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COMPANIES FORM No. 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares.

155(6)b

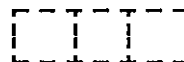
Please do not
write in this
marginPlease complete
legibly, preferably
in black type, or
bold block letteringNote
Please read the notes
on page 3 before
completing this form*Insert full name
of company†Insert name(s) and
address(es) of all
the directors§Delete as
appropriate‡Delete whichever
is inappropriate

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



278208

Name of company

* WILLIAM HILL ORGANIZATION LIMITED

x/Wet PLEASE SEE RIDER 1 ATTACHED

~~the sole director~~ [all the directors] § of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

The business of this company is:

~~(a) that of a [recognised bank] licensed institution § within the meaning of the Banking Act 1979 ‡~~

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom ‡~~

(c) something other than the above ‡

This company is ~~the~~ [a] holding company of* WILLIAM HILL (SOUTHERN) LIMITED *(the "Subsidiary")*

_____ which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [_____]

_____ ~~the holding company of this company ‡~~Presentor's name, address and
reference (if any):

Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

PZB/CHW/041325.00015
(50168416)

For official use

General Section

Post room



KLO *KPOFC1VK* 1541
COMPANIES HOUSE 10/12/97

The assistance is for the purpose of ~~[that acquisition]~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

Please do not
write in this
margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

The number and class of the shares acquired or to be acquired is: 14,685,856 Ordinary shares
of 10 pence each and 100 B Shares of 10 pence each

The assistance is to be given to: (note 2) THE GRAND BOOKMAKING COMPANY LIMITED
(COMPANY NO.3447836) MITRE HOUSE, 160 ALDERSGATE STREET, LONDON EC1A 4DD

The assistance will take the form of:

PLEASE SEE RIDER 2 ATTACHED

The person who [has acquired] ~~[will acquire]~~† the shares is:

THE GRAND BOOKMAKING COMPANY LIMITED (COMPANY NO.3447836)

†Delete as
appropriate

The principal terms on which the assistance will be given are:

PLEASE SEE RIDER 3 ATTACHED

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced
by giving it is NIL

The amount of cash to be transferred to the person assisted is £ PLEASE SEE RIDER 4 ATTACHED

The value of any asset to be transferred to the person assisted is £ NIL

Please complete
legibly, preferably
in black type, or
bold block lettering

I/We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) [I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~[It is intended to commence the winding up of this company within 12 months of that date, and I/We have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

*Delete either (a) or
(b) as appropriate

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Mitre House, 160 Aldersgate
Street, London EC4

the Second day of December

One thousand nine hundred and ninety seven

before me Karen O'Donohue

~~A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.~~

Declarants to sign below

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

RIDER 1

Directors of the Company:

Name	Address
John Michael Brown	Milford Court Milford Road South Milford Leeds LS25 5AD
Elizabeth Jane Dodgson	8 Osier Mews Chiswick London W4 2NT
David Hart	37 Heath Road Potters bar Hertfordshire EN6 1LW
William Leslie Haygarth	"Almeda" Abbey Park Burghfield Common Reading Berkshire RG7 3HQ
Robert Lambert	17 Leadhall Crescent Harrogate North Yorkshire HG2 9NG
David Lowrey	"Wymondley" 13 Spofforch Hill Wetherby West Yorkshire LS22 4SF
Liam John McGuigan	5 Dane O'loys Road Bishops Stortford Hertfordshire CM23 2RN
Anthony David Steele	11 Hill Rise Cuffley Hertfordshire EN8 4ED
Shailen Wasani	24 The Forresters Winslow Close Eastcote Middlesex HA5 2QY
Ray John Hart	Hazel Court The Drive Belmont Surrey SM2 7DH
Fraser Scott Duncan	57 Sunny Hill Witley Surrey GU8 5RW

RIDER 2

155(6)b

Certain terms and expressions used in the riders to this statutory declaration are defined at the end of this Rider 2.

