

From: PandaCo, Inc. (the *Company*)
To: The shareholders of FanDuel Limited (*FanDuel*)
Copy to: FanDuel

June 30, 2018

Dear Sirs / Madams

Offer to FanDuel shareholders

1. Terms not otherwise defined in this offer letter shall have the meanings given to them in the articles of association of FanDuel (the *Articles*).
2. As you may be aware, Paddy Power Betfair plc (*PPB*) has, through its subsidiary TSE Holdings Ltd (*TSE Holdings*), reached an agreement with FanDuel pursuant to which the United States operations of PPB will be combined with FanDuel (the *Business Combination*). The Company is a newly created subsidiary of TSE Holdings which will own such combined operations.
3. In order to consummate the business combination described above, the Company hereby makes an offer to all shareholders of FanDuel as at the date hereof (*FanDuel Stockholders*) to acquire all of the issued share capital of FanDuel at the date hereof, on the following terms and conditions (the *Offer*):
 - (a) in consideration for the transfer by the FanDuel Stockholders of all of the issued share capital of FanDuel to the Company, the total consideration payable to all FanDuel Stockholders shall be an aggregate of **4,058,004** shares of common stock in the capital of the Company (*Shares*) (which number of shares will represent approximately 40 per cent. of the issued common stock of the Company immediately following the closing of the Business Combination), as such number of Shares may be adjusted pursuant to paragraphs 3(b) and 3(c) below (such aggregate amount, as adjusted, the *FanDuel Share Pool*). The Business Combination implies a cash equivalent value of the FanDuel Share Pool, prior to any adjustment, of **US\$465,493,638.84** (or **US\$114.71** per Share, such per share amount being referred to herein as the *Share Price*);
 - (b) notwithstanding anything to the contrary in this Offer or otherwise in connection with the Business Combination, in no event shall the Company be required to issue any Shares to any US Person (within the meaning of Regulation S, promulgated by the Securities and Exchange Commission the under the Securities Act of 1933, as amended) that the Company has not determined prior to Completion, in its sole discretion, is an Accredited Investor (as such term is used in Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission the under the Securities Act of 1933, as amended). To the extent any such FanDuel Stockholder would otherwise have been entitled to be issued Shares as consideration hereunder or otherwise in connection with the Business Combination but the Company has not determined that such FanDuel Stockholder is an Accredited Investor, the Company shall be entitled, in its sole discretion, to pay such amounts in cash, rather than issuing Shares, with the amount of cash payable equal to the value of the Shares (having a value per Share equal to the Share Price) that would have otherwise been issuable had such FanDuel Stockholder been determined to be an Accredited Investor. In such

event, the number of Shares comprised in the FanDuel Share Pool shall be reduced accordingly;

- (c) certain investors who are unable or unwilling to directly or indirectly own equity securities in the Company for regulatory and other reasons related to the Company's present and future participation in the sports betting business (including NBA Ventures I, LLC) have separately agreed to sell all of their entitlement to Shares under the Offer to TSE Holdings (the current parent company of PandaCo), with the amount of cash payable in each such instance equal to the value of the shares otherwise issuable (having a per share value equal to the Share Price).
- (d) if the transaction expenses of FanDuel payable by the Company at Completion in connection with the transaction envisaged by this Offer are:
 - (i) lower than **US\$12,000,000**, the FanDuel Share Pool shall be increased by such number of Shares as equals (a) the difference between the value of such transaction expenses and **US\$12,000,000** divided by (b) the Share Price, with such amount being rounded down to the nearest whole number; or
 - (ii) higher than **US\$12,000,000**, the FanDuel Share Pool shall be reduced by such number of Shares as equals (a) the difference between the value of such transaction expenses and **US\$12,000,000** divided by (b) the Share Price, with such amount being rounded down to the nearest whole number;
- (e) the total consideration payable to the FanDuel Stockholders shall be allocated as between the FanDuel Stockholders pursuant to the terms of the Articles (including without limitation Articles 83 and 84.2) and where any FanDuel Stockholder would be entitled to a fraction of a Share, such fractional entitlement shall be settled by the Company in cash (with the amount of the cash payment being calculated by reference to the Share Price);
- (f) each FanDuel Stockholder who accepts this Offer (whether pursuant to the FanDuel Stockholder's acceptance of the Offer or pursuant to the Drag Along Right) and receives Shares by way of consideration under the Offer:
 - (i) grants to Fastball Holdings LLC (***FD Holdings***) a call option in the terms contained in **Appendix B (*FD Holdings Call Option*)**.
 - (ii) agrees to be bound by the following documents (***Constitutional Documents***):
 - (A) in the event the FD Holdings Call Option is exercised, the limited liability company agreement of Fastball Holdings LLC;
 - (B) in the event the FD Holdings Call Option is not exercised, the stockholders agreement of the Company (with such modifications as may be necessary to reflect that Fastball Holdings LLC will not be a stockholder of the Company, but rather the FanDuel Stockholders will own the FanDuel Share Pool directly);
- (g) each FanDuel Stockholder who accepts this Offer (whether pursuant to the FanDuel Stockholder's acceptance of the Offer or pursuant to the Drag Along Right):
 - (i) warrants to the Company at Completion that:

