

PRODUCT LEASING AGREEMENT

This Product Leasing Agreement ("Agreement"), made between:

RGB LTD., a foreign corporation duly organized and existing under the laws of Malaysia, and registered to do business in the Philippines as **RGB LTD. – PHILIPPINE BRANCH ("RGB")** with business address at 15th Floor, Section C, Ramon Magsaysay Center, Roxas Boulevard, 1004 Manila, Philippines, duly represented herein by its **Assistant Finance Manager, CH'NG ENG HWA**, who was authorized for this purpose, as per Secretary's Certificate dated July 20, 2017, a copy of which is hereto attached as **Appendix A**.

-and-

PHILIPPINE AMUSEMENT AND GAMING CORPORATION ("PAGCOR"), a government owned and controlled corporation organized and existing under pursuant to Presidential Decree 1869, as amended, with principal office address at Fifth (5th) Floor, PAGCOR Executive Office, New World Manila Bay Hotel, M.H. Del Pilar corner Pedro Gil Streets, Malate, Manila, duly represented herein by its **Chairman and Chief Executive Officer, ANDREA D. DOMINGO**;

RGB and **PAGCOR** may be referred to herein individually as a "**Party**" and collectively as "**Parties**".

RECITALS

WHEREAS, RGB is the exclusive distributor of Electronic Gaming Machines and Accessories in various countries, including the Philippines;

WHEREAS, PAGCOR is in the business, inter alia, of licensing, operating, providing gaming machines, and maintaining gaming operations and related services at various casinos throughout the Philippines including the fourteen (14) casinos at the venues or locations set out in **Appendix B** (the "**Venues**");

WHEREAS, PAGCOR has a requirement for the lease of Electronic Gaming Machines and Accessories for its Casino Filipino Branches and Satellite Casinos at the **Venues** for a period of five (5) years under ITB No. DC17-023COR-07 (the "**Service**");

WHEREAS, RGB has offered to perform the **Service** by participating in the procurement project for the **Service**, and **PAGCOR**, upon determination of the compliance with Republic Act (R.A.) 9184 and its Implementing Rules Regulation (IRR), has accepted the offer, subject to the terms and conditions hereunder stipulated;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements hereunder specified, the **Parties** hereby agree as follows:

ARTICLE I
THE SERVICES

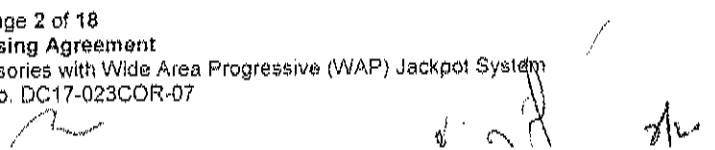
1. **RGB** shall lease to **PAGCOR** the Electronic Gaming Machines and Accessories for each of the Casino Filipino Branches and Satellites Casinos at the **Venues**.

The list of **Venues** and the quantity of Electronic Gaming Machines and Accessories per Venue is attached as **Appendix B** of this Agreement.

2. The Electronic Gaming Machines and Accessories will be installed by **RGB**, and operated solely by **PAGCOR** at the **Venue/s**, and not by any other person, or at any other location, consistent with the provisions of this Agreement.

A detailed description of the Electronic Gaming Machines and Accessories with Wide Area Progressive Jackpot System which will be leased to **PAGCOR** is as follows:

TECHNICAL SPECIFICATIONS		
Item	Quantity	Description
1	160 units	Electronic Gaming Machines – Scientific Games Da Fu Da Gui
2	14 units	Overhead Signages and Accessories
3	14 units	Jackpot Controller
4	14 units	Display Graphics PC for Overhead Signages
5	14 units	Game Monitoring Module (GMM) - Communication Hardware
6	14 units	Network Switch
7	14 units	Uninterruptible Power Supply
8	1 unit	Bally Enterprise Progressive System (BEPS) Central Server to be installed at PAGCOR Information Technology Department Corporate Office
Additional Terms and Conditions		
1. Installation of One Hundred Sixty (160) brand new Electronic Gaming Machines in fourteen (14) designated PAGCOR sites that will be link and connected to a Wide Area Progressive (WAP) Jackpot System as describe above. PAGCOR has the option to cause the transfer of any of the machines in any site/s it deems necessary due to exigency of operation, the cost of the transfer to be for the account of RGB .		
2. The machines shall be connected with Slot Machine Online System of PAGCOR (GAMA) with the same functions and capability as the other system-connected machines of PAGCOR . The system components and licenses and other materials/equipment/components necessary to attain connectivity to the system, including the maintenance of the same, shall be for the account of RGB .		



