

Terms of reference

With reference to our proposal, dated 2 September 2009, I have pleasure in confirming our engagement with GAME Group plc ("GAME") to undertake a review of executive reward arrangements.

This letter sets out the terms of our appointment so that both parties are aware both of the responsibilities we have and of the areas where GAME retains responsibility.

The terms of business which are enclosed provide further details of our respective responsibilities and, together with this engagement letter, constitute the entire agreement between us with respect to our engagement. In the event of any inconsistency, the terms of this engagement letter will prevail.

Scope of our work

GAME has requested assistance in undertaking a review of existing reward and incentive schemes for 19 executives, comprising 15 UK employees and 4 overseas roles

The scope of the project includes an assessment of the following three areas of reward within the context of market good practice

Review of remuneration against policy

A requirement has been identified to assess the current remuneration approach for identified Executives to ensure it meets the policy set by the remuneration committee. We will therefore undertake an assessment of current reward levels to establish whether executive pay at GAME is competitive to the market, with regards to stated market positioning for total reward. This will involve a comparison to the market of base pay (which for was not increased this year for the Executive Directors), bonus, LTIP ('Performance Share Plan') and pensions from both a quantum and pay mix perspective.

Structure of incentive arrangements

An evaluation of the structure of the annual bonus, annual bonus deferral element and the LTIP within the context of market practice, impact on driving performance, encouraging share ownership, tax effectiveness (employer and employee taxes); and ease of administration. We will also provide an assessment of other incentive scheme structures that GAME may wish to consider, including an outline the relevant pros and cons.

Performance measures

This part of the review will consider the type, weighting, time periods and mix of performance measures in comparison to a selected comparator group, best practice and the latest regulatory guidelines.

A summary of our key deliverables is as follows:

- ▶ A benchmark review of current reward arrangements for the 19 roles identified, specifically comparing pay to an agreed comparator group and with regards to the current remuneration policy.
- ▶ A discussion paper outlining options in regards to developing executive incentive arrangements moving forwards, positioning of the overall remuneration structure and the link to performance ratings. Accompanying this would be a discussion on the pros and cons of each option. We would then meet with you to review these options and decide the most appropriate to take forward to detailed design.
- ▶ A board paper detailing the future state design for the executive reward structure at GAME, covering base salary, pension, annual bonus and LTIP elements.

- ▶ High-level implementation considerations. (At this stage our scope and pricing does not include a detailed implementation plan that would typically incorporate employee communications materials and management tools to assist in executing reward agenda).

Based on our experience and commencement of the project at the beginning of October 2009 we anticipate that the project can be completed by early December 2009 - a period of some 7 to 10 weeks. However, this timeframe is dependent on availability of data and information from GAME and a more detailed project plan that would take into account any other key dependencies.

Should further involvement be required, for example in the project management of implementation, an additional engagement letter will be issued.

Limitations on our scope

We will not, except to such extent as you request and we agree in writing, seek to verify the accuracy of any data; information and explanations provided by you, and you are solely responsible for this data, information and explanations.

Our team will provide advice and assistance within the context of the assignment; however, no person in our team has any responsibility for making any management decisions in relation to your business, and this responsibility remains solely with you and your management.

We would normally propose issuing a separate engagement letter for any substantial advisory project which is additional to the scope of our services described above but this letter shall govern the provision of advice where a separate engagement letter is not issued. Our fees for such advice will be calculated on a time basis in accordance with the attached terms of business, unless otherwise agreed.

It is useful to highlight the following general points:

- ▶ The scope of our work will normally be restricted to the specific issues on which we provide advice in the particular case. We would be happy to advise you on the effect of other issues if instructed to do so.
- ▶ It is your responsibility to advise us promptly if there are any proposed transactions or anticipated changes in transactions so that we can consider whether they affect the matters on which we are advising under this engagement.
- ▶ Any advice will be based on the law as it stands at the time the advice is provided. However, please note that in the context of rewards of employment, the government is prepared to introduce legislation which will have retrospective effect to 2 December 2004 if this is considered necessary, and has done so in respect of certain rewards of employment.