- (A) the Called Shares are fully paid and are beneficially owned and registered in the name of the FanDuel Stockholder free from any Encumbrance or any claim to, or contract to grant, any Encumbrance;
 - (B) the FanDuel Stockholder has full power, capacity and authority to accept this Offer and to transfer the Called Shares to the Company;
- (ii) appoints any director of the Company as its agent, and attorney-in-fact, to execute all documents and to take all such actions as are necessary to give full effect to the terms of this Offer (which appointment is made by such FanDuel Stockholder's acceptance of this Offer or pursuant to Section 78.8 of the Articles, and is hereby deemed to be coupled with an interest and irrevocable), including, without limitation:
- (A) executing a stock transfer form in favour of the Company in respect of the Called Shares; and
 - (B) any agreement required to confirm the FanDuel Stockholder's adherence to any of the Constitutional Documents; and
- (iii) grants to the Company, the voting power of attorney contained in **Appendix C**; and
- (h) completion of the Offer occurring on such date, at such place and time as is agreed between FanDuel and the Company (**Completion**); please note that the Business Combination, and thus the Completion, is subject to certain customary conditions as agreed between FanDuel and the Company, including without limitation the requirement that certain regulatory approvals are obtained, and in the event such conditions are not satisfied and/or waived, as applicable, the Offer shall not be consummated.
4. Unless extended by the Company (in which event notice thereof will be provided to the FanDuel Stockholders) or unless the Completion of occurs prior to such date, the Offer shall remain open until August 1, 2018.
5. Each FanDuel Stockholder is hereby requested to complete an Accredited Investor Questionnaire in the form of **Appendix D** hereto. Note that the completion of an Accredited Investor Questionnaire by a FanDuel Stockholder is not determinative of whether or not such a FanDuel Stockholder may be deemed an Accredited Investor for purposes of the Offer, and the Company retains the right to make such determination as it deems proper regardless of whether or not such questionnaire is complete and/or the responses provided therein.
6. On or about the date of this Offer, the KKR Investor and the Shamrock Investor (the **FanDuel Dragging Shareholders**) agreed to accept the Offer and exercise the Drag Along Right contained in the Articles. FanDuel will send you a letter on or about the date of this letter setting out your indicative entitlement to consideration (if any) under the Offer as at the date of this letter.
7. Each FanDuel Stockholder who wishes to accept the Offer is required to sign a form of acceptance to the Offer (set out at Appendix A) (the **Form of Acceptance**). Each signed Form of Acceptance should be returned either by email to varun.sudhakar@fanduel.com (cc'd to ehi.borha@fanduel.com) or by post to FanDuel, Inc., 300 Park Avenue South, 14th floor, New York, NY, United States (marked for the attention of Varun Sudhakar / Ehi Borha), by - in each case - no later than the day prior to Completion.

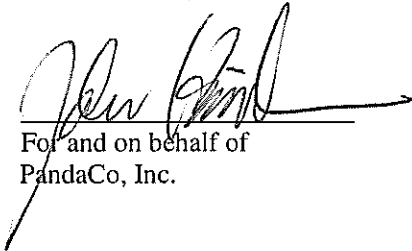
8. Copies of the Constitutional Documents are available for inspection by FanDuel Stockholders who hold A Preference Shares at each of:

- (a) the San Francisco and New York offices of Wilson Sonsini Goodrich and Rosati;
- (b) the Edinburgh, Glasgow and London offices of Shepherd and Wedderburn LLP; and
- (c) the Edinburgh, Glasgow and New York offices of FanDuel.

9. This letter shall be governed and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws, rules or principles thereof to the extent such laws, rules or principles would direct a matter to another jurisdiction. Any suit, action or other legal proceeding arising out of this letter shall be brought in the United States District Court for the District of Delaware or in any courts of the State of Delaware.