3. The machines should be compliant with PAGCOR's Philippine Technical Standard for Electronic Gaming Machines.
Other Requirements
1. RGB shall provide free game conversion and/or upgrades for the machines during the leasing period.
2. RGB shall shoulder all marketing costs and expenses related to the promotion of the machines during the leasing period.
3. RGB shall provide technical support for the system installation and successful operation of the machines and on-call technical support.
4. All expenses for freight-in insurance and other releasing charges of the machines, accessories and spare parts shall be for the account of the RGB .
5. RGB shall obtain written approval of PAGCOR prior to any movement and/or change in the electronic gaming machines, such as;
1. To be able to relocate the machine/s to other PAGCOR venues as necessary, subject to viability and availability of space in other venues;
2. To be able to increase or decrease Electronic Gaming Machines according to the demand of the market of each site. The pulled-out Electronic Gaming Machines may be transferred to another gaming venue, another PAGCOR -licensed casino, or to RGB's warehouse upon mutual consent of the Parties ;
3. To be able to change the Electronic Gaming Machine's model and games as necessary.
4. All expenses that may be incurred relative to the movement and/or change in the Electronic Gaming Machines, as mentioned above, shall be for the account of RGB .
6. RGB shall be responsible for the repair and maintenance of the units.

ARTICLE II CONTRACT PERIOD

The lease shall be valid for a period of five (5) years commencing on the actual operation of the machines per site. The five (5) year lease period shall commence on the actual operation of the machine per site.

The actual operation of the machines per site will be determined by the end user through the issuance of certification which shall be completed within one hundred twenty (120) calendar days from the date of receipt by **RGB** of the Notice to Proceed (NTP).

After the end of the lease period, ownership of the Electronic Gaming Machines and Accessories shall be automatically transferred from **RGB** to **PAGCOR**, upon the latter's payment of One Peso (PhP1.00) Philippine Currency for each Electronic Gaming Machines and Accessories operating at

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the Venues.

ARTICLE III
CONSIDERATION, SCHEDULE OF PAYMENT, AND TAXES

1. **PAGCOR** shall pay to **RGB** via telegraphic transfer, according to the payment instruction per **Appendix C**, a monthly applicable share of twenty percent (20%) of the machines' Net Winnings by way of rentals or leasing fee.
 - i. Total Monthly Net Winnings shall be computed as follows:

Monthly Drop Box less Monthly Payout and Franchise Tax
 - ii. In computing the Average Net Income per day every machine shall be treated independently.
 - iii. For clarity, there shall be no sharing for a machine that incurs a net loss for the month by **RGB**.
 - iv. Expenses for telegraphic transfer shall be for the account of **RGB**.
2. **PAGCOR** shall pay **RGB** in accordance with the preceding section on a monthly basis within thirty (30) days from the end of each month. However, **PAGCOR** reserves the right to withhold payment in case **RGB** defaults in any of its obligation under this Agreement; provided, that written notice of such default or defaults has been given by **PAGCOR** to **RGB** for the latter to remedy the aforementioned default or defaults within a reasonable time period.
3. It is hereby understood that the stipulated rentals shall be net of the five percent (5%) Franchise Tax on the machine's winnings, and that the rentals shall not be subject to other charges, deductions, withholding taxes, and other taxes and fees.
4. **PAGCOR** may suspend the payment of its rentals if **RGB** becomes remiss in the payment of its aforementioned taxes.

ARTICLE IV
DUTIES AND RESPONSIBILITIES OF THE PARTIES

1. **RGB** shall be responsible for the following:
 - a) Installation of fully functioning Electronic Gaming Machines and Accessories at the **Venue/s**, within one hundred twenty (120) calendar days from the date of receipt by **RGB** of the NTP.
 - b) Subject to **PAGCOR's** prior written approval, change or replacement of the defective Electronic Gaming Machines and Accessories at the **Venue/s**. **PAGCOR** shall, for this purpose, allow **RGB's** authorized representative's access to the **Venue/s** to make such changes or replacements.
 - c) Monitoring of shipments of Electronic Gaming Machines and Accessories from Australia to the **Venue/s** and testing of Electronic Gaming Machines and Accessories to ensure proper installation and performance prior to

their being put into service.

- d) Supply at its own cost all spare parts for Electronic Gaming Machines and Accessories as may be required for their repair and maintenance. Said spare parts shall be kept in **RGB's** designated warehouse, provided that, the **Venue/s** is located within Manila, Philippines. For **Venue/s** outside Manila, Philippines, **PAGCOR** shall provide to **RGB** the proper storage area to be mutually agreed upon to keep the aforementioned spare parts.
 - e) Undertake at its own cost the maintenance and repair of the Electronic Gaming Machines and Accessories during the entire leasing period.
 - f) Maintain at its own cost a qualified maintenance and service force to repair and maintain the Electronic Gaming Machines and Accessories at the **Venue/s**, and provide an on-call technical support service.
 - g) Provide free game conversion and/or upgrades for the machines during the leasing period if the performance of the Electronic Gaming Machines and Accessories fall below twenty percent (20%) of the floor average at each **Venue**, and subject to mutual agreement by the Parties.
 - h) Undertake promotional activities for the Electronic Gaming Machines at its discretion, and shoulder all marketing costs and expenses related thereto.
 - i) Shoulder all expenses for freight-in insurance and other releasing charges of the Electronic Gaming Machines and Accessories, as well as the spare parts.
 - j) Obtain written approval of **PAGCOR** prior to any movement of, or the introduction of changes to the Electronic Gaming Machines, such as in the following cases:
 - 1. Relocation of the Electronic Gaming Machines and Accessories to other **PAGCOR Venue/s** as may be necessary, subject to viability and availability of space in other **Venues**.
 - 2. Increase or decrease the number of the Electronic Gaming Machines and Accessories according to the demand of the market for each site. The pulled-out machines may be transferred to another **PAGCOR Venue**, or another **PAGCOR**-licensed casino.
 - 3. Change of the Electronic Gaming Machines and Accessories model and games as may be necessary.
- All expenses that may be incurred relative to the movement or the introduction of changes, as mentioned above, shall be for the account of **RGB**.
- k) Automatically transfer the ownership of the Electronic Gaming Machines and Accessories to **PAGCOR** at the expiration of the five (5) year leasing period, upon **PAGCOR's** payment of One Peso (PhP1.00) Philippine Currency for each Electronic Gaming Machines and Accessories operating at the **Venues**.

