

# **EXHIBIT B**

**Amendment No.16**

**dated as of December 24, 2013**

**to**

**the Credit Facility Agreement  
dated as of 21 April 2006**

**among**

**ATARI EUROPE SAS**  
as Original Borrower

**and**

**ATARI SA**  
as Parent

**and**

**ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.**  
As Lender, Facility Agent and Security Agent

**and**

**KER VENTURES LLC**  
As Lender

**THIS AMENDMENT No.16** dated as of **December 24, 2013** (the "**Amendment No.16**") to that certain Credit Facility Agreement referred to hereunder is made among:

- (1) **ATARI EUROPE SAS**, a simplified stock company (*société par actions simplifiée*) incorporated under the laws of France, with a share capital of EUR 19,000,000, whose registered office is located at 78, rue Taitbout, 75009 Paris, registered with the Paris companies and trade register under number 328 033 410, represented by Atari SA, itself represented by its *Directeur général*, Mr. Frédéric Chesnais, as original borrower (the "**Original Borrower**");
- (2) **ATARI SA**, a stock company (*société anonyme*) incorporated under the laws of France with a share capital of EUR 295,374.75 whose registered office is located at 78, rue Taitbout, 75009 Paris, registered with the Paris companies and trade register under number 341 699 106, represented by its *Directeur général*, Mr. Frédéric Chesnais (the "**Parent**");
- (3) **ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.**, an exempted company incorporated under the laws of the Cayman Islands, having its registered office at c/o Ogier Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY1-9007, in the Cayman Islands, represented by Alden Global Capital Limited, its Investment Adviser, *itself represented by*: Alden Global Capital LLC, its Sub-Adviser, *itself represented by*: John Ferguson in his capacity as President and duly empowered for the purpose hereof ("**Alden**"), facility agent (the "**Facility Agent**"), and security agent (the "**Security Agent**"); and
- (4) **KER VENTURES, LLC**, a limited liability company organized under the laws of Delaware, having its registered office located at c/o the Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States of America, represented by Frédéric Chesnais in his capacity as General Manager and duly empowered for the purpose hereof ("**Ker Ventures**").

Alden and Ker Ventures being collectively referred to as the "**Lenders**", and individually as a "**Lender**",

The Original Borrower, the Parent, the Facility Agent, the Security Agent and the Lenders shall be hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

**WHEREAS:**

- A. A credit facility (the "**Credit Facility**") was established in favour of the Original Borrower pursuant to the terms of that certain Credit Facility agreement dated as of April 21, 2006 as amended by an Amendment no.1 dated June 12, 2006, an Amendment no.2 dated September 8, 2006, an Amendment no.3 dated April 3, 2007, an Amendment no.4 dated June 20, 2007, an Amendment no.5 dated October 10, 2007, an Amendment no.6 dated December 17, 2007, an Amendment no.7 dated February 27, 2009, certain waiver letters dated November 26, 2008 and January 23, 2009, an Amendment no.8 dated March 31, 2009, an Amendment no.9 dated December 10, 2009, an Amendment no.10 dated April 26, 2010, an Amendment no.11 dated October 1, 2010, an Amendment no.12 dated June 30, 2011, an Amendment no.13 dated December 23, 2011, an Amendment no.14 dated June 27, 2012 and an Amendment no.15 dated December 18, 2012 (as amended, restated, extended, supplemented or otherwise modified, the "**Credit Facility Agreement**"), among inter alia the Original Borrower, the Parent and Banc of America Securities Limited ("**Banc of America**").
- B. Pursuant to a transfer agreement dated December 10, 2009, Banc of America and the parties thereto have agreed to the transfer (*cession*) by Banc of America to the

BlueBay Value Recovery (Master) Fund Limited (“**BlueBay**”) of all of Banc of America’s commitments, rights and obligations under the Credit Facility Agreement.

- C. Pursuant to a certain transfer agreement dated February 5, 2013, BlueBay and the other parties thereto have agreed to the transfer (*cession*) by BlueBay to Alden of all of BlueBay’s commitments, rights and obligations under the Credit Facility Agreement.
- D. Pursuant to five extension letters dated March 29, 2013, July 2, 2013, September 19, 2013, September 30, 2013 and December 4, 2013 respectively, Alden has agreed to several postponements of the maturity date of the Credit Facility Agreement.
- E. Pursuant to a certain transfer agreement dated December 4, 2013, Alden transferred to Ker Ventures 30% of its commitment and interest accrued under the Credit Facility Agreement. As a result, as of the date of such transfer agreement, the allocation of the commitment and interest under the Credit Facility Agreement is EUR 18,095,954 held by Alden and EUR 6,739,918 held by Ker Ventures.
- F. In light of the Insolvency Proceedings (are defined hereinafter) and in order to pursue the restructuring of the Group and the development of its activities and business, the Parent and the Original Borrower have requested from the Lenders the postponement of the final maturity date of the Credit Facility Agreement until September 30, 2015 and the granting of more flexibility regarding the in-kind payment of interest. In consideration for the granting of this financial relief, the Parent has agreed to issue certain equity-linked securities in favour of the Lenders, with their subscription price to be paid by set-off against a portion of amounts now or hereafter due and owing to the applicable Lenders under the Credit Facility Agreement as set forth herein.
- G. The Parties have agreed to further amend the Credit Facility Agreement, pursuant to this Amendment No.16, in order to postpone the Final Maturity Date of the Credit Facility Agreement until September 30, 2015, and in consideration thereof, grant certain rights to the Lenders as provided herein.

**IT IS AGREED AS FOLLOWS:**

**1. TITLE AND DEFINITIONS**

Terms defined in the Credit Facility Agreement (as amended) shall have the same meaning when used in this Amendment No.16 unless otherwise defined in this Amendment No.16.