Your responsibilities

We will be reliant on information provided to us by you and you agree to provide us with all information and arrangement of access to employees that we may require in order to perform our work.

GAME retains ultimate responsibility for the selection and implementation of the reward strategy options from a number we may provide during this project.

Black, Emma Close and Judith Lipton. We will also draw upon expertise from other specialists from the EY network where appropriate.

Limitation of liability

I would specifically draw your attention to sections 10, 11 and 12 of the terms of business which refer to the limitation of this firm's liability and confirm that the cap for the purposes of section 11 is £2 million.

Ernst & Young LLP Terms of Business

(to be read in conjunction with our engagement letter dated 2 October 2009)

The following terms of business apply to engagements accepted by Ernst & Young LLP. All work carried out is subject to these terms except to the extent that variations are expressly agreed in writing. Nothing in any proposal or correspondence is intended to create a legal partnership between us and you as defined by the Partnership Act 1890 or otherwise.

1. Ernst & Young LLP

We are the UK firm of Ernst & Young LLP, a limited liability partnership incorporated under English Law with registered number OC300001. We are a member of Ernst & Young Global Limited ("EYGL") a UK limited liability company which acts as the central governance body of the Ernst & Young network of independent firms. EYGL is a member of Ernst & Young International Limited ("EYI") a Cayman Islands company limited by guarantee. Our registered office and principal place of business is at 1 More London Place, London SE1 2AF. References in these terms of business to "we", "us", "our" or "our partners" shall be construed accordingly.

References in these terms of business to "you" or "your" shall refer to each and every party to this engagement letter (other than us).

2. Our fees and invoicing arrangements

Unless otherwise agreed in writing, our fees will be based on the number and seniority of staff required, the degree of skill and responsibility involved, the resources required to complete the engagement and the fee rates for the appropriate personnel. Our fee rates will be reviewed from time to time. We will also charge for any disbursements incurred during the engagement and we will add VAT to fees and disbursements if applicable. Any fee estimate we may provide is not an agreement to perform the services within a fixed time or for a fixed fee.

Any fee estimate agreed with you is necessarily based on the assumption that the information required for our work is made available in accordance with agreed timetables, and that your key executives and personnel are available during the course of our work. If delays or other unanticipated problems which are beyond our control occur this may result in additional fees for which invoices will be raised.

We will be entitled to submit invoices for services provided and disbursements incurred on an interim basis as the work progresses. Invoices are payable upon presentation. We shall be entitled to charge monthly interest at a rate of 2% above the base rate for the time being of Barclays Bank plc on all invoices which remain unpaid 28 days after presentation.

We reserve the right, where fees have been invoiced and payment is outstanding to us, to exercise a lien in respect of those outstanding fees over any documents belonging to you which may be in our possession.

3. Commissions

If commissions (or other benefits) are payable to us as a result of our relationship with you we will notify you of the amounts once we become aware that a commission (or other benefit) may be (or has been) received. We will not be liable to pay to you any such commission paid to us. However, where we are permitted to accept a commission, we may take it into account in determining our fee.

4. *Our responsibilities to you*

We will provide the services described in our engagement letter (or such variations as may subsequently be agreed in writing between us) with reasonable skill and care and in a timely manner. In taking any commercial decisions relating to the services we provide to you, you should be aware of the restrictions on the scope of our duty of care as set out below.

The nature and content of any advice we provide will necessarily reflect the specific scope and limitations of our engagement, the amount and accuracy of information provided to us and the timescale within which the advice is required. If you ask us to provide our advice in an abbreviated format or timescale, you accept that you may not receive all the information you would have done had we provided a full written report or had been able to perform the work without an abbreviated timescale.

We will not normally seek to verify or check any information provided to us by you, or by others on your behalf, and you acknowledge that we shall be entitled to rely on such information when performing our obligations under this engagement.