2. **PAGCOR** shall undertake and binds itself as follows:

- a) **PAGCOR** agrees that no Electronic Gaming Machines and Accessories may be taken out of service, relocated or otherwise removed from the **Venue/s** without the prior written consent of **RGB**.
- b) **PAGCOR** agrees to maintain all necessary records of its gaming activities so as to enable **RGB** to inspect such record and, upon reasonable notice, conduct an audit of the aforementioned records for the purpose of reviewing all financial transactions under this Agreement, including, but not limited to, transactions and computations underlying any payments made or owing to **RGB** under this Agreement and compliance with representations, warranties and act herein set forth.
- c) **PAGCOR** shall not make any modifications, alterations or additions to the Electronic Gaming Machines and Accessories without the prior written consent of **RGB**.
- d) **PAGCOR** agrees to maintain visible and not to remove, alter, modify or obscure either the affixed plates that identify **RGB** as the owner of the Electronic Gaming Machines and Accessories, nor the number, model or brand of the Electronic Gaming Machines and Accessories.
- e) **PAGCOR** agrees to notify, within a reasonable time, of any challenge to or claim regarding **RGB's** ownership rights in and to the Electronic Gaming Machines and Accessories or any infringement or attempted infringement of **RGB's** ownership rights by third parties.
- f) **PAGCOR** agrees to take all actions necessary or reasonably requested by **RGB** to ensure that the Electronic Gaming Machines and Accessories shall remain the personal property of **RGB**, and that title to said Electronic Gaming Machines and Accessories shall remain solely and exclusively with **RGB**, during the leasing period of five (5) years. **PAGCOR** also agrees to keep the Electronic Gaming Machines and Accessories free and clear of liens, security interests, attachments, seizures and encumbrances of any kind (except those arising hereunder or solely through the acts of **RGB**), and shall immediately notify **RGB** if any person attempts to claim ownership of, or enforce a lien against, or any other interest in, or bring any legal process with respect to any of the Electronic Gaming Machines and Accessories.
- g) **PAGCOR** assumes all risk of loss or damage to the Electronic Gaming Machines and Accessories from the time such Electronic Gaming Machines and Accessories are delivered to **PAGCOR** if by negligence of **PAGCOR**, its employees, agents or representatives, or a deliberate act by any of them, any Electronic Gaming Machines and Accessories is lost, stolen, destroyed, damaged beyond repair, or subjected to condemnation, confiscation, seizure or expropriation, and in such case, **PAGCOR** shall promptly notify **RGB** of the same, and pay to **RGB** the fair market value of the Electronic Gaming Machines and Accessories at the time of such loss, destruction, seizure, or condemnation.
- h) **PAGCOR** must, during the leasing period of this Agreement, at its own cost and expenses, keep all the Electronic Gaming Machines and Accessories as a bailee, and make good any loss or damage to the Electronic Gaming

Machines and Accessories caused by the negligence or deliberate acts of **PAGCOR**, its employees, agents or representatives.

- i) **PAGCOR** agrees that all the Electronic Gaming Machines' designs, software programs; all additions or modifications to **RGB** designs, codes, programs or **RGB** Products from whatever source; **RGB** trademarks, copyrights and all other intellectual property rights; information embodied in **RGB** Products; documentation; **RGB** operations, training and computer manuals; all client lists, sales and promotional literature and information (whether copyrighted or not), employee lists, financial records, contracts, media presentations and other confidential or proprietary information with respect to **RGB** Products (collectively, "RGB Proprietary Materials") are the sole and exclusive property of **RGB**, and the physical embodiments of such matters and information, are and shall remain the property of **RGB**. **PAGCOR** agrees not to do, cause or permit any reverse engineering, reverse assembly, reverse compilation, de-compilation, disassembly, copying, or reproduction of any **RGB** Products, component or spare parts.