**2. CAPITALIZATION OF INTEREST**

The Parties expressly acknowledge and agree that (i) the interest already accrued under the Credit Facility Agreement (and for which the Lenders did not require the payment of, pursuant to the restructuring agreement of the Borrower dated September 28, 2012, the letter dated December 24, 2012, and the various extension letters between the Parties) amount to three million eight hundred eighty four thousand eight hundred seventy two Euros and thirty five cents (EUR 3,884,872.35) as of November 30, 2013, and (ii) in consideration for Lenders’ consent to the extension of the Final Maturity Date, such amount shall be capitalized and added to the existing Commitment (outstanding loan) as of November 30, 2013, of twenty million nine hundred fifty one thousand Euros (EUR 20,951,000). Therefore, the Parties hereby irrevocably agree that, with

effect from November 30, 2013, the principal amount of the Commitment (outstanding loan) due and repayable by the Borrower shall be twenty four million eight hundred thirty five thousand and eight hundred seventy two Euros and thirty five cents (EUR 24,835,872.35).

For the purpose of Section 13.6 (*Redemption Fee*), the Original Borrower represents and warrants, and the Parties acknowledge and agree, that the maximum size of the Commitment reached during the term of the Facility is sixty one million eight hundred and forty eight thousand one hundred and forty eight Euros and twelve cents (EUR 61,848,148.12).

### 3. INTEREST RATE – WAIVER OF DEFAULT INTEREST

The Facility Agent is aware of the insolvency proceedings affecting certain entities of the Group, as a result of (i) the filing for Chapter 11 protection by the Parent's U.S. Subsidiaries on January 21, 2013, and (y) the filing of a *déclaration de cessation de paiements* by Eden Games SARL on January 23, 2013 leading to Eden Game SARL being put into bankruptcy (*liquidation judiciaire avec poursuite d'activité*) by judgment of the Commercial Court of Lyon on January 29, 2013 ((x) and (y), together, the "**Insolvency Proceedings**"). The Parent has presented a reorganization plan in the Chapter 11 Case of its U.S. Subsidiaries, which has been approved on December 5, 2013 and becomes effective as of the date hereof.

In order to facilitate the recovery of the Group as a whole, and in light of the approval of the reorganization plan in the Chapter 11 Case of the U.S. Subsidiaries, the Facility Agent hereby waives, as from December 1, 2013, the application of the Default Interest under Section 10.3 (*Default Interest*) in connection with the Insolvency Proceedings. Therefore, as from December 1, 2013, the interest rate previously applicable as per article 10.1 (*Calculation of Interest*) (i.e., before the occurrence of Events of Default) will resume and apply. For the avoidance of doubt, (i) should any new Event of Default occur, and/or (ii) should the status, prospect or outcome of the Insolvency Proceedings be unsatisfactory in the Facility Agent's sole and absolute discretion, then in each of (i) and/or (ii) the Facility Agent shall be entitled to notify the Original Borrower of the immediate termination of the above waiver and from the date of such notice, the Default interest shall resume, apply and accrue.

For the purposes of Section 11.1 (*Selection of Interest Period*), the Parties acknowledge that the Interest Period previously selected by the Borrower in connection with the Utilisation was three (3) months. As an exception to the provisions of Section 10.2 (*Payment of Interest*) of the Credit Facility Agreement, the Parties acknowledge and agree that from December 1, 2013 through December 31, 2014, interest shall accrue and be payable in kind (capitalized) on the last day of each calendar quarter. For the interest accruing from and after January 1, 2015, interest shall be payable on the last day of each calendar quarter, with the last Interest payment due on the Final Maturity Date); provided, however, that the Borrower shall have the option to pay such interest either in cash or through the issuance to the Lenders of new securities giving access to the share capital (ORANEs) of the Parent based on the then-prevailing stock price of the Parent at such interest payment date, calculated on the basis of the weighted average stock price for the last twenty (20) trading days before such interest payment date.

The Original Borrower acknowledges that it received on the date hereof from the Facility Agent a letter containing an updated indicative calculation of the *taux*

*effectif global*. The Parties acknowledge that this letter and any subsequent letters form part of the Credit Facility Agreement.

#### 4. ACCELERATION OF A PORTION OF THE DEBT

4.1 Notwithstanding the extension of the Final Maturity Date, a portion of the debt under the Agreement shall be deemed immediately due and payable should Alden decide (in its sole and absolute discretion) to use any amounts now or hereafter due and owing to it as a Lender under the Credit Facility Agreement to finance (by way of set-off) the subscription to the 2013 Majority Lender New Securities (as defined below) and to 2013 OCEANEs (as defined below) to be issued by the Parent. For the avoidance of doubt, only the amount strictly necessary for the purpose of subscribing to such securities (which terms and conditions shall comply with the terms defined below) shall be deemed immediately due and payable. The Lenders, the Original Borrower and the Parent shall enter into a delegation agreement, in form and substance acceptable to the parties thereto, pursuant to which the Parent will agree to repay an amount of nine hundred thirty-two thousand four hundred seventy-two Euros and fifty cents (EUR 932,472.50) to Alden on behalf of the Original Borrower by remittance of the 2013 Majority Lender New Securities.

4.2 Notwithstanding the extension of the Final Maturity Date, a portion of the debt under the Agreement shall be deemed immediately due and payable should Ker Ventures decide (in its sole and absolute discretion) to use any amounts now or hereafter due and owing to it as a Lender under the Credit Facility Agreement to finance (by way of set-off) the subscription to the 2013 Ker Ventures New Securities and/or the 2013 OCEANEs (both as defined below) to be issued by the Parent. For the avoidance of doubt, only the amount strictly necessary for the purpose of subscribing to such securities (which terms and conditions shall comply with the terms defined below) shall be deemed immediately due and payable, and the Lenders, the Original Borrower and the Parent shall enter into a delegation agreement in a form reasonably acceptable to the parties thereto pursuant to which the Parent will agree to repay an amount of nine hundred thirty-two thousand four hundred seventy-two Euros and fifty cents (EUR 932,472.50) (adjusted of the amount necessary to purchase the OCEANEs as the case may be) to Ker Ventures on behalf of the Original Borrower by remittance of the 2013 Ker Ventures New Securities and/or OCEANEs.