We are providing specific advice only for this engagement and for no other purpose and we disclaim any responsibility for the use of our advice for a different purpose or in a different context. If you plan to use this advice on another transaction or in another context please let us know and provide us with all material information so that we can provide advice tailored to the appropriate circumstances.

We shall be under no obligation to update any advice for events occurring after the advice has been provided in its final form.

You agree that, for the purposes of carrying out our responsibilities in this engagement, we shall not be treated as having notice of information which may have been provided to individuals within this firm who are not involved in this engagement. Similarly, the individuals involved in this engagement shall not be required to make use of or disclose to you any information, whether known to them personally or to other individuals within this firm, which is confidential to another client.

Unless otherwise agreed with you, we may correspond by means of the Internet or other electronic media or provide information to you in electronic form. Because of the inherent risks associated with electronic information (including its transmission by means of the Internet or otherwise), we cannot guarantee the security and integrity of any electronic communications or information sent or received in relation to this engagement. Whilst it is our policy to check our e-mail correspondence and other electronic information with anti-virus software, we similarly cannot guarantee that transmissions or other electronic information will be free from infection. You acknowledge that if we are working on your premises we may need to connect to the Internet through your internal network in order to access our systems.

5. *Your responsibilities to us*

In order to enable us to fulfil our responsibilities you agree, on request, to provide us with complete, accurate and timely information and to carry out any obligations ascribed to or undertaken by you or others under your control.

6. *Information and confidentiality*

Where we receive confidential information, our only obligation is to take such steps as we in good faith think fit to preserve confidential information from unauthorised disclosure or other misuse both during and after termination of this engagement. For the avoidance of doubt, if, despite taking such steps, we disclose without authorisation or otherwise misuse the confidential information, thereby causing you loss, we shall be liable to you in accordance with law but subject to the other terms of this engagement. Save where there is specific agreement to the contrary, the fact that we have a professional relationship with you shall not be treated as confidential information and we may disclose this fact, and the general nature of our work, to clients, prospective clients, or other third parties. Subject to our duty of confidentiality, you agree we may act for your competitors or for other clients, whose interests are or may be opposed to yours.

You agree that we may disclose your confidential information to other members of EYGL or members of EYI (or EYI) where such disclosure relates to services we are providing, or have provided, to you.

We will not be prevented from disclosing confidential information:

- a. which is or becomes public knowledge other than by a breach of an obligation of confidentiality;
- b. which is or becomes known from other sources without restriction on disclosure; or
- c. pursuant to law or any professional or regulatory obligation.

The reports, letters, information and advice we provide to you during this engagement (“our work”) are solely for your benefit and are not to be relied upon by any other person or entity. Hence, if you wish to disclose copies of our work to any other person or entity, you must inform them that they may not rely upon any of our work for any purpose without our prior written consent.

7. Intellectual property rights

We retain all ownership, copyright and other intellectual property rights in everything developed, designed or created by us or any predecessor firm either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. We also retain all ownership, copyright and other intellectual property rights in all reports, written advice or other materials provided by us to you, although the fees you pay us will give you a licence to use those materials for the purposes for which they were created under this engagement.

8. Health and safety

We acknowledge our statutory responsibility to co-operate with your health and safety requirements, provided we are given notice of these. Whilst on your premises our partners, staff, agents and sub-contractors shall be afforded by you the same protection for health and safety purposes as is due to your employees. If we are required by you to enter the premises of a third party you will use reasonable efforts to ensure that the third party also affords such protection to our partners, staff, agents and subcontractors as is due to its employees.

