lease Contract as a Framework Contract. The number of leased Gaming Devices may be increased on the basis of orders, whereby these orders shall also be subject to the provisions of the Lease Contract and these Conditions. In connection with the delivery, a protocol of handover and acceptance shall be compiled in compliance with point 4.6. All such protocols of handover and acceptance shall be integral components of the Lease Contract in the form of Annex No. 1 to the Lease Contract.
- 3.4. The protocol of handover and acceptance, which shall be issued upon handover of the Gaming Devices in compliance with point 4.6, will include mainly the essentials on which the contracting parties shall agree separately from this Lease Contract or these Conditions and the detailed specification of the individual Gaming Devices handed over.
- 3.5. A binding order in writing can be made via the address or e-mail address of the Lessor stated at the head of the Lease Contract. By confirmation of the order even with eventual deviations that do not

change the essentials of the order shall be considered as binding and the Lease Contract is thus concluded or supplemented to the extent of the confirmed order, if the Lessee shall within 7 calendar days after sending the confirmation of order on the part of the Lessor including the amendment not notify that he accepts the amendment of order on the part of the Lessor. The Lessee is obliged to specify at least the following in the order: type and number of ordered GMs. The order shall be considered confirmed by the Lessor also with eventual deviations that do not change the substance of the order, if the Lessor confirms his approval of the order to the Lessee in writing within 7 calendar days after date on which the order was delivered, otherwise the order shall expire upon futile lapse of this time limit.

#### **4. Handover of the leased items**

- 4.1. The Lessor is obliged to handover the Gaming Devices within the period stated in the order or Lease Contract, and if not agreed otherwise, within 10 calendar weeks after sending the Lessor's confirmation of order or signature of the Lease Contract.
- 4.2. The Lessor shall handover the Gaming Devices to the Lessee at the registered office of the Lessor or his authorised representative, i.e. Uherské Hradiště, Jaktáře 1475, Postcode 686 01, Czech Republic, and the Lessee is obliged on the date stated on the Lease Contract or on the date imparted by the Lessor at least 5 business days beforehand, to take delivery of the Gaming Devices from the Lessor, provided the contracting parties do not otherwise agree. The Central Server shall for the duration of the lease be located in the premises at the seat of the Lessor, whereby the Lessee may start using it at the same moment as the Terminals handed over.
- 4.3. The Lessee himself shall on own account arrange for transport to the final location, whereas the transport and commissioning of the Gaming Devices must be realised within 30 calendar days after acceptance, provided the Parties do not agree otherwise. The Lessee shall within a period of at least 7 calendar days before handover of the Gaming Devices notify the Lessor about the method of transport and the person that shall realise the transport and the ensuing packaging and transport packaging requirements. The packaging costs are borne by the Lessor, provided the Parties do not agree otherwise.
- 4.4. The Lessee shall ensure the insurance of the Gaming Devices for the duration of transport, whereas the insured sum must cover the value of the Gaming Devices and the indemnity must be vinculated to the benefit of the Lessor. The Lessee shall handle all customs formalities for the import of the Gaming Devices and shall pay the customs duty, taxes and other levies, which shall arise in connection with such import. The Lessee is obliged to send copies of all documents related to the customs proceedings to the Lessor within 7 calendar days after acquiring them.
- 4.5. The Lessor has the right to deliver the Gaming Devices to the Lessee within the period dated above also in several deliveries.
- 4.6. A protocol of hand-over and acceptance of the Gaming Devices shall be compiled (hereinafter referred to as the "protocol of hand-over"), which shall also include the date of hand-over, detailed specifications of the individual Gaming Devices and any accessories and shall also include any obvious defects or other damage to the Gaming Devices, etc. The Gaming Device shall be handed over by an authorised employee of the Lessor. All such protocols make up Annex No. 1 to the Lease Contract and the annex is an integral part of the Lease Contract.
- 4.7. The Lessee or person authorised by him is obliged to enter the following in the protocol of handover:
  - a) name and surname,
  - b) residential address,
  - c) number of personal identification document,
  - d) relationship to the Lessee.
 The Lessor undertakes to treat this data in compliance with point 10.1 et seq. of the Conditions.
- 4.8. The Lessor shall enable the Lessee or person authorised by him to participate in the handover of the Gaming Devices and inspect the condition of the Gaming Devices. If the Lessee fails to utilise this

opportunity, the data specified on the protocol of handover shall apply. The protocol of handover may also be replaced by the CMR.

- 4.9. The Lessor undertakes to lease the Gaming Devices to the Lessee with pre-installed Software.
- 4.10. The Gaming Devices according to this contract are new and unused goods, provided the Parties do not agree otherwise (refurbished goods).
- 4.11. The Lessee or person authorised by him is entitled to refuse the Gaming Device, if it is obviously clear and demonstrable that it has faults, which hinder its proper usage. The given defects must be specified in the protocol of handover, otherwise they shall not be considered.
- 4.12. In the event that the Lessee does not accept the Gaming Device from the Lessor within the agreed period according to the accepted order, the Lessor may seek a contractual penalty from the Lessee at the rate of 0.5 % of the monthly rent for the Gaming Device whose acceptance is delayed by Lessee for each day or part thereof, but at minimum EUR 10 for each Gaming Device and each day of delay in takeover.
- 4.13. During the transportation, storage and other handling of the Gaming Device, including operation, the Lessee shall be obliged to comply with all instructions of the Lessor or operating instructions stated on the Gaming Machines or their transport packaging.