PAGCOR agrees that all the RGB Proprietary Materials will be held in confidence and strictly safeguarded by them against any disclosure or use not authorized by this Agreement. **PAGCOR** shall not use such RGB Proprietary Materials to the detriment of **RGB** and shall employ at least the same degree of care that they use to protect their own proprietary materials of a similar nature. **PAGCOR** agrees that they will not provide, disclose, license, copy or otherwise make available the RGB Proprietary Materials to any person other than the employees necessary to permit proper use thereof as authorized by this Agreement. **PAGCOR** shall inform each of their employees to whom they provide access to the RGB Proprietary Materials of the confidential nature thereof and shall immediately notify **RGB** in the event that any RGB Proprietary Material becomes lost or stolen. At no time shall **PAGCOR** disclose or make available to any person, business concern or other entity any RGB Proprietary Materials to anyone other than an authorized recipient thereof, nor shall they make or cause to be made any use of such RGB Proprietary Material except as provided for herein in the performance of this Agreement.

- j) The names of the Electronic Gaming Machines and Accessories are registered or are the exclusive property of **RGB** and its Affiliates, and nothing herein contained shall give **PAGCOR** or any other person any interest in these names, except as specified herein. Upon termination of this Agreement for whatever cause, other than the lapse of the five (5) year leasing period, **PAGCOR** shall abandon at once the use of the names **RGB** Products and any similar name or colorable imitation, or misleading name. This also applies to **RGB** brands, trademarks, registered names, or any intellectual property for RGB Products.

3. Responsibilities of the Parties with respect to **RGB's** software and firmware:

- a) Subject to the terms hereof, **RGB** grants to **PAGCOR** and **PAGCOR** accepts from **RGB**, a non-exclusive and non-transferable license, without right to sublicense, for the use of RGB's software and firmware in the Electronic Gaming Machines and Accessories.
- b) The licensed software shall be used only on the Electronic Gaming Machines and Accessories, as applicable, located at the **Venue/s**. The Licensed Software shall be used only for **PAGCOR's** own business.

- PAGCOR** shall not: (i) permit any third party to use the licensed software, or (ii) use the licensed software for any purpose other than in connection with operating the Electronic Gaming Machines and Accessories under the terms of this Agreement.
- c) **PAGCOR** shall not reverse engineer, decompile or reverse compile, disassemble, list, print or display any licensed software or otherwise attempt to obtain the source code or other RGB Proprietary Materials from any licensed software.
 - d) **PAGCOR** shall not modify, or permit any person other than **RGB** to modify the Licensed Software or any part thereof. **PAGCOR** shall not distribute copies of the licensed software to third parties.
 - e) **PAGCOR** must maintain on all copies of the licensed software all notices of patent rights, copyrights, trademark rights, or trade secret rights in such licensed software or any part thereof. **PAGCOR** shall not demonstrate, show, display, sell, transfer, give, publish, disclose or otherwise make available the Licensed Software, or improvements, modifications, or changes thereto or copies thereof, or Licensed Software documentation or any Licensed Software information marked as confidential or Licensed Software that would be reasonably determined to be confidential, to any competitor of **RGB**, or any other third party, without the prior written consent of **RGB** which may be withheld in its sole discretion.
 - f) **PAGCOR** agrees to secure and protect each module, Licensed Software product, documentation and copies thereof in a manner consistent with the maintenance of **RGB's** or its Affiliates' rights therein and to take appropriate action by instruction or agreement with its employees or consultants who are permitted access to the Licensed Software product to satisfy **PAGCOR's** obligations hereunder.
 - g) **PAGCOR** acknowledges that some Electronic Gaming Machines and Accessories may select contain third party intellectual property and that certain parties (the "Licensor(s)") have granted **RGB** certain license rights to advertise, use and exploit their intellectual property rights in, but not limited to, particular names, likenesses, images, music, trademarks and service marks. **RGB** warrants and represents to **PAGCOR** that these license rights include all uses that **RGB** has or will undertake during the entire leasing period of this Agreement.
 - h) **PAGCOR** understands and agrees that it shall not advertise or use any of the intellectual property rights as described above including names, likenesses, images, trademarks or service marks in any manner without the express prior written consent of **RGB** and the Licensor(s). Provided that **PAGCOR** has not themselves violated any provision of this paragraph, **RGB** will indemnify and hold **PAGCOR** harmless from any claims arising out of the licenses agreements that exist between **RGB** and the Licensor(s).

ARTICLE V **WARRANTIES**

1. **RGB** warrants that during the entire leasing period of this Agreement, the Electronic Gaming Machines and Accessories shall be free from material

defects and shall perform accordance with their specifications as stated in **Article 1**.

This warranty shall be null and void to the extent of the defects caused by (i) any unauthorized modification, alteration, or revision of all or any portion of the Electronic Gaming Machines and Accessories; (ii) any problem, error or malfunction attributable to PAGCOR's software or hardware or **PAGCOR** provided third party software or hardware; (iii) damage caused by **PAGCOR** or third parties; (iv) the failure of **PAGCOR** to maintain environmental conditions consistent with the usage of the Electronic Gaming Machines, including its software; or (v) malfunctions caused by **PAGCOR** provided third party systems or products. Third party hardware and software are subject to the manufacturer's warranty, if any. In the event of breach of this warranty, **RGB** shall undertake the restoration of the Electronic Gaming Machines and Accessories to good working condition by first, at its option, adjustment, repair or replacement of defective parts.