9. Use of partners, staff and others

From time to time we may use the services of partners or staff from other members of EYGL (as defined in section 1 above) or members of EYI (as defined in section 1 above) to assist us in providing services to you. In some cases, this may result in such partners or staff undertaking a significant proportion of the services under this engagement, and dealing directly with, providing advice and submitting invoices to, you and/or your affiliate entities. When we use the services of such partners or staff in connection with this engagement they are deemed to be acting as our servants or agents and not the partners, servants or agents of any other person (including any other member of EYGL or any member of EYI or EYI itself) and we are liable for their activities as if they were in all respects our partners or staff. Neither EYI nor

any member of EYI nor any member of EYGL (other than us) assumes any responsibility to you in connection with this engagement.

By engaging us you agree that any claim of any sort whatsoever arising out of or in connection with this engagement shall be brought only against Ernst & Young LLP and that no claims in respect of this engagement will be brought personally against any other persons involved in performance of this engagement, whether actual or deemed servants or agents of us or not.

You agree not to bring any proceedings of any sort whatsoever arising out of or in connection with this engagement in any jurisdiction against EYI or any member of EYI or any member of EYGL (other than us) or any partner or staff thereof.

EYI, each member of EYI, each other member of EYGL, each partner or member of staff thereof and each of our partners or members of staff shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

10. Limitation of liability

You agree that liability in respect of any loss shall be limited to the cap below.

11. Cap

Our liability in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be limited in total to £1 million (or, if greater, the total amount of the fees charged by us to you under this engagement) to cover claims of any sort whatsoever (excluding interest and costs) arising out of or in connection with this engagement. This provision shall have no application to any liability (including vicarious liability) for death or personal injury or arising as a result of fraud on our part nor to any liability which cannot lawfully be excluded or limited.

Where there is more than one party to this engagement letter (other than us), the limit of liability will have to be allocated among you. It is agreed that, save where an allocation is expressly stated in our engagement letter, such allocation will be entirely a matter for you and you shall be under no obligation to inform us of the allocation. If (for whatever reason) no such allocation is agreed, you shall not dispute the validity, enforceability or operation of the limit of liability on the ground that no such allocation was agreed.

12. Proportionality

Our liability to you in respect of breach of contract or breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be limited to that proportion of the loss or damage (including interest and costs) suffered by you, which is agreed between us or ascribed to us by a Court or Tribunal of competent jurisdiction allocating proportionate responsibility to us having regard to (a) the contribution to the loss and damage in question of any other person (including any of your directors or employees) responsible and/or liable to you for such loss and damage and (b) our contribution to such loss and damage. This provision shall have no application to any liability (including vicarious liability) for death or personal injury or arising as a result of fraud on our part nor to any liability which cannot lawfully be excluded or limited.

For the purpose of assessing the contribution to the loss and damage in question of any other person pursuant to the preceding paragraph, it is agreed that no account shall be taken of any limit imposed or agreed on the amount of liability of such person by any agreement (including any settlement agreement) made before or after the loss and damage in question occurred nor shall any account be taken of such person having ceased to be liable or having ceased to exist or being impecunious.

13. The time for bringing any claims

Any claim for breach of contract, breach of duty or fault or negligence or otherwise whatsoever arising out of or in connection with this engagement shall be brought against us within six years of the act or omission alleged to have caused the loss in question.

14. Third party rights

We disclaim all responsibility for any consequence whatsoever should any third party rely upon any report, letter, information or advice unless we have given our prior written consent that such third party may do so, in accordance with section 6 above. Our only responsibility is that which is owed to you in the context of this engagement.

Save as provided in section 9 above, a person who is not a party to this engagement shall have no right to enforce any of its terms.

15. Data Protection Act 1998

We confirm that we will take appropriate technical and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of or damage to personal data and comply with any other obligations under the Data Protection Act 1998 (the "DPA"). All terms used in this section shall have the same meaning as in the DPA. Neither party shall by any act or omission knowingly put the other party in breach of the DPA.