## **5. Lease payment and terms of payment**

- 5.1. The Lessee undertakes that he shall be the recipient of the real profits generated through usage (operation of the ) Gaming Devices on the basis of a valid licence issued by the state in which the Lessee operates the Gaming Devices.
- 5.2. The Lessee undertakes to pay monthly rent to the Lessor, which is stipulated for each leased Gaming Device in the Lease Contract, provided the Parties do not agree on different rent in the confirmed order.
- 5.3. The Lessee is obliged to pay the Rent with effect from the month in which he takes delivery of the Gaming Devices according to point 4.6and in the event that the operation of the Gaming Devices is conditional to a permit or its certification that has not yet been issued and the Parties have so agreed, then the obligation to pay the Rent starts at the moment when the Lessor obtains a permit to operate the Gaming Device or its certification, from the month in which the operation of the first Terminal of the VLT System starts operating, but at the latest 3 months after date of handover of the devices according to point 4.6provided the Parties do not agree otherwise.
- 5.4. The Lessee is obliged to pay the monthly rent to the Lessor within 14 calendar days after delivery of invoice. The Lessor is obliged to issue the invoice within 15 calendar days after end of the month for which the rent is billed. The Rent is paid by bank transfer to the Lessor's bank account stated on the invoice, or in cash if the written agreement between the Lessor and Lessee so stipulates.
- 5.5. The Lessee fulfils his duty to pay the invoice on the date on which the full amount of the monthly rent shall be credited to the bank account of the Lessor shown on the invoice.
- 5.6. The invoice is sent electronically by e-mail to the e-mail address provided and approved by the Lessee in the Lease Contract, or as per agreement of the Parties and also in printed format to the registered office address of the Lessee shown at the head of the Lease Contract
- 5.7. The Lessee has the right to seek rental of additional Gaming Devices only upon settlement of all dues to the Lessor at the latest as at the date of delivery of the Lessee's order for supply of Gaming Devices to the Lessor. Until any dues to the Lessor from the Lessee are duly paid, the Lessor is not obliged to hand-over any additional Gaming Devices to the Lessee and such conduct of the Lessor shall not constitute a breach of these Conditions, arrangements of the Parties or the Lease Contract.
- 5.8. None of the amounts that the tenant is obligated to pay to the Lessor includes VAT or other taxes, fees and other mandatory payments. If, in connection with the performance of the Lease Contract and/or reimbursement of amounts, a duty to reimburse them arises, the rent shall be increased by such amount and the tenant is obliged to pay such potential VAT or other taxes, fees or other obligatory payments in the prescribed amount together with the Rent payment, provided the Parties do not agree otherwise.

- 5.9. Unless the parties agree otherwise, all fees, taxes, or other similar financial dues relating to the operation of gaming devices that must be paid on the basis and in the amount required by the laws of the country shall be paid by the tenant.
- 5.10. If under the law, the Lessee is obliged to deduct tax from the payments made to the Lessor, the Lessee is obliged to: (i) ensure that the tax deduction shall not exceed the minimum stipulated by law, (ii) ensure calculation of the tax deduction for the given authority within the stipulated period, (iii) according to the requirements, receive from and submit to the Lessor the confirmation of the relevant authorities of all such deductions, including the confirmation of the individual payments made.
- 5.11. The given confirmation must be provided by the Lessee to the Lessor annually, at the latest by 10 February of the following calendar year. In case of delay with payment of the above-stated taxes, the Lessor is entitled to seek a contractual penalty from the Lessee in accordance with point 5.12 of these Conditions.
- 5.12. In case of Lessee's default with payment of any financial obligation from the Lease Contract or the Conditions, the Lessor shall be obliged to pay a contractual penalty to the Lessor on the basis of such default, a penalty amounting to 0.5% of the outstanding amount per each day of such default or part thereof and do so within 15 calendar days stipulated by the Lessor in the written call for payment of the contractual penalty.
- 5.13. In the event that the Lessee withdraws from the Lease Contract in the period after delivery of confirmed order to Lessee and before payment of the first Rent, the Lessee shall be obliged to pay to the Lessor an amount equivalent to two months' rent as a cancellation fee, at minimum EUR 1,000 for each uncollected Gaming Device.
- 5.14. The Lessor is entitled to offset the payment of any of his dues to the Lessee under the Lease Contract or other contracts concluded between the Lessee and Lessor (hereinafter referred to as the "Contractual relationships) against any Lessor's claim against the Lessee under the contractual relationships, including partial or overdue claims. The effect of this offset as per agreement of the Parties shall occur at the moment when the Lessor delivers the relevant actuarial document on such offset to the Lessee.