The assistance will take the form of the Subsidiary entering into the following documents:

- (1) a funding agreement (the "**Funding Agreement**") to be made between The Grand Bookmaking Company Limited and The Trading Companies (including the Company) setting out the terms upon which, inter alia:
 - (a) the Subsidiary agrees to lend to WHO Available Cash;
 - (b) WHO agrees to lend to the Trading Companies;
 - (c) the Trading Companies agree to lend to each other;
 - (d) WHO agrees to lend to The Grand Bookmaking Company Limited;
- (2) a deed of accession (the "**Deed of Accession**") to an intercreditor agreement (the "**Intercreditor Agreement**") to be made between, inter alia, the Security Agent, Investco and Finco. Under the Deed of Accession all or certain of the Trading Companies (including the Subsidiary) are to accede to the Intercreditor Agreement and:
 - (a) acknowledge the priorities, rights and obligations set out therein;
 - (b) undertake with each of the Finance Parties in terms set out in the Intercreditor Agreement; and
 - (c) agree to subordinate to the Finance Parties all indebtedness owing to them;
- (3) a guarantee and debenture (the "**Guarantee and Debenture**") which may be entered into by all or certain of the Trading Companies (including the Company) in favour of the Security Agent under which each such Trading Company will:
 - (a) guarantee the obligations and liabilities of The Grand Bookmaking Company Limited, Finco and the other Trading Companies who are parties to the Guarantee and Debenture to the Senior Finance Parties, the Senior Subordinated Noteholder, the Senior Subordinated Bondholders and the Senior Subordinated Term Lenders (all as defined in the Guarantee and Debenture); and
 - (b) grant first-ranking fixed and floating charges over all of their property, assets and undertakings to the Security Agent for the benefit of the Senior Finance Parties and grant a second-ranking security assignment of their rights, title and interest in intra-group loans made by the relevant Trading Company to The Grand Bookmaking Company Limited to the Security Agent for the benefit

of the Senior Subordinated Noteholder, the Senior Subordinated Bondholders and the Senior Subordinated Term Lenders; and

- (4) a loan agreement to be made (as original parties) between, inter alia, The Grand Bookmaking Company Limited and Bankers Trust Company in its capacity as Original Bank, Arranger, Facility Agent (the "**Loan Agreement**"). The Subsidiary may be required to enter into the Loan Agreement (by executing an accession agreement in the form contained therein) and thereupon would be eligible to borrow moneys under the Loan Agreement and the Subsidiary could also become liable under certain indemnity and other provisions.

Definitions

Terms and expressions used in Rider 2 and Rider 3 to this statutory declaration shall unless the context otherwise requires have the following meanings:

"Acceleration" means the acceleration of payment of Senior Indebtedness following a Senior Default (as defined in the Intercreditor Deed) and/or acceleration of payment of Senior Subordinated Indebtedness following a Senior Subordinated Default (as defined in the Intercreditor Deed)

"Available Cash" means all cash of the relevant Trading Company (calculated on a daily basis) having retained a cash float in each licensed betting office and an amount sufficient to discharge unclaimed winning bets

"Borrowers" means The Grand Bookmaking Company Limited, Finco and any other member of the Group which becomes a borrower under any of the Finance Documents and **"Borrower"** means any one of them

"Disposal" means a disposal of the Shares of a member of the Group made by or on the instructions of receiver appointed pursuant to the Security Documents (as defined in the Intercreditor Agreement)

"Enforcement Action" means, in relation to any Indebtedness or Intra-Group Debt, any action whatsoever taken against any member of the Group or Investco to:

- (a) demand payment, declare prematurely, due and payable or otherwise seek to accelerate payment all or any part of that Indebtedness or Intra-Group Debt or any part thereof;
- (b) recover all or any part of that Indebtedness or Intra-Group Debt (including, without limitation, by exercising any rights of set-off or combination of accounts);
- (c) declare an Early Termination Date (as defined in the Hedging Document) under any Hedging Document or demand payment of all or any part of any amount which would become payable following an Early Termination Date (as defined in the Hedging Document); or
- (d) exercise or enforce or require the Security Agent to exercise or enforce any rights under or pursuant to the provisions of any guarantee granted by a member of the Group in relation to all or any part of any Indebtedness or Intra-Group Debt or any rights or security granted pursuant to any Security Documents (as defined in the Intercreditor Agreement) or other Security Interest (as defined in the Loan Agreement); or