RGB shall be given twenty (20) days within which to restore the Electronic Gaming Machines and Accessories to good working condition, as indicated in **PAGCOR** written notice to **RGB**. If, despite such time given to **RGB**, said machine/s still fails to perform in accordance with the terms and conditions of this Agreement, **PAGCOR**, in addition to its right to suspend payment, may require replacement of the defective Electronic Gaming Machines and Accessories or any part thereof, modify the terms of the Agreement, or cancel this Agreement altogether.

2. **RGB** warrants that it owns or otherwise holds the right to provide the Electronic Gaming Machines and Accessories to **PAGCOR** in accordance with the terms of this Agreement. Further,

a) **Indemnification by RGB. RGB** will:

(i) Defend at its expense any filed lawsuit (a "Claim") brought against **PAGCOR** by a third party (the "Claimant") to the extent such Claim alleges that the Electronic Gaming Machines and Accessories provided by **RGB** to **PAGCOR** under this Agreement violates or infringes the Claimant's patents, trademarks or copyrights or misappropriates the Claimant's trade secrets (collectively, "IP Rights"); and

(ii) Either: (a) indemnify **PAGCOR** with respect to any final, non-appealable judgments, costs, fines or penalties awarded, entered or assessed against **PAGCOR** by a court of competent jurisdiction that directly result from a Claim, or (b) pay the value of any settlement with the Claimant agreed to by **RGB**.

b) **RGB Options**. If a temporary or permanent injunction is obtained against the use of any part of the Electronic Gaming Machines and Accessories for the reason that it infringes any third party's intellectual property rights or there is a reasonable likelihood of such an injunction, **RGB** may at its option:

(i) Modify the Electronic Gaming Machines and Accessories to avoid the allegation or infringement,

- (ii) Obtain for **PAGCOR** the right to continue using the Electronic Gaming Machines and Accessories, or
- (iii) Replace the allegedly infringing product or technology with non-infringing technology that is functionally equivalent to the Electronic Gaming Machines and Accessories.

In the event that none of the foregoing is commercially reasonable, **RGB** may terminate **PAGCOR's** right to use the allegedly infringing portion of the Electronic Gaming Machines and Accessories and, in such event, refund to **PAGCOR** applicable prepaid and unearned fees depreciated over five (5) years leasing period using straight-line depreciation.

c) **Exclusions.** **RGB** will not be liable or have any obligations hereunder for any infringement of IP Rights resulting from:

- (i) The combination, utilization or integration of the Electronic Gaming Machines and Accessories with **PAGCOR's** or **PAGCOR** provided third party products or technology;
- (ii) Unauthorized modification of the Electronic Gaming Machines and Accessories by any entity other than **RGB**, or
- (iii) Use of the Electronic Gaming Machines and Accessories other than as specified in **RGB's** published specifications and documentation.

PAGCOR agrees to use its best endeavors to ensure that end users and/or third parties do not infringe any IP rights or cause or contribute to a claim being made against **RGB** arising from the circumstances described in subsections (i) through (iii) above. In the event a claim is made against **RGB** arising from the circumstances described in subsections (i) through (iii) above, and the claim is directly caused or contributed to by **PAGCOR**, **PAGCOR** will defend and indemnify **RGB** against such claim and damages and expenses related thereto at its sole expense.

3. No affirmation of fact, including but not limited to, statements regarding performance or percentage hold or par value of the equipment shall be or be deemed to be a warranty of **RGB** for any purpose. Neither **RGB**, nor its Affiliates, nor the manufacturer of the note acceptor shall be liable in any respect for the acceptance of counterfeits and/or fraudulent materials.
4. Notwithstanding any other provision of this Agreement, **RGB** shall not be liable for:
 - (i) Misuse, abuse, accidental damage, improper handling, or improper maintenance by anyone other than **RGB** technicians or other acting under **RGB's** direct control, or any cause other than ordinary use;
 - (ii) Damages to the operating system, data files, etc. due to causes external to the equipment, including power surges, power reductions or failure, defective electrical work, fire, flood, water, wind, lightning or any other natural phenomena or force majeure;
 - (iii) Failure of **PAGCOR** supplied hardware, software, communication lines,

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utilities or equipment; or

- (iv) Any problem, error or malfunction attributable to **PAGCOR** provided software or hardware.
5. **PAGCOR** represents and warrants that all information supplied by **PAGCOR** to **RGB** shall be complete, truthful, and accurate, and that **PAGCOR** shall not obtain on **RGB's** behalf or provide to **RGB** any information which is not legally available or which is proprietary, or classified where there is reason to believe that possession of such information is unauthorized or illegal.