10. **The information set forth herein is highly confidential and proprietary. It may not be disclosed for any purpose (except to legal counsel in connection with legal review). This information may constitute material, non-public information under federal and state securities laws and regulations, and the recipient is expressly prohibited from disclosing or using such information in violation of any such laws or regulations. You are encouraged to seek the advice of your attorney and financial advisor in connection with the matters described herein.**

Yours faithfully



For and on behalf of
PandaCo, Inc.

Appendix A
Form of acceptance

To: PandaCo, Inc. (*you*)
6701 Center Drive West, Suite 800
Los Angeles, California 90045
USA

Dear Sirs,

Offer Acceptance

We refer to the offer from you dated June 30, 2018 (*Offer*).

We hereby unconditionally and irrevocably accept the Offer and agree to be bound by the terms of such Offer.

Yours faithfully,

(Signature)

(Print name of FanDuel Stockholder)

Appendix B

FD Holdings Call Option

This CALL OPTION (this “Agreement”) is hereby granted effective at Completion (as defined in the offer letter from PandaCo, Inc. (“PandaCo”) to shareholders of FanDuel Limited (“FanDuel”) dated as of the date hereof (“Offer”) by each applicable FanDuel Stockholder who accepts the Offer (whether pursuant to such FanDuel Stockholder’s acceptance of the Offer or pursuant to the Drag Along Right) (“FanDuel Stockholder”). Terms not otherwise defined in this Agreement shall have the meanings given to them in the Offer.

WHEREAS, it is a term of the Offer that the shares of PandaCo common stock (the “Shares”) to be issued to the FanDuel Stockholders be subject to a call option in favor of Fastball Holdings LLC (“FD Holdings”) such that each of such Shares may be called by FD Holdings in exchange for one unit of membership interests in FD Holdings (each, a “Unit”); and

WHEREAS, the FanDuel Stockholder wishes to accept such Offer and to grant to FD Holdings the unconditional and irrevocable option to acquire, free and clear of all liens, claims and encumbrances (other than restrictions on resale that may arise under applicable federal and state securities laws or under applicable organizational documents of the issuing entity) and otherwise in accordance with the terms and conditions contained herein, all Shares issued to such FanDuel Stockholder pursuant to the Offer (the “Covered Shares”).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Call Option hereby agree as follows:

Section 1. Call Option; Consideration. At any time during the period beginning on the date of the consummation of the Offer and ending on the second anniversary thereof, FD Holdings shall have the irrevocable and unconditional option to require the FanDuel Stockholder to exchange each of the Covered Shares for one (1) Unit (the “Call Option”).

Section 2. Call Option Closing. In the event the Call Option is exercised by FD Holdings serving a written notice on PandaCo, the FanDuel Stockholder shall, immediately following exercise of the Call Option, be deemed to have surrendered to FD Holdings the Covered Shares in exchange for the Units, on the terms set forth herein (the “Call Closing Date”).

Section 3. Negative Pledge. The FanDuel Stockholder agrees that, until the earlier of (a) the Call Closing Date and (b) the expiry of the Call Option without it being exercised, it will not sell, exchange, assign, pledge, hypothecate, transfer or otherwise dispose of the Covered Shares or any interest therein or portion thereof, without the prior written approval of FD Holdings, which approval FD Holdings may withhold in its sole discretion.

Section 4. Further Assurances. The FanDuel Stockholder shall, following the exercise of the Call Option, execute and deliver such further instruments of conveyance and transfer and take such additional action as FD Holdings may at any time reasonably request to effect, consummate, confirm or evidence the transfer to FD Holdings of the Covered Shares, and the FanDuel Stockholder shall execute such documents as may be reasonably necessary to assist FD Holdings in preserving or perfecting its rights in the Covered Shares. The FanDuel Stockholder hereby grants to FD Holdings an irrevocable proxy pursuant to which FD Holdings shall be entitled, on behalf of the FanDuel Stockholder, to execute any and all such

instruments as may be necessary to consummate the conveyance of the Shares to FD Holdings in exchange for the issuance of the Units.

Section 5. Headings; Grammatical Usage. The descriptive headings of the several Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word “including” shall mean “including, without limitation.”

Section 6. Assignment. Neither this Agreement nor any of the rights, interests or obligations under the Agreement shall be assigned, in whole or in part, by operation of law or otherwise by either party without the prior written consent of the other party. Any attempted assignment in violation of the foregoing shall be null and void ab initio.

Section 7. Complete Agreement. This Agreement contains the entire understanding of the parties with respect to the matters contemplated hereby and supersedes all prior arrangements or understandings with respect thereto.