#### 5. AMENDMENTS

5.1 **Definitions.** Clause 1.1 (*Definitions of the Credit Facility Agreement*) is hereby amended by insertion or modification of the following terms therein in their alphabetical sequence:

**“2013 Capital Increase”** means the issuance of the 2013 Majority Lender New Securities and the 2013 Ker Ventures New Securities.

**“2013 Convertible Note”** means a 5-year unsecured convertible note for a maximum amount of EUR 2.590.000 (two million five hundred ninety thousand Euros), to be issued by the Parent upon enforcement of the Bankruptcy Plan Guarantee, bearing interest at a rate of ten per cent (10%) per annum, and convertible at any time into newly-issued shares of the Parent at a price of EUR 0.25 per share and giving access to a maximum of 10,360,000 new shares of the Parent, it being specified that the actual number of new shares shall be adjusted on the basis of the actual amount of the shortfall of the Parent covered by the Bankruptcy Plan Guarantee.

**"2013 Ker Ventures New Securities"** means the securities giving access to the Parent's shares, such as *Obligations Convertibles ou Échangeables en Actions Nouvelles ou Existantes* or penny warrants to be issued in favour of Ker Ventures (or any entity having the same ultimate beneficial owner as Ker Ventures, or the ultimate beneficial owner of Ker Ventures itself) which shall have the same terms and conditions as the 2013 Majority Lender New Securities, as follows:

- (a) in consideration for the providing of the Bankruptcy Plan Guarantee in favor of the Parent, a number of securities giving access to the Parent's shares equal to the number of 2013 Majority Lender New Securities issued in favor of the Majority Lender (i.e., giving access to 3,729,890 new shares of Atari SA), and
- (b) in consideration for the extension of the maturity date of the Ker Ventures Loan, a number of securities giving access to 66,201 new shares of the Parent.

**"2013 Majority Lender New Securities"** means 3,729,890 new shares and/or securities giving access to the Parent's shares, such as *Obligations Convertibles ou Échangeables en Actions Nouvelles ou Existantes* or penny warrants, to be issued in favour of Alden and immediately converted into new Parent's shares. For the avoidance of doubt, the number of shares of the Parent, on a fully-diluted basis and including outstanding stock-options and free shares, whether vested or not, amounts to 67,138,128 as at August 31, 2013.

**"2013 OCEANES"** means the *Obligations Convertibles ou Échangeables en Actions Nouvelles ou Existantes* to be issued by the Company under the terms approved by the shareholders general meeting of the Company on December 11, 2013, as further detailed below:

- (i) the issuance of the 2013 OCEANES shall be for an aggregate amount of twenty-five million eight hundred forty-five thousand two hundred eighty-nine Euros and seventy-five cents (EUR 25,845,289.75) Euros, which be increased to twenty-eight million seven hundred fifty thousand Euros (EUR 28,750,000) but may not be increased above that threshold without the Majority Lenders' prior approval; and
- (ii) the 2013 OCEANES shall be a 5-year unsecured convertible bond, bearing interest at a rate of 10% per annum, and convertible at any time into newly-issued Atari SA shares at a price of Euro 0.25 per share.

**"Agreement"** means the Credit Facility Agreement as amended by its amendments no.1, no.2, no.3, no.4, no. 5, no.6, no.7, no.8, no.9, no.10, no.11, no.12, no.13, no.14, no.15 and no.16 (including its Recitals), its Annexes, Exhibits and Schedules hereto, as the same may be amended, restated, extended, supplemented or otherwise modified from time to time.

**"Amendment no.16"** means amendment no.16 to the Credit Facility Agreement dated **December 24, 2013**.

**"Bankruptcy Plan Guarantee"** means the loan granted by Mr. Frédéric Chesnais (directly or indirectly through Ker Ventures) in favor of the Parent in an amount up to US\$3.419.000 (three million four hundred nineteen thousand United States dollars), to backstop the reorganization plan of the U.S. Subsidiaries, in a form reasonably acceptable to Alden.

“**California Stock Pledge Agreement**” means the Stock Pledge Agreement dated as of the date hereof made by the Parent in favor of the Security Agent with respect to the equity interests of California U.S. Holdings, Inc., as the same may be amended, restated, extended, supplemented or otherwise modified from time to time.

“**Commitment**” means, in relation to the Lenders, an amount equal to twenty four million eight hundred thirty five thousand and eight hundred seventy two Euros (EUR 24,835,872) by way of loans, to the extent not cancelled, reduced or transferred under this Agreement. The Parties agree and acknowledge that the maximum amount of the Commitment (as amended pursuant to Amendment no.16) has already been drawn down by the Borrower in full and that any part of the Facility which is repaid may not be re-borrowed any more under the Credit Facility Agreement.

“**Consolidated Subsidiary**” means, from time to time, (i) any and all Subsidiaries of the Parent (including, for the avoidance of doubt, any U.S. Subsidiary) which is or become consolidated by the Parent under the IFRS accounting standards, together with (ii) any Subsidiary which is not subject to any proceedings limiting the Parent’s control or rights over such Subsidiary.

“**Debtor Relief Laws**” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“**Final Maturity Date**” means September 30, 2015.

“**Group**” means the Obligors and their respective direct and indirect Subsidiaries from time to time. For the avoidance of doubt, “**Group**” means all direct and indirect Subsidiaries of any of the Obligors, including without limitation the U.S. Subsidiaries and their respective Subsidiaries.

“**GUC Note**” means the Global Secured Promissory Note made by the U.S. Subsidiaries and dated as of the date hereof in favor of the “Holder” named therein, as in effect on the Effective Date.