## **6. Duration of lease, return of the Gaming Devices to the Lessor**

- 6.1. The lease period is stipulated in the Lease Contract or confirmed order and starts running on the date of handover of the Gaming Devices. If this lease period is not stipulated in the Lease Contract, it applies that the lease is contracted for a period of one year after date of handover of the Gaming Devices.
- 6.2. The lease of each individual Gaming Device always terminates upon lapse of the period of the contracted lease period, or upon expiry of the technical fitness certificate of the given Gaming Device, or licence or on the date of demise of the Lease Contract according to Article 8 of these Conditions.
- 6.3. In case of termination of the lease, the Lessee is obliged within 30 working days after end of lease on own account to return the Gaming Devices to the Lessor in the condition in which they were delivered to him, taking into consideration normal tear and wear, and the Lessee is obliged to provide written notification together with the Gaming Devices in which he shall state at least the following:
  - a) name or business name of the Lessee,
  - b) serial numbers of the returned Gaming Devices,
 The Lessee shall properly and in time fulfil his duty to return the Gaming Devices to the Lessor, if the Lessee returns the Gaming Devices to the Lessor within the period stated above and in the manner stated above at the following address: Uherské Hradiště, Jaktáře 1475, Czech Republic.
- 6.4. The Lessee or his authorized representative shall be present during the return of the Gaming Devices, otherwise, in case complaints are raised in respect of defects or disputes arise between the Parties, the facts specified by the Lessor in the Takeover Report that shall be issued to the Lessor upon the return of the Gaming Devices, shall be decisive.

- 6.5. In case of delay in handover of the Gaming Devices, the Lessee is obliged for each Gaming Device whose handover is delayed, obliged to pay a contractual penalty in the amount of EUR 10 (Ten Euro) to the Lessor for each day and part thereof that handover is delayed and in addition to this, the Lessee is obliged to compensate the Lessor for all damage suffered due to such delay on the part of the Lessee. In case of damage to or destruction of the Gaming Devices, the Lessee is besides the contractual penalty according to this provision also obliged to reimburse the Lessor for all damage, which the Lessor suffers from damage to or destruction of the Gaming Devices.
- 6.6. If the lease terminates only in relation to an individual Gaming Device or Gaming Devices, then the Lessee is obliged to return the individual Gaming Devices whose lease has terminated to the Lessor, and do so under the same conditions as stipulated in point 6.3.
- 6.7. If the Lessee does not return the Gaming Device in compliance with point 6.3, the Lessor may collect the Gaming Devices from the Lessee himself even against the will of the Lessee and on the account of the Lessee.

## **7. Liability for defects, Rights and Obligations of the Lessor and Lessee**

- 7.1. The Lessor does not guarantee that the operation of the Gaming Devices shall be completely faultless. If any faults appear during operation of the Gaming Devices hereof that shall affect the proper operation of the Gaming Devices and these faults shall exist continuously on the majority of the Gaming Devices for a period longer than 30 calendar days after data on which the Lessee notifies the Lessor of these faults in writing or by e-mail, the Lessee is entitled for reason of these faults to withdraw from this Contract in full.
- 7.2. The Lessor's liability for defects shall not apply to defects caused by:
  - a) natural disasters or other external events not caused by the Lessor,
  - b) incorrect assembly carried out by a party other than Lessor or a person authorised by it,
  - c) using the Gaming Devices in conflict with the operating manual, unprofessional or unauthorized intervention, incorrect maintenance, their placement in unsuitable environment or mechanical damage,
  - d) change of applicable legal regulations that will come to effect after signing hereof or taking a public-law decision or measure provided that such decision or measure comes to effect or becomes enforceable only after signature hereof,
  - e) breakdowns and failures of the Internet network and networks of mobile and GSM operators, including foreign operators, not caused by the Lessor, or
  - f) in other cases laid down by law or by this Contract.
- 7.3. A claimed defect by the Lessee shall not have a dilatory effect in respect of the Lessee's payment obligations and the Lessee shall pay the Rent and other Fees hereunder by their due dates even if a claim was raised.
- 7.4. Any faults of the Gaming Devices do not constitute a violation of the Lease Contract on the part of the Lessor and the Lessee is not entitled to seek compensation of losses from the Lessor for reason of such faults or in connection with the same.
- 7.5. The Lessee is obliged:
  - a) at own cost and risk to secure a permit or certificate to operate each Gaming Device as required in the given country, secure certification of the VLT System, ensure administrative and technical services, preparation and submission of applications, payment of related administrative fees where necessary, further, distribution of the Gaming Devices, their installation, operation, provision of an adequate background and also collection of money from the operated Gaming Devices,
  - b) in the event that a permit or certification is required to operate the Gaming Devices in the territory of the given State, send a copy of such permit or certification to the Lessor within 7 calendar days after its acquisition,