Section 8. Modifications, Amendments and Waivers. This Agreement may be amended, modified or supplemented only by the written agreement of each of the parties hereto.

Section 9. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 10. Severability. This Agreement shall be deemed severable. Whenever possible, each provision and term of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, but if any provision or term of this Agreement shall be held to be prohibited by or invalid under such applicable law, then such provision or term shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this Agreement; *provided* that if a court of competent jurisdiction shall find that any provision or term contained herein is not valid or enforceable, such court shall have the power to reduce the scope of any such provision or term to the extent necessary to make such provision or term valid and enforceable.

Section 11. Remedies. FD Holdings shall be entitled to enforce its rights under this Agreement specifically to recover damages by reason of any breach of any provision or term of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that the Covered Shares are unique property, and that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that FD Holdings shall be entitled to specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement. FD Holdings shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by FD Holdings, and then only to the extent therein set forth. A waiver by FD Holdings of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which FD Holdings would otherwise have on any future occasion. The single or partial exercise of any right, power, remedy or privilege shall not preclude FD Holdings from then or thereafter exercising any other or additional rights, powers, remedies or privileges, all of the same being cumulative and not exclusive of any rights, powers, remedies or privileges provided by law or in equity or any other agreement.

Appendix C

Voting Power of Attorney

THIS VOTING POWER OF ATTORNEY is made at Completion (as defined in the offer letter from PandaCo, Inc. (*PandaCo*) to shareholders of FanDuel Limited (*FanDuel*) dated June 30, 2018 (*Offer*) by any FanDuel Stockholder who accepts the Offer (whether pursuant to such FanDuel Stockholder's acceptance of the Offer or pursuant to the Drag Along Right) (*Appointer*). Terms not otherwise defined in this voting power of attorney shall have the meanings given to them in the Offer.

1. Appointment and Powers

The Appointer appoints PandaCo (*Attorney*) to be the Appointer's Attorney and to act in the Appointer's name and on the Appointer's behalf in relation to all shares in the capital of FanDuel held by the Appointer (*Shares*) with full power to exercise all rights in relation to the Shares as the Attorney in its absolute discretion thinks fit pending registration of the Shares into the name of the Attorney, including (but not limited to):

- 1.1 receiving notice of, attending and voting at any general meeting of the shareholders of FanDuel, including meetings of the members of any particular class of shareholder, and all or any adjournment of such meetings, or signing any resolution as registered holder of the Shares;
- 1.2 completing and returning proxy cards, consents to short notice and any other documents required to be signed by the registered holder of the Shares;
- 1.3 dealing with and giving directions as to any moneys, securities, benefits, documents, notices or other communications (in whatever form) arising by right of the Shares or received in connection with the Shares from FanDuel or any other person; and
- 1.4 otherwise executing, delivering and doing all deeds, instruments and acts in the Appointer's name insofar as may be done in the Appointer's capacity as registered holder of the Shares.

2. Validity

- 2.1 This Power of Attorney is irrevocable and is given to secure the interest of the Attorney in the Shares, but shall expire on the date on which the name of the Attorney is entered in the register of members of the Company as the holder of the Shares.
- 2.2 The Appointer declares that a person who deals with the Attorney in good faith may accept a written instrument signed by the Attorney to the effect that this Power of Attorney has not been revoked as conclusive evidence of that fact.

3. Appointer's Undertakings

The Appointer undertakes:

- 3.1 not to exercise or attempt to exercise any rights attached to the Shares which are exercisable by the Attorney by virtue of this Power of Attorney;
- 3.2 to hold the Shares upon trust for the Attorney as beneficial owner;
- 3.3 to immediately account to the Attorney for all distributions, interest or other sums of any kind relating to the Shares and received by or on behalf of the Appointer after Completion (save for any distribution the record of which falls on a date prior to the date of this Power of Attorney);

- 3.4 to immediately deliver to the Attorney any letters, notices or other documents relating to the Shares and received by or on behalf of the Appointer;
- 3.5 to act promptly in accordance with the Attorney's instructions in relation to any rights exercisable or anything received by the Appointer in the Appointer's capacity as registered holder of the Shares; and
- 3.6 to ratify and confirm whatever the Attorney does or causes to be done by virtue of this Power of Attorney.

4. Delegation by Corporate Attorney

The Attorney may delegate one or more of the powers conferred on the Attorney by this Power of Attorney to an officer or officers appointed for that purpose by the board of directors of the Attorney by resolution or otherwise.