- (e) petition for (or take any other steps or action which may lead to) an Insolvency Event (as defined in the Intercreditor Agreement) in relation to any member of the Group or Investco; or
- (f) commence legal proceedings against any member of the Group or Investco

“Finance Documents”:

- (a) when designated **“Senior”** means the Senior Finance Documents (as defined in the Loan Agreement) and any Refinancing Finance Documents (as defined in the Intercreditor Agreement);
- (b) when designated **“Senior Subordinated”**, means the Senior Subordinated Note Documents, the Senior Subordinated Bond Documents and the Senior Subordinated Term Loan Documents (all as defined in the Intercreditor Agreement);
- (c) without such designation, means the Senior Finance Documents and the Senior Subordinated Finance Documents

“Finance Parties” has the meaning set out in the Intercreditor Agreement

“Finco” means William Hill Finance PLC (Company No 3461992)

“Finco Indebtedness” has the meaning set out in the Guarantee and Debenture

“Group Member” means a member of the Group and **“Group”** means The Grand Bookmaking Company Limited (Company No. 3447836) and its subsidiaries from time to time

“Hedging Banks” means Bankers Trust Company and Nomura International Plc in their capacity as providers of interest rate hedging facilities to any Borrower in relation to borrowings under the Finance Documents and any assignee or transferee to whom rights and/or obligations are assigned, transferred or novated in accordance with the Hedging Documents and any other Senior Bank which becomes a party to the Intercreditor Agreement as a Hedging Bank

“Hedging Documents” means each 1992 ISDA Master Agreement entered into between any Borrower and a Hedging Bank and each contract or confirmation given thereunder, in each case to the extent it relates to the provision of interest rate hedging facilities to any Borrower in relation to borrowings under the Finance Documents

“Indebtedness”;

- (a) when designated **“Senior”**, means Senior Indebtedness (as defined below);
- (b) when designated **“Senior Subordinated”**, means Senior Subordinated Indebtedness (as defined below);
- (c) when designated **“Investor”**, means Investor Indebtedness (as defined below);
- (d) when designated **“Finco Indebtedness”** has the meaning set out in the Guarantee and Debenture;

- (e) without any such designation, the Senior Indebtedness and/or the Senior Subordinated Indebtedness and/or the Investor Indebtedness, as the context requires,

subject to the proviso in relation to the Senior Indebtedness as set out in the definition of **"Indebtedness"**

"Intra-Group Creditor" means The Grand Bookmaking Company Limited, Finco and any other members of the Group which are creditors in relation to any Intra-Group Debt

"Intra-Group Debt" means all money and liabilities now or hereafter due, owing or incurred to any member of the Group by any other member of the Group in any currency or currencies, whether present or future, actual or contingent whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith and each part of the foregoing

"Investco" means The Grand Bookmaking Holdings Limited (Company No 3447830)

"Investor Indebtedness" means all money and liabilities now or hereafter due, owing or incurred to the Investors (or any of them) by Investco or by any Group Company or by the Parent or any Group Company to Investco in any such case under the Investor Documents (or any of them) (as defined in the Inter Creditor Agreement) in any currency or currencies, whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith

"Investors" means Nomura International Plc and any assignee or transferee to whom rights and/or obligations are assigned, transferred or novated in accordance with the Investor Documents (as defined in the Intercreditor Deed)

"Obligors" means The Grand Bookmaking Company Limited, Finco and the other Borrowers and each other Member of the Group which has undertaken (or in the future undertakes) obligations to a Finance Party pursuant to one or more of the Finance Documents

"Reports" means the Accountants Report, the Legal Due Diligence Report, the Insurance Report and the Property Report all as defined in the Loan Agreement

"Secured Party" means the Senior Finance parties and the Senior Subordinated Finance parties

"Security Agent" means Bankers Trustee Company Limited acting in its capacity as trustee in relation to the Security Documents (as defined in the Intercreditor Deed) and as agent in relation to the Intercreditor Agreement or such other person as may from time to time act in that capacity