- c) use the Central Server only on the territory of the Czech Republic and exclusively in compliance with Czech law and in compliance with their intended use, instructions for use, maintenance and service, as well as only through persons competent to duly operate the same;
  - d) in case of any change in the permit or certification, including any possible suspension or cancellation of the permit or certification, always notify the Lessor immediately in writing of such change and at the same time attach a copy of the document of such change to the notice,
  - e) use and consume Gaming Devices only in compliance with the legislation of the country in which the Gaming Devices are located, and also in compliance with the purpose to which they were made, instructions for their operation, maintenance and service, as well as the instructions of the Lessor and only through persons authorised to operate them,
  - f) pay all the costs related to the operation of the Gaming Devices, maintain the Gaming Devices in operable condition at own cost, perform all maintenance and repairs of the Gaming Devices in compliance with point 7.12 et seq. and ensure non-stop and backed-up connection of the Gaming Devices to the Internet at own cost,
  - g) to take care of the Gaming Devices and to protect them against loss, damage or destruction,
  - h) allow the Lessor to access the Gaming Devices for the purpose of inspection of compliance with the Lease Contract,
  - i) Report any loss, damage or destruction of the Gaming Devices to the Lessor in writing without undue delay.
  - j) Notify the Lessor about the currently applicable conditions for operation of the Gaming Devices at the given location at the latest on the date of signature of the Lease Contract or dispatch of order for supply of Gaming Devices.
- 7.6. The Lessee must not modify the Gaming Devices in any way without the prior written consent of the Lessor.
- 7.7. Within the VLT System, the Lessee may not use servers and video terminals other than the Central Server and Terminals leased according to the Lease Contract whose component are also these Conditions.
- 7.8. The Lessee may also sublease the Gaming Devices to a third party, provided he requests the consent of the Lessor at least 30 calendar days before start of such sublease, otherwise the Gaming Device sublease contract concluded with a third party shall be void. If the Lessor does not express consent within 30 calendar days after delivery of such request, it shall be assumed that he agrees with the sublease of the Gaming Devices to the third party.
- 7.9. The Lessee is liable for any damage, which occurs to the Gaming Devices in the period between take-over by Lessee and return to the Lessor in compliance with point 6.3 (with the exception of damage caused by the Lessor, his employees and other persons delegated by the Lessor) and the Lessee is obliged to notify the Lessor of the occurrence of such damage immediately and the Lessee is further obliged to remedy such damage at own cost immediately or pay financial compensation to the Lessor within 30 calendar days after occurrence of such damage. The Lessee is mainly obliged to notify the Lessor immediately in writing about loss, damage to or destruction of the Gaming Device. The Lessee is obliged to pay compensation to the Lessor for all damage suffered by Lessor even in a case where the damage or alienation of the Gaming Device or its part by the Lessee or a third party, regardless of whether the culprit shall be ascertained or not.
- 7.10. The Lessee agrees that the Lessor prior to start of the lease pursuant to the contract or at any time during the lease contract term shall install a monitoring units into the Gaming Devices and that the Lessor may via these monitoring units monitor and record the operational data of the Gaming Devices for the Lessor's development and business purposes. The Lessee undertakes to allow the Lessor to install, use and check these units and these units shall be integral components of the Gaming Devices for the duration of the installation.
- 7.11. Obligations of the Lessor
- a) lease the item to the Lessee in such a manner as for the latter to be able to use to the contracted purpose,

- b) ensure that the Lessee can consume and use the Gaming Device for the duration of the lease.
  - c) ensure the collaboration of the Lessee in the acquisition of the permit for operation or certification of the Gaming Devices.
- 7.12. The Lessee hereby undertakes to use only genuine parts provided by the Lessor to repair and modify the Gaming Devices. The Lessee is obliged each time upon use of a spare part provided by the Lessor to return the defective part to the Lessor immediately.
- 7.13. If the Lessee delivers his justified request in writing to the Lessor in a form prescribed by the Lessor, from which the serial number of the repaired Gaming Device shall be clear and also the fact that the Lessee demonstrably exhausted the supply of spare parts provided, or that the spare part necessary for the repair is not included in supply of spare parts provided, and that the Lessee is not liable for the necessity of the repair or the circumstances leading to such repair, the Lessor shall at own cost send the required spare part to the Lessee. Otherwise the Lessee shall pay all the repair costs of the Gaming Device including shipping. The shipping costs of all spare parts sent by the Lessee to the Lessor are on the contrary paid by the Lessee.
- 7.14. The consumables (light bulbs, fuses, etc) necessary for proper maintenance and repair of the Gaming Devices shall be paid exclusively by the Lessee.
- 7.15. If the Parties so agree in the Lease Contract, the Lessee shall perform all maintenance and repairs of the Gaming Devices according to point 7.5, letter f) exclusively through persons professionally trained and approved by the Lessor. In connection with the Rent of the concerned things, the Lessor further undertakes to provide training to Lessee's workers in the operation of the Gaming Devices, their regular maintenance and minor repairs. A relevant record of such training shall be signed by the Lessor and the Lessee. The training shall be provided always before beginning the operation of the Gaming Devices, whereas the Lessee is obliged to provide the Lessor with the list of persons with corresponding qualifications who will participate in the training at least three weeks before the expected beginning of the operation of the VLT System. Travel allowances of those persons, in particular travel expenses, costs of accommodation and meal allowances, and further the costs of wage, remuneration or compensation of those persons' income shall be borne by the Lessee, the costs connected with organization of the training shall be borne by the Lessor. Training and subsequent training shall be provided to the necessary extent always upon change of the type of Gaming Device or Software, or upon request from Lessee as per agreement with the Lessor. Training shall as per agreement of the Parties be conducted in English. The Lessee is responsible for the trained persons, in particular, for damage to the Gaming Devices caused by negligence of the trained persons or due to incorrectly performed activities for which these persons were not duly trained by the Lessor and perform them in conflict with the training.
- 7.16. If the Lessee is in default of payment of any financial obligation under the Lease Contract or these Conditions for more than 15 days, the Lessor may immediately unilaterally and without prior notice interrupt operation of the Software in the VLT System or any part thereof and thus make it impossible for the Lessee to run the games via the VLT System. The Lessor's right to receive payment is not affected by the interruption according to this point. The Lessee shall have the right to place his logo or other business name on the Terminal and he shall further be entitled to request the Lessor to arrange the inclusion of such Lessee's name in the gaming Software of the IVT System; such a name will be of corresponding size and quality not deteriorating the quality of the IVT System and it will be approved by the parties in advance. The Lessee shall be liable for the fact that such name complies with legal regulations and does not breach the rights of third parties.
- 7.17. If the Lessee violates any of the provisions of this Contract, which stipulate a duty for the Lessee other than a financial obligation, the Lessee is obliged to upon request from Lessor to pay a contractual penalty in the amount of EUR 50 (Fifty Euro) for each full or partial breach of some other obligation (excluding the financial obligations) arising under this Contract and for each day and part thereof during which such breach of duty prevails (excluding financial obligations) on the part of the Lessee.