5. Governing Law and Jurisdiction

- 5.1 The formation, existence, construction, performance, validity and all aspects whatsoever of this Power of Attorney or any term of it will be governed by Scots law.
- 5.2 The Scottish courts will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Power of Attorney. The parties irrevocably agree to submit to that jurisdiction.

Appendix D

Non-Accredited Investor Questionnaire

This questionnaire (this “Questionnaire”) is used to determine whether you are an “accredited investor” within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission the (“SEC”) under the Securities Act of 1933, as amended (the “Securities Act”). Please notify FanDuel Ltd., a Scottish private limited company (the “Company”) promptly of any change in the information provided in response to this Questionnaire that may occur after the date of your submission of this Questionnaire.

I, the undersigned: (i) hereby represent that the information disclosed herein to the Company is true and correct; (ii) acknowledge that the Company and its counsel are relying on such information to comply with applicable securities laws; and (iii) agree that the Company may present this Questionnaire and any related materials or information to such parties as the Company deems appropriate to establish the availability of exemptions from registration or qualification under applicable federal and state securities laws. I also agree to furnish any additional information that the Company deems necessary to verify the information provided below.

Accredited Investor Status - Please Check All Boxes That Apply

Category I	<input type="checkbox"/>	The undersigned is an individual (not a partnership, corporation, etc.) whose individual net worth, or joint net worth with his or her spouse, presently exceeds \$1,000,000. <u>Explanation.</u> In calculating net worth, you may include your equity in personal property and real estate, excluding your primary residence . Equity in personal property and real estate should be based on the fair market value of such property less debt secured by such property. When determining your net worth, the value of your primary residence must be excluded. The related amount of indebtedness secured by the primary residence up to its fair market value may also be excluded. However, indebtedness secured by the residence in excess of the value of the home should be considered a liability and deducted from net worth .
Category II	<input type="checkbox"/>	The undersigned is a corporation, limited liability company, partnership, 501(c)(3) organization, or Massachusetts or similar business trust that was not formed for the specific purpose of acquiring Company securities and that has total assets in excess of \$5,000,000.
Category III (a)	<input type="checkbox"/>	The undersigned is an individual (not a partnership, corporation, etc.) who reasonably expects an individual income in excess of \$200,000 in the current year and had an individual income in excess of \$200,000 in each of the last two years (in each case, including foreign income, tax exempt income and the full amount of realized capital gains and losses but excluding any income of the undersigned’s spouse or other family members and any unrealized capital appreciation); OR

Category III (b)	<input type="checkbox"/>	The undersigned is an individual (not a partnership, corporation, etc.) who, together with his or her spouse, reasonably expects joint income in excess of \$300,000 for the current year and had joint income in excess of \$300,000 in each of the last two years (including foreign income, tax exempt income and the full amount of realized capital gains and losses).
Category IV	<input type="checkbox"/>	The undersigned is a director or executive officer of the Company.
Category V	<input type="checkbox"/>	The undersigned is a bank, savings and loan association or credit union, insurance company, registered investment company, registered business development company, licensed small business investment company, an employee benefit plan maintained by a state whose total assets exceed \$5,000,000, or employee benefit plan within the meaning of Title 1 of ERISA whose plan fiduciary is either a bank, insurance company or registered investment advisor or whose total assets exceed \$5,000,000. Describe entity: _____ _____
Category VI	<input type="checkbox"/>	The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.
Category VII	<input type="checkbox"/>	The undersigned is a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring Company securities, whose purchase is directed by a sophisticated person (a person who either alone or with his or her purchaser representative(s) has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment). A copy of the declaration of trust or trust agreement and a representation as to the sophistication of the person directing purchases for the trust is enclosed.
Category VIII	<input type="checkbox"/>	The undersigned is a self-directed employee benefit plan for which all persons making investment decisions are “accredited investors” within one or more of the categories described above.
Category IX	<input type="checkbox"/>	The undersigned is an entity in which all of the equity owners are “accredited investors” within one or more of the categories described above. <u>If relying upon this category alone, each equity owner must complete a separate copy of this agreement.</u> Describe entity: _____ _____

*If the Undersigned is an **Individual**:*

(Signature of Individual)

Print Name: _____

Address: _____

Phone: _____

E-mail: _____

State of Residence: _____

Date: _____

*If the Undersigned is an **Entity**:*

(Entity Name)

By: _____
(Signature of Authorized Signatory of Entity)

Name: _____

Title: _____

Address: _____

Phone: _____

E-mail: _____

State of Jurisdiction/Formation: _____

Date: _____