“**Insolvency Proceedings**” means the insolvency proceedings affecting certain entities of the Group, as a result of (i) the filing for Chapter 11 protection by the Parent’s U.S. Subsidiaries on January 21, 2013, and (y) the filing of a *déclaration de cessation de paiements* by Eden Games SARL on January 23, 2013 leading to Eden Game SARL being put into bankruptcy (*liquidation judiciaire avec poursuite d’activité*) by judgment of the Commercial Court of Lyon on January 29, 2013.

“**Ker Ventures**” means Ker Ventures, LLC, a limited liability company organized under the laws of Delaware, having its registered office located at c/o the Corporation Trust Company, 1209 Orange Street, Wilmington, DE, 19801, United States of America.

“**Ker Ventures Loan**” means a loan of EUR 250.000 (two hundred fifty thousand Euros) originally granted by Ker Ventures to the Parent on February 5, 2013, and extended until September 30, 2015, at a rate of ten percent (10%) per annum.

“**Majority Lender(s)**” means the Original Lender provided that from the date of transfer by the Original Lender of any of its rights hereunder to any other Lender the following provisions will apply:



- (a) if there are no Utilisations then outstanding, a Lender or Lenders whose Commitments aggregate more than sixty per cent (60%) of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than sixty per cent (60%) of the Total Commitments immediately prior to the reduction); or
- (b) at any other time, a Lender or Lenders whose participations in the Utilisations then outstanding aggregate more than sixty per cent (60)% of all the Utilisations then outstanding.

For the avoidance of doubt, as of the date of Amendment no.16, the Majority Lender is Alden Global Value Recovery Master Fund, L.P.

**“Original Lender”** means Banc of America Securities Limited and, when applicable, as replaced by any of its assignee or transferee.

**“Original Borrower”** means Atari Europe SAS.

**“Outstanding ORANES”** means the following convertible-debt instruments issued by the Parent: the *Obligations Remboursables en Actions Nouvelles ou Existantes* listed under ISIN FR0010696153 (with maturity on April 1, 2014), the *Obligations Remboursables en Actions Nouvelles ou Existantes* listed under ISIN FR0010690081 (with maturity on April 1, 2014), and the *Obligations Remboursables en Actions Nouvelles ou Existantes* listed under ISIN FR0010833053 (with maturity April 1, 2015).

**“Reviewed Perimeter”** means all companies of the Group consolidated by the Parent (formerly named Infogrames Entertainment SA).

**“Transaction Security Documents”** means each of the documents (as amended) listed as being a Transaction Security Document in, and any document required to be delivered to the Facility Agent under, Part I B, Part I C, Part I D, Part I E, Part I F, Part II and Part III of Schedule 2 (*Conditions Precedent*) together with any other document entered into by any Borrower, Parent or member of the Group creating or expressed to create or perfect any Security over all or any part of their respective assets in respect of the obligations of any of the Borrowers under any of the Finance Documents (and shall include the U.S. Subsidiary Security Agreement and the California Stock Pledge Agreement and financing statements and any other documentation related thereto).

**“U.S. Subsidiaries”** means Atari Inc, California US Holding, Atari Interactive Inc., Humongous Inc., together with any other Subsidiary of the Group incorporated in the US.

**“U.S. Subsidiary Security Agreement”** means the Security Agreement made by the U.S. Subsidiaries dated as of the date hereof in favor of the Security Agent, as the same may be amended, restated, extended, supplemented or otherwise modified from time to time.

The definitions of **“Atari PalAsia SAS France”**, **“PalAsia Group”**, **“Permitted Financial Indebtedness”**, **“Subscription Date”**, **“Subscribed Amount”**, **“Underwritten Amount”**, and **“Underwriting Date”** are removed.

**5.2 Maximum number of Utilisations.** Section 4.5 (*Maximum Number of Utilisations*) is amended as follows: *“As a result of the extension of the Final Maturity Date, the Borrower may not deliver any additional Utilisation Request or Rollover Request.”*

### 5.3 Prepayment.

Section 9.7 (Mandatory prepayment in case of disposal of assets, new financing, or capital increase) is amended as follows:

- “(a) **Proceeds from the sale of assets or new financing.** The Borrower undertakes to, and the Parent undertakes to cause the Borrower to allocate any amount raised or made available to the Borrower, the Parent, or any member of the Group in accordance with the following principles, until any sum due under this Agreement has been repaid in full:
- (i) with respect to Net Proceeds (as defined below) received by any member of the Group through the disposal of assets or a new financing including, but not limited to, the sale, sale-and-lease back, or any arrangement involving the Atari brand and receivables financings, or any financing unsecured or secured by receivables advanced to the members of the Group, one hundred per cent (100%) of such Net Proceeds shall be applied first to the prepayment of any sum due under this Agreement (whether in principal, fees or interest);
  - (ii) with respect to Net Proceeds received by any member of the Group through any capital increase or issuance of any convertible bonds or option or any instrument giving access to the share capital of any member of the Group: (x) a maximum amount of EUR 3.000.000 (three million Euros), in a single transaction or in a series of transactions (whether related or not), shall be retained by the relevant member(s) of the Group over the term of this Agreement, then (y) any amount above the aggregate cap EUR 3.000.000 (three million Euros) received by any member of the Group shall be applied to the prepayment of any sum due under this Agreement (whether in principal, fees or interest).
- (b) For the purposes of this Clause 9.7 (Mandatory prepayment in case of disposal of assets, new financing or Capital Increase), “**Net Proceeds**” shall mean the price paid for such assets or business or such cash financing raised minus (i) any applicable tax and (ii) any fees owed to non-Group Affiliate financial intermediaries, consultants or legal counsel in connection with such disposal of asset or raising of financing. For the avoidance of doubt, any receivable under the Credit Facility Agreement used by a Lender to set-off its subscription to a capital increase of the Borrower or any Affiliate hereof (including, but not limited to, the Parent), shall not qualify as Net Proceeds for the purposes of this Section 9.7 (Mandatory prepayment in case of disposal of assets, new financing or Capital Increase).
- (c) Notwithstanding paragraph (a) above, any cash proceeds received by the Parent under the Bankruptcy Plan Guarantee and/or the 2013 Convertible Note shall be retained in full by the Parent for the purpose of funding its cash contribution with respect to the reorganization plan of the U.S. Subsidiaries of the Group, and shall not be used for any other purpose by the Parent or any other entity of the Group.
- (d) For the avoidance of doubt, (i) the 2013 Majority Lender New Securities and the 2013 Ker Ventures New Securities, and (ii), subject to the prior approval of the related license agreements or co-investment arrangements by the board of directors of the Parent, royalties and minimum guarantees received on license agreements, or amounts received from third-parties in connection with co-investments in products or any other similar transaction shall not be taken into account neither for the purpose of this Clause 9.7 (Mandatory