"Security Interests" has the meaning set out in the Loan Agreement

"Senior Finance Documents" means the Senior Finance Documents (as defined in the Loan Agreement)

"Senior Finance Parties" means the Finance Parties (as defined in the Loan Agreement)

"Senior Indebtedness" means all money and liabilities now or hereafter due, owing or incurred to the Senior Finance Parties (or any of them) by any Obligor under the Senior Finance Documents (or any of them) in any currency or currencies, whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith

"Senior Representative" means:

- (a) for so long as any Senior Indebtedness remains outstanding under the Loan Agreement, the Senior Agent; and
- (b) thereafter, such other trustee, agent or representative as shall be appointed in respect of any Senior Indebtedness (and notified to the Senior Subordinated Representative by the Parent) provided that if and for so long as any Senior Indebtedness lacks such a representative, then the representative for such Senior Indebtedness shall be constituted by the holders of a majority in outstanding principal amount of such Senior Indebtedness

"Senior Subordinated Finance Documents" means the Senior Subordinated Nomura Note Documents, the Senior Subordinated Bond Documents and the Senior Subordinated Term Loan Documents (all as defined in the Intercreditor Deed)

"Senior Subordinated Finance Parties" means the SSN Trustee (as trustee for the Senior Subordinated Noteholders) Senior Subordinated Noteholders, the Senior Subordinated Term Lenders, the Senior Subordinated Bond Trustee and the Senior Subordinated Bond Holders (all as defined in the Intercreditor Deed)

"Senior Subordinated Indebtedness" means all money and liabilities now or hereafter due, owing or incurred to the Senior Subordinated Finance Parties (or any of them) by any Obligor under the Senior Subordinated Finance Documents (or any of them) in any currency or currencies, whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith

"Senior Subordinated Representative" means:

- (a) for so long as the Senior Subordinated Notes (as defined in the Intercreditor Deed) are outstanding, the Original Subordinated Nomura Noteholder (as defined in the Intercreditor Agreement);
- (b) for so long as the Senior Subordinated Term Loan (as defined in the Intercreditor Agreement) is outstanding, the Senior Subordinated Facility Agent (as defined in the Intercreditor Agreement); and
- (c) for so long as the Senior Subordinated Bonds (as defined in the Intercreditor Agreement) are outstanding, the Senior Subordinated Bond Trustee (as defined in the Intercreditor Agreement)

"Target Group" means William Hill Organization Limited, Laystall Limited, Camec Limited, William Hill Trustees Limited and their subsidiaries

“Trading Companies” means members of the Target Group who are a party to the Funding Agreement and **“Trading Company”** means any one of them

“WHO” means William Hill Organizations Limited, Company No. 278208

RIDER 3

The principal terms on which the assistance will be given are:

(1) Funding Agreement

The principal terms of the Funding Agreement are:-

- (a) The Subsidiary agrees that it shall lend on a regular basis to WHO (to allow WHO to lend monies to The Grand Bookmaking Company Limited (as provided in the Funding Agreement) and then to allow The Grand Bookmaking Company Limited to pay amounts outstanding by it under the Loan Agreement, the PLC Loan Agreement (as defined in the Funding Agreement), the NIF (as defined in the Funding Agreement), the CULS (as defined in the Funding Agreement) and the Hedging Agreements (as defined in the Funding Agreement) by way of non interest bearing loan, repayable on demand a sum equal to its Available Cash.
- (b) The Trading Companies (including the Subsidiary) agree to lend to each other such amounts as may be requested by them or any one of them, not exceeding the amount of the monies then available to the relevant Trading Company (including the Subsidiary) and being surplus to the immediate requirements of the business of such Trading Company. Each such loan shall bear interest at such commercial rate as shall be agreed between the borrower and the lender or at the rate of 2% per annum above the published base rate of National Westminster Bank Plc.