## **8. Sub-licence, support and servicing, hosting of the VLT System**

- 8.1. The Lessor declares that he holds a licence for use of the Software on the territory of the Czech Republic and was granted such licence by the Provider and according to the licence, he is entitled to grant a Sub-liscence against payment pursuant to this contract.
- 8.2. The Lessor provides the Lessee with a limited time non-exclusive Sub-liscence to use the Software, whereby the Lessee is authorised to use the Software installed in the Gaming Device and within the VLT System in own name and thus provide it through the games on the individual Terminals.
- 8.3. The Sub-liscence is provided for the duration of the Lease Contract. However, the Lessee undertakes to use the authorisation under the Sub-liscence for the first time on the effective date of the permit to operate a lottery or like games according to the applicable laws of the concerned country.
- 8.4. The Lessor shall arrange for the Provider to install the Central Server as well as the Software on the Central Server. The Lessor further undertakes to install the Software in the Terminals; the Lessee shall put them into working order in accordance with the operating manual and the Lessor's instructions only at the final destination of the Terminals.
- 8.5. The Lessee further undertakes to comply with the following additional terms and conditions of the Sublicense granted hereof:
  - a) the Sub-liscence is provided only for the territory specified in the Lease Contract in respect of the VLT System,
  - b) The Lessee may use the Software exclusively in compliance with the legislation of the given country,
  - c) The Software may be used only when the VLT System for the operation of which the Software is to be installed, is running and only in order to secure its due operation,
  - d) The Lessee is not authorised to provide the Sub-liscence to a third party and must not in any way provide any right under the Sub-liscence to a third party,
  - e) The Lessee shall be obliged to comply with written instructions for use of the Software given by the Provider and/or the Lessor and to allow the Lessor and/or the Lessor to check compliance with the terms and conditions of the Sub-liscence on Lessor's prior request to Lessee.
  - f) The Lessee shall be obliged to inform the Lessor of possible breach of copyrights to the Software or other breach of the Sub-liscence, to agree on the manner of protection against such action and to fully cooperate in order to prevent such action.
- 8.6. In case of the Sublicense termination, the Lessee shall no longer be authorized to and shall cease using the Software on the Sublicense termination date.
- 8.7. The Lessor undertakes to provide the Lessee with non-stop technical support and service for the Software.
- 8.8. For the purposes of due support and maintenance hereunder, the Lessee shall duly use and maintain the Software, install network connection (ISDN, ADSL or other per agreement between the Lessor and Lessee) at its expenses as well as the necessary hardware and software allowing distance diagnostics and replacement software downloading, and the Lessee shall maintain such connection at its expenses for the period of the contract.
- 8.9. The Lessor undertakes to provide Hosting to the Lessee for the duration of the Lease Contract.
- 8.10. The Lessor undertakes to provide:
  - a) operating conditions for the Central Server at the registered office of the Lessor that allows proper operation of the Central Server according to the specification in Annex 1 of the Lease Contract,
  - b) regular control of the Central Server operations, whereby the Lessor shall be obliged to immediately draw the Lessee's attention to apparent defects of the Central Server ascertained by the Lessor during such control;
  - c) non-stop and backed-up connection of the Central Server to internet;
  - d) uninterruptible power supply for the Central Server via a diesel engine;
  - e) securing the Central Server against damage or alienation,
  - f) maintenance and repair of the Central Server in the event that maintenance and repairs to which service support from the manufacturer of the Central Server does not apply according to point 8.13.

- 8.11. The Lessee is entitled to continuous remote access to the Central Server via an IP address. The Lessee is further entitled to enter the premises where the Central Server is located and such access to the Central Server must be in the presence of the Lessor or person authorised by him, provided the Lessee requests Lessor to grant such access at least 2 working days in advance. In the process, the Lessee is obliged to respect the operating instructions of the Lessor and facility manager.
- 8.12. The Lessee hereby undertakes to inform the Lessor in writing of all facts necessary for due provision of Hosting pursuant to this contract, namely without undue delay and no later than 7 calendar days as of the date when such fact occurs.
- 8.13. The Lessor shall ensure that support is provided for the Central Server by the manufacturer or a third party. The Parties have agreed that all fees and other costs billed by the supplier of the Central Server in connection with the above-stated service support shall be paid by the Lessor.