16. Proceeds of Crime Act 2002

Because we conduct business in the regulated sector under the Proceeds of Crime Act 2002 (the "POCA"), our partners and staff are required to report all knowledge or suspicion, or reasonable grounds to know or suspect, that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed, regardless of whether that offence has been committed by a client or by a third party. We may pass any report to the Serious Organised Crime Agency ("SOCA"). Due to the restrictions imposed by the provisions in the POCA, we may be prevented from discussing such matters with clients or even from carrying on an engagement pending consent from SOCA. We shall have no liability to you arising out of any suspension or termination of our work as a result of complying with our obligations under POCA.

17. Freedom of Information Act 2000

Where you are subject to the Freedom of Information Act 2000 (the "FOIA"), you agree that if you receive any request under the FOIA for disclosure of any information which includes information provided by us to you, you will promptly notify in writing your usual partner or director contact upon receipt of such request and prior to any such disclosure.

18. Our Staff

You undertake that during the course of this engagement and for a period of six months following its conclusion you will not:

- a. solicit or entice away (or assist anyone else in soliciting or enticing away) any member of our professional staff with whom you have had dealings in connection with this engagement during the 12 months immediately prior to your approach; or
- b. employ any such person or engage them in any way to provide services to you, except in the course of this engagement or as otherwise agreed between us.

This undertaking shall not apply in respect of any member of our staff who without having been previously approached directly or indirectly by you responds to an advertisement placed by you or on your behalf.

Save where SEC auditor independence rules apply, in the event of a breach of the terms of this undertaking which leads to the departure of an individual, you will pay to us, on demand, a sum equivalent to 30% of the total annual remuneration package paid by us to the individual prior to his or her departure. You acknowledge that this provision is a fair and reasonable term intended to be a genuine assessment of the likely consequential loss to us.

The recruitment of individuals by an audit client raises independence issues which may, in certain circumstances, require that we resign as your auditors.

19. Force majeure

Neither we nor you shall be liable in any way for failure to perform, or delay in performing, our respective obligations under this engagement if the failure or delay is due to causes outside the reasonable control of the party which has failed to perform (to include, without limitation, acts of terrorism and health pandemics).

20. Duration

Unless otherwise agreed with you, the terms of this engagement will apply from the commencement of our provision of the services outlined in our engagement letter.

21. Termination and survival

Our engagement may be terminated with immediate effect by either party by notice in writing to the regular correspondence address of the other party marked for the appropriate partner or contact. In the event of termination, our fees and expenses incurred to the date of termination are payable by you.

The provisions of these terms of business which are expressly or by implication intended to continue to apply following termination or expiry of our engagement, including for the avoidance of doubt the sections headed "Our fees and invoicing arrangements", "Information and confidentiality", "Intellectual property rights", "Use of partners, staff and others", "Limitation of liability", "Cap", "Proportionality", "The time for bringing any claims", "Third party rights", "Data Protection Act 1998", "Proceeds of Crime Act 2002", "Freedom of Information Act 2000", "Our staff", "Entire agreement", "No assignment or transfer" and "Governing law and jurisdiction", will survive and continue to bind the parties.

22. Severance of terms

In the event that any of the terms of business is held to be invalid, the remainder of the terms will continue in full force and effect.

23. Entire agreement

With respect to this engagement, our engagement letter and these terms of business constitute the entire agreement between us and supersede all prior agreements, proposals, oral and written representations and negotiations.

24. No assignment or transfer

Neither we nor you will assign or transfer, or attempt to assign or transfer, our respective rights and obligations under this engagement without the prior written consent of the other party.

25. Headings

The headings in these terms of business shall not affect the interpretation of these terms.

26. Governing law and jurisdiction

These terms of business shall be governed by and construed in accordance with the laws of England and Wales and any dispute arising out of this engagement or these terms shall be subject to the exclusive jurisdiction of the English courts, to which both parties hereby agree to submit for these purposes.

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Mark Otty, our Chairman, 1 More London Place, London SE1 2AF.

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute and the complaint mechanisms it operates, upon request. In addition, where our services to you include activities which are regulated under the Financial Services and Markets Act 2000, you may be eligible to make a claim on the Financial Services Compensation Scheme if we are unable to meet any liability we owe to