*prepayment in case of disposal of assets, new financing or Capital Increase) nor for the purpose of Clause 22.4 (Disposals) or any other provision of the Credit Facility Agreement providing for mandatory prepayment of the Commitment.*

- (e) *The Commitment shall be consequently reduced by an amount equal to the amount thus prepaid pursuant to paragraph (a) above.*”

**5.4 Negative Pledge.** Section 22.3 (*Negative Pledge*) is amended as follows:

*“22.3 Negative pledge*

- (a) *Except as permitted under paragraph (c) below, no Obligor shall (and the Obligors shall ensure that no member of the Group will) create or permit to subsist any Security (including a counter guarantee in relation to a guarantee granted by any member of the Group) over any of its, or any Group member’s, present or future assets or present or future revenues.*
- (b) *No Obligor shall (and the Obligors shall ensure that no member of the Group will) commit or accept any undertaking restricting its ability to grant any Security in accordance with 22.17 (Amendment to Transaction Security Documents).*
- (c) *Paragraphs (a) and (b) above do not apply to:*
- i) any Transaction Security Document;*
  - ii) any Security arising by operation of law;*
  - iii) the Bankruptcy Plan Guarantee (provided that the Bankruptcy Plan Guarantee shall not reduce or impede in whatever manner the rights of the Lenders, Facility Agent and Security Agent under the Transaction Security Documents); and*
  - iv) the Security granted under the GUC Note.*

**5.5 Disposals.** Section 22.4 (*Disposals*) is amended as follows:

- “(a) No Obligor and no member of the Group shall (and each Obligor shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose (including by way of lease or sale and lease-back) of all or part of its assets.*
- (b) Each Obligor shall immediately inform the Lenders and the Facility Agent of any sale, transfer, or another disposal (including by way of lease or sale and lease-back) of all or any of its assets or of that its Subsidiaries in an amount exceeding EUR 200,000 (two hundred thousand Euros) whether in a single transaction or in a series of transaction (whether related or not).”*

**5.6 Pari Passu ranking.** Section 22.6 (*Pari Passu ranking*) is amended as follows:

- “(a) Each Obligor shall, and shall ensure that each member of the Group (other than the U.S. Subsidiaries) shall, ensure that at all times its obligations under the Finance Documents rank senior over the claims of all its other creditors, except for the obligations mandatorily preferred by law.*

*(b) Each Obligor shall ensure that each of the U.S. Subsidiaries shall ensure that at all times their respective obligations under the Finance Documents rank senior over the claims of all its creditors, except for the liens under the GUC Note and for obligations mandatorily preferred by law (and each Obligor shall ensure compliance by the U.S. Subsidiaries with this provision)."*

**5.7 Financial Indebtedness.** Section 22.8 (*Financial Indebtedness*) is amended as follows:

*"(a) No Obligor shall (and each of the Obligors shall ensure that no member of the Group will) incur or allow to remain outstanding any Financial Indebtedness other than (x) the Ker Ventures Loan, the amount of which and the terms of which (including maturity date) shall not be amended without the Majority Lenders' prior written consent and (y) the GUC Note.*

*(b) The Parent shall inform on a quarterly basis the Lenders and the Facility Agent of the aggregate amount of any outstanding Financial Indebtedness incurred by the Group and the Parent and outstanding on the last day of each quarterly period.*

*Pursuant to Amendment no.6, and notwithstanding the provisions of this Clause 22.8 (Financial Indebtedness) of the Agreement, the Lenders consent to the issuance by the Parent of the ORANEs (obligations remboursables en actions nouvelles ou existantes) in the aggregate amount of EUR 150,000,000 (one hundred fifty thousand million Euros), subject to (i) the admission of the ORANEs to trading on Eurolist by NYSE Euronext Paris scheduled to occur before January 31, 2008, and (ii) the ORANEs being offered in priority to the existing shareholders of the Parent.*

*Pursuant to Amendment no.9, and notwithstanding the provisions of this Clause 22.8 (Financial Indebtedness) of the Agreement, the Lenders consent to the issuance by the Parent of the New Shares and/or ORANEs upon exercise of the Warrants in connection with this offering with an aggregate gross amount of EUR 50,070,000 (fifty million seventy thousand Euros), which amount may be increased up to EUR 79,400,000 (seventy-nine million four hundred thousand Euros) if additional Warrants resulting from the shares that may be issued upon the exercise of various equity-related instruments of the Parent are allocated and exercised by the holders of Warrants other than the Lenders and The BlueBay Multi-Strategy (Master) Fund Limited.*

*Pursuant to Amendment No.16, and notwithstanding the provisions of this Clause 22.8 (Financial Indebtedness) of the Agreement, the Lenders consent to:*

*(i) the issuance by the Parent of the 2013 OCEANEs (including the 2013 Majority Lender New Securities and the 2013 Ker Ventures New Securities), subject to:*

*(x) the admission of the 2013 Majority Lender New Securities and 2013 Ker Ventures New Securities to trading on Eurolist by NYSE Euronext Paris scheduled to occur as promptly as practicable after the meeting of shareholders convened on December 11, 2013 (or convened no later than the Effective Date if postponed), as determined by the French stock authorities,*