ARTICLE VI
DEFAULT OF PAGCOR AND TERMINATION OF AGREEMENT

1. It shall be an event of default hereunder ("Event of Default") if:
- a) **PAGCOR** fails to pay **RGB** any Fees or other amounts payable on their due date and any part or all of these amounts remain unpaid thirty (30) days after **RGB** gives notice;
 - b) **PAGCOR** fails to comply with any obligation or provision of this Agreement and such failure shall have continued for thirty (30) days after **PAGCOR's** receipt of a written notice from **RGB** advising **PAGCOR** of its failure to comply with any of the obligations or provisions of this Agreement; or
 - c) Failure of **PAGCOR** to make good on its obligations, warranties and representations under this Agreement.
2. Upon an Event of Default and unless agreed otherwise as part of the Product Leasing Agreement reached under Article VII, **RGB** may:
- a) Require **PAGCOR** to return the Electronic Gaming Machines and Accessories at **PAGCOR's** sole expense, to a place designated by **RGB**, or **RGB** may take possession of the Electronic Gaming Machines and Accessories without demand or notice, wherever the same may be located, including but not limited to the **Venue** without any court order or pre-taking hearing. **PAGCOR** shall be responsible for any and all damages occasioned by such retaking. **PAGCOR** shall also be liable and shall pay to **RGB** all expenses incurred by **RGB** in connection with the enforcement of its remedies, including all expenses of repossessing, storing, shipping, and repairing the Electronic Gaming Machines and Accessories, and reasonable attorney's fees and to purchase all the machines at a fair market price to be determined by **RGB**; and/or;
 - b) Terminate this Agreement and pursue such remedies as may be available to **RGB**.
3. Upon termination of this Agreement, other than the lapse of the leasing period, all rights and interests of **PAGCOR** in or to the use of the Electronic Gaming Machines and Accessories shall absolutely cease and **PAGCOR** shall return any and all such Electronic Gaming Machines and Accessories in accordance with **RGB's** instruction. The expenses incurred for the return of the Electronic Gaming Machines and Accessories shall be shouldered by **RGB**, provided that **PAGCOR** is not the Party responsible for the termination of this

Agreement.

4. **PAGCOR** agrees to indemnify of this **RGB** and its Affiliates and hold **RGB** and its Affiliates harmless in respect of any and all liabilities arising from **PAGCOR's** business, negligent act or omission, or other wrongful act of **PAGCOR** or any agent, representative, or employee. For the purposes of this indemnity and the indemnity mentioned below, the term "**RGB**" and "**PAGCOR**" respectively include the officers, directors and shareholders of each and their Affiliates, their successors, heirs and assigns; and the term "liability" or "liabilities" includes all claims, demands, damages, actions, suites, debts, attorney's fees, liens, costs and obligations of every nature, character and description, known or unknown, accrued or not yet accrued, whether anticipated or unanticipated.

ARTICLE VII

SETTLEMENT OF DISPUTES AND RE-NEGOTIATION

1. The **Parties** hereby manifest that they shall first meet, confer and sit down together for the purpose of exploring all avenues and/or possibilities of amicably settling whatever differences, disputes and/or controversies that may arise in connection with any of the terms and conditions of this Agreement.
2. In the event that facts and circumstances arise or are discovered which render this Agreement disadvantageous to the government, as determined by **PAGCOR**, the parties hereto agree to immediately renegotiate its terms and conditions.
3. If the parties fail to amicably settle their differences, disputes, and/or controversies, the parties, waiving for this purpose any other venue, hereby agree that the courts of the City of Manila shall be the sole and exclusive venue of any and all actions or suits between the **Parties**, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases arising for declaration of nullity of this Agreement in its entirety or in part and in cases arising after the expiration or by reason of the declaration of nullity of this Agreement in its entirety or in part.

ARTICLE VIII

FORTUITIOUS EVENT

Except as otherwise stipulated in this Agreement, either Party shall not be liable for any damages whatsoever for the failure to perform any of their respective duties under this Agreement, either in whole, or in part, when any such failure shall be due to anyone or more of the following causes: orders or instructions issued by representatives of the government of the Philippines or on account of **RGB's** inability to make or complete deliveries under this Agreement, after a good faith effort, because of the scarcity of labour or materials used in manufacturing its products, or on account of fires, strikes, lockouts, Acts of God, actions of the elements, wars, civil disturbances, acts or omissions of civil or military authorities of the Philippines or otherwise, or of the public enemy or terrorists, unavailability of utilities, or outages of communications carriers, difference with cause not within the control of said **Party**. The defaulting **Party** under this Article shall notify the other **Party** of any such delay as soon as

practicable.

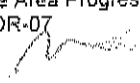
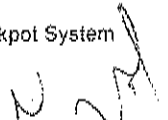
ARTICLE IX
PROPRIETARY INFORMATION

1. Each Party to this Agreement agrees that the other Party has a proprietary interest in any information provided by such Party, whether in connection with this Agreement or otherwise, whether in written or oral form, which is (i) a trade secret, confidential or proprietary information (such as trademark or copyright application, cost data, customer or supplier list, and/or any other material referring to the same), (ii) not publicly known, or (iii) annotated by a legend, stamp or other written identification as confidential or proprietary information (the "Proprietary Information").

Each Party to this Agreement undertakes to disclose the Proprietary Information or any part thereof provided by the other parties only on a strictly need-to-know basis to those of its agents and employees for whom it is necessary in order to properly carry out their duties as limited by the terms and conditions hereof. Both, during and after the Term, the Party receiving Proprietary Information shall hold, and shall cause such agents and employees to hold, such Proprietary Information in strict confidence.