(2) Intercreditor Agreement

- (a) Under clause 3.3(b) of the Intercreditor Agreement, each Intra-Group Creditor agrees that, save with the consent of the Senior Representative for so long as any Senior Indebtedness remains outstanding and at any time when no Senior Indebtedness remains outstanding, save with the consent of the Senior Subordinated Representative, it will not:
 - (i) demand or receive or take any action to receive redemption, payment, prepayment or repayment in respect of all or any part of the Intra-Group Debt other than payments permitted under clause 4.5 or as a result of action taken under clause 8 of the Intercreditor Agreement;
 - (ii) discharge or seek to discharge all or any part of the Intra-Group Debt by set-off, combination of accounts or otherwise, other than as a result of action taken under clause 8 of the Intercreditor Agreement; or
 - (iii) receive from any Group Member any Security Interest (as defined in the Loan Agreement) over any of its assets or receive any guarantee in respect of all or any part of the Intra-Group Debt; or
 - (iv) permit any Group Member to defease, acquire or agree to acquire all or any part of the Intra-Group Debt.
- (b) Under clause 4.6 of the Intercreditor Agreement, in respect of any claims for costs or damages made in relation to the Reports, if any Senior Indebtedness or Senior Subordinated Indebtedness remains outstanding and any party to the Intercreditor Agreement, not being a Senior Finance Party, receives any moneys as a result of making

any claim for costs or damages in relation to any of the Reports, the relevant recipient agrees to pay an amount equal to the amount of such monies (less the costs and expenses incurred in making the claim) to The Grand Bookmaking Company Limited (if appropriate via Investco) by way of a loan repayable upon demand, which will form part of the liabilities owing to that party and, as such, shall rank pari passu with other indebtedness due to such party in accordance with the provisions of the Intercreditor Agreement. For so long as Senior Indebtedness remains outstanding such monies shall be applied in prepayment of Senior Indebtedness under the Loan Agreement;

- (c) Under clause 5.7 of the Intercreditor Agreement, each Intra-Group Creditor agrees not to take any Enforcement Action in relation to the Intra-Group Debt:
 - (i) for so long as any Senior Indebtedness remains outstanding, without the prior written consent of the Senior Representative and the Senior Subordinated Representative provided that no such consent of the Senior Subordinated Representative shall be required following an Acceleration; or
 - (ii) in the event that no Senior Indebtedness remains outstanding, without the prior written consent of the Senior Subordinated Representative Provided that each Intra-Group Creditor shall if so required by the Security Agent at or immediately prior to a Disposal take such Enforcement Action in relation to the Intra-Group Debt as it is directed by the Security Agent to take and, if so required by the Security Agent, agrees to amend, waive or release the Intra-Group Debt and/or the terms applicable to it in such manner and to such extent as the Security Agent may direct save that the Security Agent shall not be entitled to request any such waiver or release in respect of Intra-Group Debt existing between Finco and The Grand Bookmaking Company Limited.
- (d) Clause 8.1 of the Intercreditor Agreement provides that if there occurs:
 - (i) an Insolvency Event (as defined in the Intercreditor Agreement) in relation to an Obligor; and
 - (ii) any distribution, division or application, of all or any part, voluntarily or involuntarily by operation of law or otherwise of all or any part of the assets of any Obligor by reason of the liquidation, dissolution or other winding up of any Obligor or its businesses or any sale, receivership or insolvency proceeding or assignment for the benefit of the creditors,

then and in any such event (amongst other things), the claims against that Obligor in respect of the Intra-Group Debt will be subordinate in right of payment to the claims against that Obligor in respect of the Senior Indebtedness and the Senior Subordinated Indebtedness and any payment or distribution of assets of that Obligor of any kind or character and all and any rights in respect thereof, whether in cash or in securities or other property which is payable or deliverable upon or with respect to (amongst other things) the Intra-Group Debt or any part thereof by the liquidator, administrator, administrative receiver or receiver (or the equivalent thereof) of any Obligor or its estate shall be paid or delivered to the Security Agent for application in accordance with Clause 10 of the Intercreditor Deed. Clause 10.1 sets out the order of priorities for the application of recoveries in respect of which the claims of the Senior Finance Parties and the Hedging Banks in respect of the Senior Indebtedness, the Senior Subordinated Finance Parties in respect of the Senior Subordinated Finance Documents, the Senior Subordinated Representative in respect of the Senior Subordinated Indebtedness and the Investors in respect of any subrogation rights, rank ahead of any claims of the Obligors;