- (y) *the 2013 Majority Lender New Securities being offered in priority to the Majority Lender; and*
- (z) *the issuance of the OCEANes shall be subject to the Majority Lender being entitled to subscribe to the OCEANes pro-rata of its shareholding in the Company on a fully diluted basis and without taking into account the 2013 Majority Lenders New Securities, or the allocation ratio of the Outstanding ORANes being amended with the consent of the French Autorité des Marchés Financiers to allow the Majority Lender to achieve the same economic benefit.*

*For the avoidance of doubt, the Parent shall not be authorized to issue the 2013 OCEANes if both the 2013 Majority Lender New Securities and the 2013 Ker Ventures New Securities are not issued concomitantly; and*

- (ii) *for the Parent to enter into the Bankruptcy Plan Guarantee, in an amount up to US\$3,419,000, bearing interest at 10% per annum, to be repaid through the issuance by the Parent of the 2013 Convertible Note.*
- (iii) *upon enforcement of the Bankruptcy Plan Guarantee, the issuance by the Parent of the 2013 Convertible Note, subject to the following conditions:*
  - (x) *The 2013 Convertible Note shall only be issued with respect to the shortfall actually incurred by the Parent and covered by the Bankruptcy Plan Guarantee. As an illustration, if the Parent incurs a US\$200,000 (two hundred thousand United States dollars) shortfall, then the 2013 Convertible Note will only be funded for US\$200,000 (two hundred thousand United States dollars) and not for the whole US\$3,419,000 (three million four hundred nineteen thousand United States dollars) amount, and the number of shares to which the 2013 Convertible Note will give access shall be adjusted accordingly;*
  - (y) *The proceeds from the 2013 Convertible Note shall only be used to fund the acquisition of US assets of the Group under the restructuring of the US subsidiaries of the Group. For the avoidance of doubt, the 2013 Convertible Note shall not be used for any other purposes, including, without limitation, working capital, acquisitions, funding of the French business, or any other general corporate purposes.*

**5.8 Amendment to Transaction Security Documents.** A new Section 22.17 (Amendment to Transaction Security Documents) is inserted as follows:

*“a) The Parent shall procure that immediately upon any entity’s or Subsidiary’s becoming a Consolidated Subsidiary, such Consolidated Subsidiary shall create, register, file or otherwise perfect in accordance with applicable law any new lien, pledge or security interest as may be required by the Security Agent (including, without limitation, any pledge of shares or pledge over such Consolidated Subsidiary’s intellectual property rights and/or such Consolidated Subsidiary signing a joinder to any of the Finance Documents). In the event that any asset on which the Security Agent has requested the creation of Security is already subject to Security in favor of third parties, the relevant Consolidated Subsidiary shall nevertheless create,*

*register, file or otherwise perfect second ranking Security if the Security Agent so requests.*

*b) "The Parent shall, and shall cause each member of the Group to, cure promptly any defects in any of the Transaction Security Documents. The Parent, on behalf of itself and the other members of the Group, hereby authorizes the Security Agent to file any financing statements or other filings with the United States Patent and Trademark Office and the United States Copyright Office, and/or any other competent authority (whether in the United States or in any other country), to the extent permitted by applicable law or deemed necessary, appropriate or desirable by the Security Agent in its sole and absolute discretion, in order to perfect or maintain the perfection of any security interest granted under any of the Transaction Security Documents. The Parent, at the Parent's expense, will, and will cause each of the U.S. Subsidiaries and each other member of the Group to, promptly execute and deliver to the Security Agent upon request all such other documents, agreements and instruments to comply with or accomplish the covenants and agreements of the parties hereto, in the Transaction Security Documents and this Agreement, or to further evidence and more fully describe the collateral intended as Security, or to correct any omissions in the Transaction Security Documents, or to state more fully the security obligations set out herein or in any of the Transaction Security Documents, or to perfect, protect or preserve any liens created pursuant to any of the Transaction Security Documents, or to make any recordings, to file any notices or obtain any consents, all as may be deemed necessary, appropriate or desirable by the Security Agent, in connection therewith or to enable the Security Agent to exercise and enforce its rights and remedies with respect to any Security."*

**5.9 2013 Capital Increase.** A new Section 22.18 (2013 Capital Increase) is inserted as follows:

*"Following the extraordinary general meeting of shareholders of the Parent held on December 11, 2013, the Parent undertakes to use its best efforts to (i) cause the general meeting of bondholders to approve the extension of the maturity date of the Outstanding ORANEs before January 31, 2014, and (ii) cause its board of directors to approve and implement the issuance of the 2013 Majority Lender New Securities and the 2013 Ker Ventures New Securities."*

**5.10 Event of Default.**

5.10.1 A new third paragraph is added at the end of Section 20.5 (Notification of Default):

*"(c) Each Obligor shall promptly notify the Facility Agent of any event or circumstances affecting or related to the Insolvency Proceedings promptly upon becoming aware of its occurrence."*

5.10.2 A new paragraph (c) and a new paragraph (d) are added at the end of Section 23.3 (Other Obligations):

*"(c) (i) Any Transaction Security Document shall at any time and for any reason cease to create, attach or perfect a security interest in the property purported to be subject to such agreement in accordance with the terms of such agreement or any material provisions thereof shall cease to be in full force and effect and valid and binding on the parties thereto or any such person shall so state in writing (unless released or terminated pursuant to the terms of such Transaction Security Document), or (ii) any Group member fails to take any action as may be reasonably required by the Security Agent to*

*confirm or ensure the validity and effectiveness of any Transaction Security Document.*

(d) *Any Consolidated Subsidiary (i) fails, upon becoming a Consolidated Subsidiary, to create, register, file or otherwise perfect in accordance with applicable law any new lien, pledge or security interest as may be deemed necessary, appropriate or desirable by the Security Agent in its sole and absolute discretion, or (ii) fails to take any action as may be deemed necessary, appropriate or desirable by the Security Agent in its sole and absolute discretion to confirm or ensure the validity and effectiveness of any Transaction Security Document.*