## **9. Termination of the Contract**

- 9.1. The Lease Contract terminates upon lapse of the contracted term or part thereof, by joint agreement of the Parties, by unilateral withdrawal according to the arrangements in the Lease Contract or lapse of the termination notice period according to the arrangements of the Parties.
- 9.2. Unilateral withdrawal from the Lease Contract is possible in the following cases:
  - a) any Party has the right to withdraw from this Lease Contract in full due to a substantial violation of the Lease Contract or these Conditions by the other Party, or
  - b) any Party has the right to withdraw from this Lease Contract for the reasons set by law, or
  - c) the Lessor is entitled to withdraw from this Contract in full when the Lessee files an insolvency petition on own behalf due to its bankruptcy or imminent bankruptcy, when the court decides on the Lessee's bankruptcy, when the court dismisses an insolvency petition due to lack of Lessee's assets or when the Lessee goes bankrupt, or
  - d) the Lessee is entitled to withdraw from this Contract in full when the Lessor files an insolvency petition on own behalf due to its bankruptcy or imminent bankruptcy, a court ruling on bankruptcy is served upon the Lessor, when the court dismisses an insolvency petition due to lack of Lessor's assets or when the Lessor goes bankrupt, or
  - e) any Party may withdraw from the Lease Contract in full, if certification of the Gaming Device or any of its parts or the Lessee shall not be granted a permit to operate the Gaming Devices according to point a)7.5, letter a), or the permit or certification of the Lessee shall be cancelled with finality or suspended, provided the Parties do not agree otherwise in a concrete case
- 9.3. Serious breaches of contractual obligations by the Lessor shall be:
  - a) delay of the part of the Lessor in handover of the Gaming Device for a period of more than 30 calendar days, or
  - b) if the Gaming Device shall not fulfil the conditions stipulated in the Lease Contract, Conditions, confirmed order or applicable legislation.
  - c) if the Lessee violates the undertaking stipulated in Article 11 of these Conditions or abuses confidential information or information corresponding to business secrets acquired upon conclusion of the Lease Contract, whose component shall also be these Conditions,
  - d) if the Lessor violates any of its obligations under the contract or Conditions and the Lessor fails to remedy such violation even after written notification sent to him by the Lessee within the period stipulated in such notification, which must not be shorter than 15 calendar days starting with delivery of the given notification to the Lessor.
- 9.4. A serious breach of contractual obligations by the Lessee shall be:
  - a) Lessee's delay in the payment of any monetary obligations hereof for a period of more than 30 calendar days,
  - b) Lessee's delay in acceptance of the Gaming Device by more than 30 calendar days,
  - c) if the Lessee in any way violates the Lease Contract or Conditions and in consequence of such violation, the Lessee's permit to operate the Gaming Devices or their certification shall be cancelled with finality or suspended,

- d) if the Lessee uses the Gaming Device in breach of this contract or if he subleases the Gaming Device in violation of point 7.8,
  - e) if the Lessee violates the undertaking stipulated in Article 11 of these Conditions or abuses confidential information or information corresponding to business secrets acquired upon conclusion of the Lease Contract, whose component shall also be these Conditions,
  - f) if the Lessee violates any of its obligations under the contract or Conditions and the Lessee fails to remedy such violation even after written notification sent to him by the Lessor within the period stipulated in such notification, which must not be shorter than 15 calendar days starting with delivery of the given notification to the Lessee.
- 9.5. If the Lessor or Lessee commits a substantial breach hereof as specified above, the other Party may withdraw from this Contract. Withdrawal herefrom shall be made upon a written notice that shall be delivered to the other Party and specify clearly the reason for the withdrawal so that it cannot be afterwards mistaken for another. Withdrawal from this Lease Contract in full shall come into effect at the moment when written notification of withdrawal is delivered to the other Party. In case of any doubt, it shall be deemed that the notice to quit was delivered to the other Party on the fifth day following its dispatch by registered post by the withdrawing party.
- 9.6. Each of the Parties is entitled to terminate this Lease Contract without specifying any reasons for doing so through a written withdrawal sent to the other Party, whereas the withdrawal or notice period shall commence on the first day of the calendar month following the delivery of the notice to the other Party. The notice period has been agreed at 6 calendar months. However, both Parties may exercise this right at the earliest after lapse of 2 years after signature of the Lease Contract.
- 9.7. If any of the Parties violates this Contract in such a manner that such breach establishes the right of the other Party to withdraw from this Contract in full in compliance with point 9.2.a) of these Conditions, the breaching Party is obliged to pay a contractual penalty to the other Party, which shall be calculated as follows. The average monthly Rent paid by the Lessee to the Lessor shall be calculated for the last three calendar months preceding the month in which this Contract was withdrawn from and if the duration of this contract was less than 3 months, then the duration of the contract and the average monthly Rent so established shall be multiplied by the number of months before the month following the one in which the contract is prematurely terminated, however not exceeding 3 months, whereas such calculated amount shall represent the above contractual penalty, which shall be at least EUR 10,000.
- 9.8. Upon termination of the full Lease Contract, the Sub-licences, Hosting and all other rights and obligations under the Lease Contract or Conditions also demise. Further, the right to compensation of damage caused by the breach of the Lease Contract or Conditions as well as other contractual provisions, which according to the will of the Parties are to survive the termination hereof or considering their nature, shall survive the termination of the Lease Contract.
- 9.9. No withdrawal or termination of this Lease Contract (regardless of the reasons) shall affect obligations or rights of either Party, neither it shall influence the validity or the continuance of validity of any provisions contained herein which specifically say or which implicitly imply that this provisions were intended to become legally effective or which were intended to remain applicable even after termination of this Contract.
- 9.10. Upon termination of this Contract in its entirety, the right to compensation of damage caused by the breach hereof and other contractual provisions, which are to survive the termination hereof according to agreement of the Parties or considering their nature, shall survive the termination of the Lease Contract.

