

REMOTE OPERATING LICENCE

Number: 000-003737-R-104102-001

This licence is issued under Part 5 of the Gambling Act 2005

Part 1

This licence, which is a remote operating licence, is issued to:
PKR Technologies Ltd trading as:

PKR Technologies Ltd

This Licence authorises the Licensee to carry out the following activities:

to manufacture, supply, install or adapt gambling software

Part 2 Commission Specific Conditions

Conditions applicable to manufacturing, supplying, installing or adapting gambling software

This licence is subject to the condition that the value of the licensee's annual gross sales does not exceed £6,000,000.

Part 3 Statutory Conditions

Statutory conditions attached by virtue of the Act

Statutory conditions applicable to manufacturing, supplying, installing or adapting gambling software

Social responsibility

This licence is subject to a condition that the licensee ensures compliance with any relevant social responsibility provision of a code of practice issued by the Commission. The social responsibility provisions that are relevant to the activities authorised by this licence are set out in the attached Annex I. **Sections 24 and 82(1)**

Part 4 Commission General Conditions

The Commission's complete suite of Licence Conditions to be attached to operating licences pursuant to section 75 of the Act includes some conditions which may not apply to your licence. Where that is the case the irrelevant conditions have not been reproduced below and this explains any gaps there may be in the sequential numbering of the individual conditions.

Conditions applicable to manufacturing, supplying, installing or adapting gambling software

1 Personal licences and qualified persons

1.2 Personal licences

(a) Subject to (e) and (f) below licensees must ensure:

(i) that each individual who occupies one of the management offices specified in (b) below in or in respect of the licensee or in connection with the licensed activities holds a personal licence authorising the performance of the functions of that office (hereafter 'a personal management licence'); and

(ii) that at least one person occupies at least one of those offices.

(b) The specified management offices are those offices (whether or not held by a director in the case of a licensee which is a company, a partner in the case of a licensee which is a partnership or an officer of the association in the case of a licensee which is an unincorporated association) the occupier of which is by virtue of the terms of their appointment responsible for:

- the overall management and direction of the licensee's business or affairs;
- the licensee's finance function as head of that function;
- the licensee's gambling regulatory compliance function as head of that function;
- the licensee's marketing function as head of that function;
- the licensee's information technology function as head of that function in so far as it relates to gambling-related information technology and software; or

- oversight of the day to day management of the licensed activities at an identified number of premises licensed under Part 8 of the Act or across an identified geographical area.

(c) Licensees must take all reasonable steps to ensure that anything done in the performance of the functions of a specified management office is done in accordance with the terms and conditions of the holder's personal management licence.

(d) Where an individual is authorised by a personal licence and that licence comes under review under section 116(2) of the Act, the operating licensee must comply with any conditions subsequently imposed on that licence by the Commission about redeployment, supervision, or monitoring of the individual's work and any requirements of the Commission in respect of such matters applicable during the period of the review.

(e) Paragraphs (a) to (d) above shall not apply to a licensee for so long as the licensee is a 'small-scale operator' as defined in the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006 ('the Regulations').

(f) During the period of 3 years commencing with the date on which a licensee ceases to be a small-scale operator paragraphs (a) to (e) above shall apply subject to the proviso that the phrase 'each individual' in paragraph (a)(i) shall not include any individual who was a 'qualified person' (as defined in the Regulations) in relation to the licensee 28 days immediately prior to the licensee ceasing to be a small-scale operator.

2 Technical standards and equipment specifications

Licensees must comply with the Commission's technical standards and with requirements set by the Commission relating to the timing and procedures for testing.

3 Financial robustness

All company licensees must notify the Commission of the name and address of any person who becomes a shareholder in the company or its holding company holding 3% or more of the issued share capital of the company or its holding company; or any existing shareholder who acquires a holding of 3% or more of the issued share capital of the company or its holding company.

In this condition 'holding company' has the meaning ascribed to that term by section 736 of the Companies Act 1985 (as amended).

14 Access to premises

Licensees must have in place and implement written policies and procedures (including staff training programmes) designed to ensure that their staff co-operate with the Commission's enforcement officers in the proper performance of their compliance functions and are made aware of those officers' rights of entry to premises contained in Part 15 of the Act.