(e) *The Parent fails to comply with its undertakings under Section 22.17 (Amendment to Transaction Security Documents)."*

5.10.3 A new paragraph (f) is added at the end of Section 23.5 (*Cross Default*):

*"(f) An event of default (however described) occurs in respect of the Outstanding ORANEs or the 2013 Majority Lender New Securities, or any other notes or convertible debt instrument issued by the Parent or any member of the Group."*

5.10.4 A new paragraph (c) is added at the end of Section 23.6 (*Insolvency*):

*"(c) Any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any Obligor or member of the Group and is not released, vacated or fully bonded within 30 days after its issue or levy."*

5.10.5 A new paragraph (e) is added at the end of Section 23.7 (*Insolvency and other proceedings*):

*"(e) Any Obligor or member of the Group institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such person and the appointment continues undischarged or unstayed for thirty (30) calendar days; or any proceeding under any Debtor Relief Law relating to any such person or to all or any material part of its property is instituted without the consent of such person and continues undismissed or unstayed for thirty (30) calendar days, or an order for relief is entered in any such proceeding."*

5.10.6 New paragraphs are added at the end of Section 23.17 (*Capital Increase*), as follows:

*"If the Parent has, for any reason, failed to accomplish the 2013 Capital Increase by March 15, 2014.*

*If the Parent has, for any reason, failed to extend to September 30, 2015 the maturity date of the Outstanding ORANEs by January 31, 2014, such date of January 31, 2014 to be extended to March 15, 2014 in the event the Parent has to reconvene a new meeting of shareholders or bondholders as a result of the quorum not being reached at the first shareholders or bondholders general meeting convened to approve the extension of the maturity date of the Outstanding ORANEs.*

*If the Parent issued the 2013 Ker Ventures New Securities without issuing the 2013 Majority Lender New Securities concomitantly.*

*If the Parent issued the 2013 Convertible Note without the Facility Agent's prior written approval on the actual amount and funding of the 2013 Convertible Note.*

*If, other than with the Facility Agent's prior written consent, the Parent or any entity of the Group issues any shares or convertible-security giving access to the share capital of any entity of the Group to an investor or a group of investors without offering the Lenders the option to participate pro rata to each of the Lenders' existing shareholdings, including by set-off of any amounts now or hereafter due and owing to the Lenders under the Credit Facility Agreement, in which case upon request from the relevant Lenders, the Original Borrower and the Parent shall enter into a delegation agreement, in form and substance acceptable to such Lenders, for the purpose of enabling this set-off (pursuant to which the Parent shall agree to repay the relevant amount on behalf of the Original Borrower).*

**5.11 Appointment of a Security Agent.** The first paragraph (a) of Section 26.17 (*Appointment of a Security Agent*) is amended as follows:

*"(a) The Lenders appoint Alden Global Value Recovery Master Fund, L.P. as Security Agent to act as their agent under and in connection with the Transaction Security Documents."*

**6. CONSOLIDATED CREDIT FACILITY AGREEMENT**

The Parties shall prepare a consolidated version of the Credit Facility Agreement, as amended hereunder, as soon as practicable following the entry into force of this Amendment No.16. In case of discrepancy between the consolidated version of the Credit Facility Agreement as amended under this Amendment No.16 and the provisions of this Amendment No.16, the Amendment No.16 shall prevail.

**7. REPRESENTATIONS AND WARRANTIES**

Each of the Original Borrower and the Parent:

- (i) represents and warrants that (a) it has the full power and authority to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of this Amendment No.16 and the transaction contemplated herein, (b) all representations and warranties stated in Article 19 (*Representations*) of the Credit Facility Agreement are true, complete and accurate, subject only to the representation and warranties contained in Section 19.9 (*No default*) and 19.14 (*No insolvency*) which are qualified only by the continuing Event of Default resulting from the Insolvency Proceedings, and (c) it has disclosed to the Lenders all relevant information relating to the Insolvency Proceedings and has not withheld any information which could have adversely affected the Lenders' reasonable decision to extend the Final Maturity Date and to agree to this Amendment No.16;
- (ii) acknowledges and agrees that the Lenders have entered into this Amendment No.16 and have agreed to extend the Final Maturity Date in full reliance on those representations and warranties; and
- (iii) acknowledges and agrees that: (w) issuance of the 2013 Majority Lender New Securities and of the 2013 Ker Ventures New Securities, (x) the capitalization of the accrued interest into the principal Commitment (outstanding loan), (y) the extension of the existing security package, (z) as well as the various undertakings and commitments taken by the Parent and



the Original Borrower (directly or on behalf of other entities of the Group), were decisive criteria for the Lenders' decision to accept the extension of the Final Maturity Date, and confirms that the issuance of such securities, such capitalization of accrued interest and the transaction contemplated herein comply with their respective corporate interest (*intérêt social*) and, in light of the financial relief provided to the Group as a whole, conforms and are in furtherance of the corporate interest of the entities of the Group, taken as a whole.