## **10. Protection of personal data**

- 10.1. The information about the Lessees, or persons authorised to accept the Gaming Devices during handover is stored in accordance with valid Czech laws, in particular with Act No. 101/2000 Coll., as amended, on protection of personal data. The Lessor and persons authorised to accept the Gaming

Devices agree with collection and processing of their personal data within the database of the Lessor following successful completion of the contract, unless the Lessor submits a written statement disagreeing with such data processing. However, such approval shall come into force at the earliest upon lapse of the lease contracts by and between the Lessor and Lessee.

- 10.2. The Lessee has the right to access own personal data, to modify or correct their personal data as well as to exercise other rights relevant to personal data processing. Personal data is fully protected against abuse. The Lessor does not provide the personal details to any other party with the exception of cases where the Lessor fulfils its obligations to executive bodies, or necessity to seek Lessor's claims against Lessee or persons authorised to accept the Gaming Devices (e.g. by submission of personal data to the legal representative for the purpose of collecting claims), or if this is necessary to process the accounts (e.g. by handover of actuarial documents containing the personal data of the Lessee to persons processing the accounts or providing accounting and tax advisory services), or if this concerns stating the data to the necessary extent for the purpose of delivery of consignments, etc.

## **11. Representations of the Parties and protection of confidential information**

- 11.1. By signature of the Lease Contract, the Lessee confirms that he has adequately acquainted himself with the wording of the Conditions, and that he accepts their wording.
- 11.2. The Lessee takes note of the fact that by signature of the Lease Contract or sending an order, he represents that he is acquainted with the specification of the Gaming Device and accepts such specification.
- 11.3. The Lessee by acceptance of the Gaming Device confirms that he was duly acquainted with the special regulations by the Lessor (instructions for operation, maintenance and service, etc.), which must be kept and observed during the usage and operation of the Gaming Devices.
- 11.4. The Lessee declares that he has within the framework of the lease of the VLT System acquainted himself with the end-user licence conditions stipulated at web address:  
[http://www.synotloterie.cz/ws-loterie\\_cz/dokumenty](http://www.synotloterie.cz/ws-loterie_cz/dokumenty)  
by which Microsoft lays down the licence terms and conditions for the Microsoft Operating Software. The Lessee additionally declares that it fully agrees with the Licence Agreement, shall enter into it with Microsoft as of the moment when it begins using the Microsoft Operating Software and agrees to comply with it.
- 11.5. The Lessee acknowledges that each Gaming Device, including the operating software, is subject to manufacturer's copyrights and industrial rights and that any imitating, copying, duplicating or other similar handling of the leased Gaming Devices or their parts is forbidden. The Lessee has the right to use the operating software installed in the Gaming Device only for operation of one relevant Gaming Device for the operation of which the software was installed and only in order to arrange proper operation of such Gaming Device.
- 11.6. The Parties agree that any information, which shall be imparted in connection with the Lease Contract and shall otherwise not be provided to third parties is confidential. The contracting party that receives such confidential information cannot disclose it to a third party or use it in breach of its purpose and/or for own requirements.
- 11.7. The Parties also undertake to maintain confidentiality with respect to any business secrets of the other Party.
- 11.8. The object of the business secrets is mainly the installed software, production, technological and business procedures, computer programmes and databases created and/or owned by the Party, data about the customers and other business partners, pricing method, amount of his costs and amount of his total as well as partial sales. None of the Parties may use the business secrets of the other Party for own requirements or the requirements of third parties, whereas it undertakes to protect such business secrets from public usage or unauthorised use by third parties.
- 11.9. The obligations stated in point 10.6. and in point 10.7. also apply after demise of this Contract and demise only if surrendered in writing by the other Party. Such duty shall not apply in the following cases or in connection with them:

- a) If the Party provides or uses confidential information or a confidential fact, which is an object of business secrets, in a manner and for purposes, which are stipulated in the generally binding legal regulations, or if such information or facts are required on the basis of a legitimate court/administrative decision; and
- b) if a Party provides confidential information or business secrets to the authorised persons who are bound under the law not to disclose such business secrets, whereas such persons shall observe non-disclosure under the same conditions as stipulated in these Conditions; and
- c) If the Party provides or uses confidential information or other facts, which form the object of business secrets, in a manner which is absolutely necessary for proper fulfilment of the Lease Contract or exercise of the rights/fulfilment of duties stipulated in the Lease Contract or the Conditions, including cases in which the Party uses confidential information, business secrets, or the Lease Contract within the framework of court, administrative or other similar proceedings – i.e. proceedings for which such information and/or documents could be relevant.