15 Information requirements

15.1 Reporting suspicion of offences etc

Licensees must provide the Commission with any information that they suspect may relate to the commission of an offence under the Act, including an offence resulting from a breach of a licence condition or a code provision having the effect of a licence condition.

15.2 Reporting 'Key Events'

Licensees must notify the Commission of the occurrence of any of the following key events as soon as reasonably practicable and in any event within 5 working days of its occurrence:

- in the case of licensees which are companies, their (or any group company of theirs) being placed in liquidation, administration or receivership: in this condition a 'group company' is any subsidiary or holding company of the licensee – as those terms are defined in s736 Companies Act 1985 or any statutory modification or re-enactment thereof – and any subsidiary of such holding company;
- in the case of a licensee who is an individual (or a partner in a partnership licensee) their becoming bankrupt within the meaning of section 381 of the Insolvency Act 1986 or sequestration of their estate under section 12(1) of the Bankruptcy (Scotland) Act 1985;
- where the licensee is required to have its accounts independently audited, any unplanned change of auditor including a change prompted by a dispute or resulting from auditors being unable or unwilling to sign an audit certificate;
- the departure from the licensee's business of any holder of a personal management licence, other than those with oversight of the day to day management of licensed premises of a licensee operating more than 4 licensed premises;

- any reduction in the licensee's employed staff by more than 10% provided that represents at least 3 individuals;
- the acquisition or disposal of gambling premises or pitches;
- in the case of corporate licensees, the disposal or acquisition of any group company;
- the disposal of assets to the value of 10% or more of the licensee's total net assets;
- any breach of a covenant given to a bank or other lender;
- any default in making repayment of the whole or any part of a loan on its due date;
- any court judgments remaining unpaid 14 days after the date of judgment;
- the commencement of any material litigation against the licensee;
- any instance of internal or external fraud or theft involving a sum in excess of £10,000; and
- the commencement of disciplinary action against the holder of a personal licence where the licence holder is suspended or serious misconduct is alleged.

15.3 General and Regulatory Returns

On request, licensees must provide the Commission with such information as the Commission may require about the use made of facilities provided in accordance with this licence, and the manner in which gambling authorised by this licence and the licensee's business in relation to that gambling are carried on, including in particular information about:

- the numbers of people making use of the facilities and the frequency of such use;
- the range of gambling activities provided by the licensee and the numbers of staff employed in connection with them; and
- the licensee's policies in relation to, and experiences of, problem gambling.

In particular, within 28 days of the end of each quarterly or annual period as the case may be, licensees must submit a Regulatory Return to the Commission containing such information as the Commission may from time to time require.

Part 5 Secretary of State General Conditions

None at present

Annex I

Relevant extracts from the Commission's Code of Practice for Gambling Operators

Introduction

This is the Commission's principal code of practice, issued pursuant to section 24 of the Gambling Act 2005 ('the Act'). The text in standard typeface comprises the 'social responsibility provisions', compliance with which is a condition of licensees' licences by virtue of section 82 of the Act. The text that is in italics has the status described in section 24 (8) and (9) of the Act. This code is effective from 1 September 2007.

The complete Code contains some provisions which do not apply to your licence. These have been omitted from this Annex, which explains why there are gaps in the numbering of the individual sections of the Code reproduced below.

Codes of Practice applicable to manufacturing, supplying, installing or adapting gambling software

2 Protection of children and other vulnerable persons

2.1 Combating problem gambling

Social responsibility code provision

Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling.

Licensees' policies and procedures for socially responsible gambling must include but need not be confined to:

- the specific policies and procedures required by the following provisions of section 2 of this code;
- a commitment to and how they will contribute to research into the prevention and treatment of problem gambling;
- a commitment to and how they will contribute to public education on the risks of gambling and how to gamble safely; and

- a commitment to and how they will contribute to the identification of and treatment of problem gamblers.

4 Marketing

Ordinary code provision

Licensees should comply with the advertising codes of practice which apply to the form and media in which they advertise their gambling facilities or services.

6 Gambling licensees' staff

Social responsibility code provision

Licensees must take all reasonable steps to ensure that staff involved in the provision of facilities for gambling are made aware of advice on socially responsible gambling and of where to get confidential advice should their gambling become hard to control.