During and after the leasing period, such receiving party shall not, and shall cause its agents and employees not to, use the Proprietary Information for any purpose other than in connection with discharging its duties and exercising its rights pursuant to this Agreement. The receiving party shall, at its expense, return to the disclosing party the Proprietary Information provided by such disclosing party as soon as practicable after the termination or expiration of this Agreement. During the leasing period and thereafter, all such Proprietary Information shall be and remain the exclusive property of the Party which provided it. The rights and obligations under this Article shall also apply to any Affiliates of the parties and their respective, agents, shareholders, officers, directors, employees and consultants.

2. Notwithstanding anything contained in this Agreement to the contrary, each of the Parties to this Agreement shall not be liable for a disclosure of the Proprietary Information of the other party if the information so disclosed:
- (i) Already was in the public domain at the time of disclosure without breach of this Agreement;
 - (ii) Already was known to or contained in the records of the receiving Party from a source (other than the providing party) entitled to disclose it at the time of disclosure by the providing party to the receiving party and can be so demonstrated;
 - (iii) Was independently developed and is so demonstrated by the receiving Party;
 - (iv) Becomes known to the receiving Party from a source other than the providing party and can be so demonstrated; or
 - (v) Any such disclosure is required by a valid court order or resolution, in which case the party required to make the disclosure shall: (1) notify the other party in writing of any such court order or resolution so that such requirement may be properly addressed or complied with and (2) limit

...

the disclosure to that which is required by law.

3. **PAGCOR** acknowledges, undertakes and hereby agrees not to acquire any form whatsoever any right with respect to any goodwill, commercial trademark, copyright, patent or other party of **RGB** or its Affiliates and not question nor object to such property rights of **RGB**. Also, **PAGCOR** hereby expressly acknowledges and understands that **RGB** is not granting it any right with respect to the trademarks or to the Electronic Gaming Machines and Accessories, except for the rights and authorizations expressly granted herein. All files, registries and other materials and property of **RGB** that **PAGCOR** has in its possession or under its control are and will continue to be the sole property of **RGB** and shall be returned to **RGB** if cause of termination is other than the lapse of the five (5) years leasing period.
4. The **Parties** to this Agreement agree that the rights and the obligations of the parties provided for in this Article shall be in full force and effect during the Term of this Agreement and five (5) years after its termination for any cause.

ARTICLE X **MISCELLANEOUS PROVISIONS**

1. In the event that the facts and circumstances arise or are discovered which render this Agreement disadvantageous to the Government, the **Parties** hereto agree immediately to re-negotiate its terms and conditions, or at the option of **PAGCOR**, terminate the same.
2. The undersigned individuals represent that they are of legal capacity and authorized to sign this Agreement on behalf of the party on whose behalf they sign this Agreement. The parties each represent that no provision of this Agreement will violate any other agreement that a party may have with any other person or company. Each **Party** has relied upon that representation in entering into this Agreement.
3. The term "Affiliate" shall mean any Person of which a **Party** directly or indirectly through one or more subsidiaries owns any interest; or any Person directly or indirectly controlling, controlled by, or under common control with the Person in question; If the Person in question is a corporation, any executive officer or director of the Person in question or of any corporation directly or indirectly controlling the Person in question. As used in this definition of "Affiliate", the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. The term "Person" shall mean any individual, corporation, association, partnership, limited liability company, joint venture, trust, estate, or other entity or organization.
4. This Agreement, and all the rights and interests herein, may not be assigned or sub-contracted to another without the consent of the other party.
5. All notices and other communications provided for or permitted hereunder shall be in writing and sent to the **Parties** at their respective addresses as indicated in this Agreement.
6. If any provision hereof is prohibited or made unenforceable under any applicable law or by a competent court or authority, the same shall not affect any other provision of this Contract, which are otherwise valid and enforceable.

7. The **Parties** agree to abide by these terms and conditions in good faith.
8. Any right or remedy conferred by this Agreement upon the **Parties** shall not be exclusive of any other right or remedy, whether under this Agreement or provided or permitted to the **Parties** at law or in equity, but each right or remedy shall be cumulative of every other right or remedy available to them.
9. This Agreement constitutes the entire agreement between the **Parties** pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the **Parties**. No supplement, variation or amendment of this Agreement shall be binding unless executed in writing by all the **Parties** thereto. This Agreement shall be binding upon and inure to the benefit of the legal representatives, successors, and permitted assigns of the parties.
10. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless in writing and signed by the party making the waiver.
11. No supplement, variation or amendment of this Agreement shall be binding unless executed by the **Parties** in writing.
12. All remedies afforded to the **Parties** are cumulative, in addition to any remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately.
13. All defined terms herein include the plural as well as the singular. All references in this Agreement to designated "Section" or "Sections" and other subdivisions are to the designated Paragraph and Paragraphs and other subdivisions of this Agreement. All references in this Agreement to any **Party** shall include all permitted transferees of such **Party**. This Agreement shall not be construed for or against either **Party** by reason of the authorship or alleged authorship of any provisions hereof or by reason of the status of the respective **Parties**. This Agreement shall be construed reasonably to carry out its intent without presumption against or in favor of either **Party**.
14. The failure of any **Party** to require the performance of any provision of this Agreement or the waiver by any party of any breach under this Agreement shall not prevent a subsequent enforcement of such provision, nor be deemed a waiver of any subsequent breach. No failure or delay by any party in exercising any right, power or privileges hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law. Any provision of this Agreement may be waived if, but only if, such waiver is in writing and is signed by the **Party** against whom the enforcement of such waiver is sought. This Agreement may not be amended, modified or supplemented other than by a written instrument signed by each of the **Parties**.
15. The **Parties** hereto shall act as independent contractors in the performance of this Agreement. Nothing herein contained shall be read or construed so as to create or give rise to any relation of partnership, agency, or joint venture. No **Party** shall be considered to be an agent or representative of any other **Party** or have any authority or power to act for or undertake any obligation on behalf of any other **Party** except as expressly