## **8. CONDITIONS PRECEDENT**

This Amendment No. 16 shall become effective upon the occurrence of the following, as determined by the Majority Lender in its sole and absolute discretion (the "**Effective Date**")

a) This Amendment No.16 shall have been executed and delivered by the parties hereto.

b) The effective date of the reorganization plan filed by the Parent in the Chapter 11 Case No. 13-10176 (JMP) of Atari, Inc. et al. shall have occurred.

c) The Borrower and the Parent shall have amended all existing Transaction Security Documents to the extent necessary or desirable in the opinion of the Security Agent so that the amount secured by such Transaction Security Documents is increased to twenty four million eight hundred thirty five thousand and eight hundred seventy two Euros (EUR 24,835,872) in principal (plus any fees and accrued interest) and such amendments shall have been duly authorized, documented, registered, filed or otherwise perfected in accordance with the applicable laws, and delivered to the Security Agent in order to Secure the obligations of the Borrower and the Parent under the Credit Facility Agreement.

d) Each of the U.S. Subsidiaries shall have executed and delivered the U.S. Subsidiary Security Agreement (which shall be deemed a Transaction Security Document) to the Security Agent, together with appropriate UCC-1 financing statements and documents to be filed with the United States Patent and Trademark Office or the United States Copyright Office, if any, necessary or desirable for filing with the appropriate authorities and any other documents, agreements, or instruments necessary to create, perfect or maintain a security interest in the property described in the U.S. Security Agreement, each in form and substance satisfactory to the Security Agent.

e) The Parent shall have executed and delivered the California Stock Pledge Agreement (which shall be deemed a Transaction Security Document) to the Security Agent, together with the appropriate UCC-1 financing statement, original stock certificate representing 100% of the equity interest in California U.S. Holdings, Inc. and related stock power, and any other documents, agreements, or instruments necessary to create, perfect or maintain a security interest in the property described in the California Stock Pledge Agreement, each in form and substance satisfactory to the Security Agent.

## **9. NO FURTHER AMENDMENT – RESERVATION OF RIGHTS**

Any clause or provision of the Credit Facility Agreement which is not expressly modified by the terms of this Amendment No.16 shall remain in full force and effect. Nothing in this Amendment No.16 shall be deemed to constitute a waiver of any and all rights of the Lenders or any consent under the Credit Facility Agreement.

In particular and without limitation, the Lenders hereby reserve any and all its rights (i) in connection with the Insolvency Proceedings, and (ii) under Clause 23.16 (*Acceleration*) of the Credit Facility Agreement.

This Amendment No.16 shall not result in a novation of the rights and obligations of the parties to the Credit Facility Agreement and of the related security interests which shall remain in full force and effect.

**10. COSTS AND EXPENSES**

The Parent shall on demand reimburse the Lenders from all reasonable and justified costs and expenses (including the Lenders' counsels' legal fees and foreign correspondents' legal fees) incurred by the same in connection with the preparation, negotiation and execution of any future Amendment entered into, i.e. in connection with any Amendment subsequent to the present Amendment No.16 but excluding the present Amendment No.16 or any prior amendment of the Credit Facility Agreement.

**11. EXECUTION BY FACSIMILE OR PDF**

This Amendment No.16 and any other document ancillary to this Amendment No.16, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party hereto or to any such contract, each other Party hereto or thereto shall re execute original forms thereof and deliver them to all other Parties. No Party hereto or to any such contract shall raise the use of a facsimile machine or electronic transmission in pdf to deliver a signature or the fact that any signature or contract was transmitted or communicated through the use of facsimile machine as a defense to the formation of a contract and each such Party irrevocably waives any such defense.

**12. GOVERNING LAW, JURISDICTION**

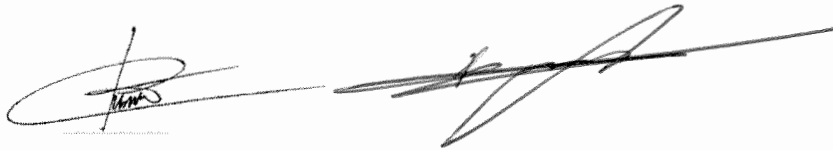
This Amendment No.16 shall form one and single agreement with the Credit Facility Agreement and shall be governed by and construed in accordance with the laws of France. *The Tribunal de Commerce de Paris* shall have exclusive jurisdiction over any dispute arising out of or in connection with the Credit Facility Agreement as modified by this Amendment No.16 or this Amendment No.16 and any amendment to the Transaction Security documents.

**This Amendment No.16 has been entered into on the date stated at the beginning of this Amendment No.16.**

*[SIGNATURE PAGES FOLLOW]*

**SIGNATURES**

**The Original Borrower**



\_\_\_\_\_

Denis Bouma.

**ATARI EUROPE SAS**

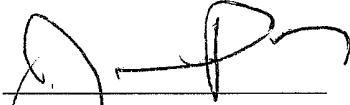
By: Atari SA as *Président*, itself represented by Frédéric Chesnais in his capacity as *Directeur Général*

Address: 78, rue Taitbout  
75009 Paris – France

Fax: + 33 1 73 79 21 54

[SIGNATURE PAGE TO THE AMENDMENT 16 TO THE CREDIT FACILITY AGREEMENT]

**Lender, Facility Agent and Security Agent**



**ALDEN GLOBAL VALUE RECOVERY MASTER FUND, L.P.**  
By: Alden Global Capital Limited, its Investment Adviser,  
itself-by: Alden Global Capital LLC, its Sub-Adviser,

itself by: JASON FERRARA

Address: c/o Alden Global Capital LLC  
885 Third Avenue, Suite, 34th Floor  
New York, New York 10019  
Attention: General Counsel  
Facsimile No. + 1 (212) 702-0145

With a copy to: [notices@aldenglobal.com](mailto:notices@aldenglobal.com)

[SIGNATURE PAGE TO THE AMENDMENT 16 TO THE CREDIT FACILITY AGREEMENT]

**Lender:**



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**KER VENTURES**

By: Frédéric Chesnais in his capacity as General Manager

Address: c/o the Corporation Trust Company  
1209 Orange Street  
Wilmington, DE, 19801  
United States of America


Attn: Frédéric Chesnais

Fax: (617) 812-2554

*[SIGNATURE PAGE TO THE AMENDMENT 16 TO THE CREDIT FACILITY AGREEMENT]*

In the presence of

The Parent



Denis Bunina .

**ATARI SA**

Address: 78, rue Taitbout  
75009 Paris - France

Fax: + 33 1 73 79 21 54

By: Frédéric Chesnais in his capacity as *Directeur Général*

[SIGNATURE PAGE TO THE AMENDMENT 16 TO THE CREDIT FACILITY AGREEMENT]