- (e) Under clause 8.3 of the Intercreditor Agreement, the Intra-Group Creditors agree to execute or procure the execution of and delivery to the Security Agent of such powers of attorney, assignments or other instruments as may be requested by the Security Agent to enforce any and all claims upon or with respect to the Intra-Group Debt or any part thereof and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to any of such indebtedness or any part thereof to the extent that the relevant Intra-Group Creditor has failed to comply with its obligations under the Intercreditor Agreement after being requested to do so by the Security Agent and the Security Agent has a claim on the amount represented by the relevant payment or distribution;
- (f) Under clause 9 of the Intercreditor Agreement, if at any time:
 - (i) any Intra-Group Creditor receives or recovers a payment or distribution of any kind whatsoever in respect of or on account of any Intra-Group Debt which is prohibited by the Intercreditor Agreement or receives or recovers proceeds pursuant to any Enforcement Action (including without limitation action taken in accordance with clause 8 of the Intercreditor Agreement); or
 - (ii) any Group Member or Obligor makes any payment or distribution of any kind whatsoever in respect of or on account of the defeasance, the purchase or other acquisition of any Intra-Group Debt,

the recipient or beneficiary of that payment, distribution, set-off or combination will promptly pay all amounts received to the Security Agent for application in accordance with clause 10.1 of the Intercreditor Agreement and, pending such payment, will hold those monies on trust for the Security Agent;

- (g) Under clause 9.3 of the Intercreditor Agreement the Obligors agree to fully indemnify each of the Hedging Banks, the Senior Subordinated Finance Parties and the Investors upon demand for the amount of any payment or distribution made by such parties to the Security Agent under clause 9.1 (Turnover);
- (h) Clause 11.3 of the Intercreditor Agreement incorporates a waiver by the Intra-Group Creditors of all rights of subrogation to any of the rights of the Senior Finance Parties or the Senior Subordinated Finance Parties or any Security Interests or guarantees arising under the Senior Finance Documents or the Senior Subordinated Finance Documents;
- (i) Clause 20 which regulates the making of balancing payments between Senior Finance Parties, in the event of one Senior Finance Party being overpaid as against the others, incorporates in clause 20.2 an indemnity on the part of each of the Obligors to fully indemnify each of the Senior Finance Parties on demand for the amount of any payment or distribution which any of them may have to make in accordance with clause 20 to the extent that any such payment or distribution would otherwise result in the reduction or discharge of the Senior Indebtedness.

(3) The Guarantee and Debenture

In the event that the Subsidiary enters into the Guarantee and Debenture, the principal terms of the Guarantee and Debenture are:

- (a) The Subsidiary will:
 - (i) guarantee the due and punctual payment by each Obligor of all sums due by such Obligor (i) comprised in the Indebtedness, (ii) under the terms of the Senior Finance Documents, (iii) comprised in the Finco

Indebtedness and (iv) under the terms of the Senior Subordinated Finance Documents;

- (ii) undertakes to pay to the Security Agent on demand any sum which any other Obligor fails to pay on the due date, comprised in the Indebtedness or comprised in the Finco Indebtedness; and
- (iii) undertakes to indemnify the Security Agent (for the benefit of each Senior Finance Party and for the benefit of each Senior Subordinated Finance Party) against all losses, damages, costs and expenses incurred by the Security Agent or any other Senior Finance Party or by any Senior Subordinated Finance Party arising from any failure by any other Obligor to pay the sums comprised in the Indebtedness or, as the case may be, comprised in the Finco Indebtedness as and when they fall due.

(b) Under the terms of the Guarantee and Debenture, the Subsidiary will:

- (i) charge in favour of the Security Agent (for the benefit of the Senior Finance Parties) all its property, assets and undertaking by way of fixed and floating charges and assign in favour of the Security Agent (for itself and the other Senior Finance Parties) its rights, title and interest in the Assigned Agreements (as defined in the Guarantee and Debenture) and in any Intra-Group Loan (as defined in the Guarantee and Debenture), in each case and by way of assignment as security for the payment of the Indebtedness; and
- (ii) assign in favour of the Security Agent (for the benefit of itself and the Senior Subordinated Finance Parties) all its rights, title and interest in any Intra-Group Loan (as defined in the Guarantee and Debenture) as security for the payment of the Finco Indebtedness.