11.10. If any of the Parties breaches its duty stipulated in points 10. 4. - 10. 7., the aggrieved Party shall seek a contractual penalty in the amount of EUR 5,000 for each individual case of breach of duty stipulated in points 10. 4. - 10. 7.

11.11. Upon termination of the Lease Contract for whatever reason, the Lessee shall immediately return to the Lessor all intellectual property rights licensed, provided or granted by the Lessor to the Lessee according to the Lease Contract as well as all Confidential Information that belongs to the other Party, and if the Lessor so requests, the Lessee shall in a non-reversible manner destroy all copies and data related to the scope and performances under the Lease Contract and confirm such destruction in writing to the Lessor. The Lessor shall be entitled to stop providing any service to the Lessee and stop operating any hardware or software, which is operated for the Lessee and delete the entire system or any of its part from any installation site; The Lessee shall stop using the business secrets and technical know-how of the Lessor or its Providers.

## **12. Concluding provisions**

- 12.1. The Lease Contract, Conditions shall be subject to the legislation of the Czech Republic, particularly the applicable provisions of Act No. 89/2012 Coll., Civil Code, as amended.
- 12.2. The Parties by conclusion of the contract fully cancel and replace all their previous mutual arrangements concerning the subject-matter hereof.
- 12.3. The Lessee agrees that for all disputes arising from these Conditions or the Lease Contract, the court of local jurisdiction shall be the District Court in Uherské Hradiště provided that it also has jurisdiction in rem, otherwise it shall be the Regional Court in Brno.
- 12.4. Any other modifications, insertions or amendments written or printed in the original text of these Conditions shall be considered as not written, irrelevant and shall not bind the Parties.
- 12.5. The Lessor reserves the right to unilaterally amend or supplement the Conditions or cancel and replace them; it applies that for determination of the mutual rights and obligations of the Lessor and Lessee, the wording of the Conditions valid and in force at the moment of delivery of the confirmation of order by the Lessor shall be decisive.
- 12.6. Different arrangements in the Lease Contract or confirmed order shall have precedence before the Conditions.
- 12.7. The Lessor and the Lessee undertake to settle all disputes arising out of the Contract or the Conditions and/or in relation to the Contract especially by agreement.
- 12.8. If during the performance of the Contract any Party gives written notice or performs another act towards the other Party, such as delivery of an invoice (hereinafter referred to as the "Act"), the Act shall be deemed as duly made in respect of the Party whom the Act is addressed (hereinafter only the "Addressee") upon personal delivery of a written copy of the Act against the Addressee's signature, or upon posting it as a registered letter to the Addressee's address last known to the Party executing the Act in accordance with the above paragraph. Should it be impossible to deliver such a letter, the Act

contained in such a letter shall be regarded as delivered on the fifth day after posting the letter for sending by registered mail to the Addressee's address last known to the Party performing the Act in accordance with the above paragraph.

- 12.9. If after these Conditions take effect, any of the provisions hereof are found to be invalid in relation to any valid legislation, such situation shall not invalidate the Conditions or order in full; the remaining provisions of the Conditions or order shall be unaffected, and the invalid provisions shall be replaced in the form of an amendment to the order, otherwise by a relevant provision of a generally binding legal regulation, and if there is no such provision, by regulation normal in the business relationships.
- 12.10. If after this Lease Contract takes effect any applicable legislation changes that would hinder or prevent the proper fulfilment hereof, the Parties agree to enter into an amendment hereto without delay that would enable the proper fulfilment hereof.
- 12.11. For all contractual penalties stipulated in the Conditions or on the basis of an agreement of the Parties, the following arrangements apply:
  - a) in addition to the contractual penalty, the Party that becomes entitled to the contractual penalty is also entitled to seek compensation from the other Party for any damages incurred as a result of a breach of the obligation covered by the contractual penalty,
  - b) The Party that breached the obligation for which the contractual penalty was imposed shall be obliged to pay such contractual penalty even if the breach was not that Party's fault;
  - c) for violation of the same obligation as described in this contract, all contractual penalties agreed in relation to such violation may be claimed,
  - d) the right to have the contractual penalty paid shall remain unaffected by termination hereof,
  - e) The contractual penalty shall be payable within 3 days from the date the Contracting Party, which has become entitled to such performance, delivers a written request to be paid the respective fulfilment.
- 12.12. In case of variance between the Czech and English versions of these Conditions, the Czech version shall override.
- 12.13. In the event of change of any decisive facts, the Party to which such change relates is obliged to notify the other Party in writing about such change (at the latest within 5 calendar days after date when the given Party could have learned about such change), otherwise it shall be presumed that the data specified in the Lease Contract apply, and if their change was notified in accordance with this clause in the meantime, then it shall be presumed that such data are valid as amended by the most recent change notified pursuant to this clause.
- 12.14. **The Conditions are valid and effective from 15 July 2016** and shall govern only lease contracts concluded after this date, which refer to these Conditions.

In Uherské Hradiště, on July 1, 2016

.....  
for SYNOT W, a. s.

Rudolf Gregor

Vice-Chairman of the Board

.....  
for

.....  
for SYNOT W, a. s.

Ing. Roland Andrýsek, MBC

Member of the Board