authorized by the other Party in writing. Any such unauthorized representation or action shall be considered a breach of this Agreement.

16. **PAGCOR** warrants that they have not made or ordered any payment, taken action or directed any person to make any payment or take any action, and/or that it will not make or order any payment, take any action, or directly any person to make any payment or take any action, that violate any laws of the Philippines or any other jurisdiction that prohibits bribery and corrupt practices, including but not limited to the unlawful direct or indirect payments to governments, government officials, public bodies, public officials, political organizations, or political officials.

IN WITNESS WHEREOF, the parties have signed these presents on this _____ day of _____, 2017 at _____.

**PHILIPPINE AMUSEMENT AND
GAMING CORPORATION**
TIN: 033-000-887-972

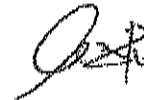
**RGB LTD.
(PHILIPPINE BRANCH)**
TIN: 249-470-171-000

Represented by:

Represented by:


ANDREA D. DOMINGO

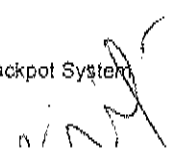
Chairman and Chief Executive Officer
TIN: 118-684-814



CH'NG ENG HWA
Assistant Finance Manager
TIN: 293-049-445-000

Signed in the presence of:


Bryan J. Bigatba



1.

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
JOY DE MANILA) S.S.

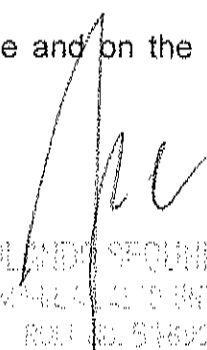
BEFORE ME, a Notary Public for and in City of Manila, Philippines, this
DEC 01 2017, 2017, personally appeared:

NAME	GOVT. ISSUED ID	DATE ISSUED / VALID UNTIL
CH'NG ENG HWA	Passport no: A 38700 818 Place of Issue: George Town Malaysia	Issue Date: September 13, 2016 Validity period: March 13, 2022

known to me and known to be the same person who execute the foregoing Product Leasing Agreement, consisting of ^{nineteen} (19) pages, including the page whereon the Acknowledgments is written and acknowledged before me that the same is his free and voluntary act and deed and that of the Corporation he represents.

WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Doc No. 411 ;
 Page No. 80 ;
 Book No. XXXVII
 Series of 2017.


 ATTY. ROLANDO S. FOUNDING CHING
 NOTARY PUBLIC - MANILA, VALID UNTIL DEC. 31, 2018
 ROLL NO. 51802
 NO. 945 BELAYUP ST. BONDOL MANILA
 IBP 1022306 / 1-03-2016
 PJB NO. 5494855

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.


BEFORE ME, a Notary Public for and in City of CITY OF MANILA, Philippines, this
 day of DEC 13 2017, 2017, personally appeared:

NAME	GOVT. ISSUED ID	DATE ISSUED / VALID UNTIL
ANDREA D. DOMINGO	Passport No. ECO241404 Place of Issue: DFA-Manila	Issue Date: February 7, 2014 Validity Period: February 6, 2019

known to me and known to be the same person who execute the foregoing Product Leasing Agreement, consisting of ^{Alister B. S. K.} ~~nineteen~~ (19) pages, including the page whereon the Acknowledgments is written and acknowledged before me that the same is her free and voluntary act and deed and that of the Corporation she represents.

WITNESS MY HAND AND NOTARIAL SEAL, at the place and on the date first above written.

Doc No. 254
 Page No. 52
 Book No. 2
 Series of 2017.


JEREMY B. LUDLUC
 NOTARY PUBLIC
 IN AND FOR THE CITY OF MANILA
 6TH FLR, NEW WORLD MANILA BAY HOTEL & CASINO
 M.H. DEL PILAR ST. MALATE, MANILA
 COM.M. NO. 2017 - 121, UNTIL DEC. 31, 2018
 ROLL NO. 01133 ADP LIFE/LE NO. 0140976
 (SOLE COMPLIANCE NIA (Aerated 2010)
 PUGAD CHAPTER
 PTR NO. 0000001100110, 2017/MANILA

[Handwritten initials and marks]