- (c) The Subsidiary will, at its own expense, promptly execute such deeds, assurances, agreements and instruments and otherwise do such acts and things as the Security Agent may reasonably require for perfecting and protecting the security created (or intended to be created) by the Guarantee and Debenture and in particular, but without limitation, executing such further security documentation (as set out in the Guarantee and Debenture) as required from time to time.
- (d) The Subsidiary will make certain representations and warranties and give certain covenants to the Security Agent (for the benefit of itself) and the other Senior Finance Parties or, as the case may be, the Secured Parties.
- (e) The Subsidiary will indemnify the Security Agent and keep it indemnified on demand against all losses, costs, charges and expenses incurred by the Security Agent as a result of a breach by the Subsidiary of its obligations under certain undertakings provided in the Guarantee and Debenture and in connection with the exercise by the Security Agent of its powers to remedy contained in the Guarantee and Debenture. All such sums will be payable by the Subsidiary to the Security Agent on demand and will bear interest at the default rate if not so paid.
- (f) The Subsidiary will on demand pay and reimburse to the Security Agent, the other Secured Parties and any receiver on a full indemnity basis all costs and expenses as specified in the Guarantee and Debenture.

- (g) Under the Guarantee and Debenture, each Secured Party may, at any time after an event of default has occurred and whilst it is continuing, set-off or otherwise apply sums standing to the credit of the Subsidiary's account with that Secured Party or set-off any other obligations owed by the relevant Secured Party to the Subsidiary, in each case in or towards satisfaction of the Indebtedness or the Finco Indebtedness.
- (h) Default interest is payable on unpaid sums from the due date to the date of actual payment, if the Subsidiary fails to pay any sum when due.
- (i) The Subsidiary will pay additional amounts to the extent of any deduction or withholding for or on account of Taxes (as defined in the Guarantee and Debenture).

(4) Loan Agreement

- (a) In addition to the Subsidiary's repayment obligations in respect of its borrowed moneys:
 - (i) the Subsidiary could become liable under certain indemnity provisions of the Loan Agreement, namely to pay any deficiency or loss sustained by any Finance Party (as defined in the Loan Agreement) as a result of currency fluctuations
 - (ii) the Subsidiary will also authorise under the Loan Agreement that at any time after an Event of Default (as defined therein) has occurred, set-off or the application of sums standing to the credit of any of its accounts with any Finance Party (as defined in the Loan Agreement) or the set-off of any other obligations of the Finance Party owed to it against any liability of the Subsidiary to such Finance Party under the Senior Finance Documents (as defined in the Loan Agreement).

RIDER 4

The amount of cash to be transferred to the person assisted:

1. Under the Funding Agreement, the amount of cash that the Trading Companies lend to WHO is without any stated limit other than the availability thereof to the Subsidiary. WHO may be required to lend cash to The Grand Bookmaking Company Limited. The amount of cash to be transferred by WHO to The Grand Bookmaking Company Limited is without any stated limit, but is subject to the caveat that no loan need be made if the Board of Directors of WHO resolve at a duly convened and quorate meeting that, having reviewed the cashflow forecast for the Target Group for the following twelve months, there will be a shortfall of working capital for the Target Group.
2. Under the Intercreditor Agreement: none
3. Under the Guarantee and Debenture: none
4. Under the Loan Agreement: none

RIDER 5

within 8 weeks of the date of this statutory declaration.



Chartered Accountants

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AUDITORS' REPORT TO THE DIRECTORS OF WILLIAM HILL ORGANIZATION LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors of William Hill Organization Limited dated 2 December 1997 in connection with the proposal that William Hill (Southern) Limited should give financial assistance for the purchase of William Hill Organization Limited's shares.

Basis of opinion

We have enquired into the state of William Hill Organization Limited's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act is unreasonable in all the circumstances.

Deloitte & Touche
Registered Auditors

Hill House
1 Little New Street
London EC4A 3TR

2 December 1997