

PART IV

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2020-003818

IN THE MATTER OF WILLIAM HILL PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

WILLIAM HILL PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“Acquisition”	the proposed acquisition by Caesars UK Bidco of the entire issued and to be issued share capital of William Hill not already owned by or on behalf of the Caesars Group to be effected by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Business Day”	a day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business;
“Caesars”	Caesars Entertainment, Inc.;
“Caesars UK Bidco”	Caesars UK Holdings Limited, a company incorporated in England and Wales with company number 12907596;
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Companies Act”	the Companies Act 2006, as amended;
“Conditions”	the conditions to the Acquisition and to the implementation of the Scheme set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act



	for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;
“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Document”	the circular to the William Hill Shareholders published by the Company on 26 October 2020 in connection with this Scheme;
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	(i) any William Hill Shares which are registered in the name of or beneficially owned by Caesars, Caesars UK Bidco or any of their subsidiary undertakings immediately prior to the Scheme Record Time; and (ii) any William Hill Shares held in treasury;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Latest Practicable Date”	close of business on 23 October 2020, being the latest practicable date before publication of the Document;
“Meeting”	the Court Meeting and/or the General Meeting, as the case may be;
“Panel”	The Panel on Takeovers and Mergers, or any successor to it;
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by William Hill and Caesars UK Bidco;
“Scheme Record Time”	6:00 p.m. on the Business Day immediately after the date on which the Court makes the Court Order;
“Scheme Shareholders”	holders of Scheme Shares;
“Scheme Shares”	the William Hill Shares: (i) in issue at the date of this Scheme; (ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof

	shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme,
	in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“Takeover Code”	The City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Voting Record Time”	6:00 p.m. on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 p.m. on the day which is two Business Days before the date of such adjourned Meeting;
“William Hill” or “Company”	William Hill PLC, a company incorporated in England and Wales with registered number 04212563;
“William Hill Shareholders”	the holders of William Hill Shares from time to time;
“William Hill Share Plans”	the William Hill PLC 2012 International Savings Related Share Option Plan (the “International SAYE”); the William Hill PLC 2012 International Savings Related Phantom Option Plan (the “International Phantom SAYE”); the William Hill PLC 2012 Savings Related Share Option Plan (the “UK SAYE” and, together with the International SAYE and the International Phantom SAYE, the “SAYE Plans”); the William Hill PLC 2014 Performance Share Plan (the “PSP”); the William Hill 2016 Executive Bonus Matching Scheme (the “EBMS”); the William Hill PLC 2016 Restricted Share Plan (the “RSP”); the William Hill 2017 Executive Deferred Share Bonus Plan (the “EDSBP”); the William Hill PLC US Employee Share Purchase Plan (the “US ESPP”); and one-off buyout awards granted to Matthew Ashley as disclosed to Caesars; and
“William Hill Shares”	ordinary shares of 10 pence each in the capital of William Hill.



- (B) As at the Latest Practicable Date, the issued share capital of the Company was £107,559,816.30 divided into 1,075,598,163 ordinary shares of 10 pence each, all of which are credited as fully paid up. The Company holds 25,862,620 ordinary shares of 10 pence each in treasury.
- (C) As at the Latest Practicable Date, 21,872,692 William Hill Shares may be issued on or after the date of this Document to satisfy the exercise of options or vesting of awards pursuant to the William Hill Share Plans. This figure does not include shares that will be delivered in January 2021 under the US ESPP.
- (D) Caesars UK Bidco was incorporated on 28 September 2020 under the laws of England and Wales as a private company limited by shares.
- (E) As at the Latest Practicable Date, Caesars is the registered holder of, or beneficially owns, 13,430,434 William Hill Shares.
- (F) Caesars UK Bidco has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions set out in this Document, to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Caesars UK Bidco and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

THE SCHEME

1. Transfer of Scheme Shares

- (A) Upon and with effect from the Effective Date, Caesars UK Bidco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid up with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature, and together with all rights at the Effective Date or thereafter attached thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) announced, declared, made or paid in respect of the Scheme Shares by reference to a record date on or after the Effective Date.
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Caesars UK Bidco (and/or its nominee(s)) and such transfer shall be effected by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer(s) any person may be appointed by Caesars UK Bidco as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instruction to transfer or procure the transfer by means of CREST, such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- (C) Pending the transfer of the Scheme Shares pursuant to sub-clauses 1(A) and 1(B) of this Scheme and the updating of the register of members of the Company to reflect such transfer, each Scheme Shareholder irrevocably:
 - (i) appoints Caesars UK Bidco (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares,
 - (ii) appoints Caesars UK Bidco (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Caesars UK Bidco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of

William Hill as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Caesars UK Bidco and/or any one or more of its directors or agents to attend any general and separate class meetings of William Hill (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and

- (iii) authorises William Hill and/or its agents to send to Caesars UK Bidco (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of William Hill in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares.

2. Consideration for the transfer of Scheme Shares

- (A) In consideration for the transfer of the Scheme Shares to Caesars UK Bidco and/or its nominee(s) referred to in sub-clauses 1(A) and 1(B) of this Scheme, Caesars UK Bidco shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing on the register of members of William Hill at the Scheme Record Time):

for each Scheme Share 272 pence in cash

- (B) If prior to the Effective Date, any dividend and/or other distribution and/or other return of capital is announced, declared, made or paid in respect of William Hill Shares, Caesars UK Bidco shall be entitled to reduce the consideration payable for each Scheme Share by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared, made or paid per Scheme Share.
- (C) If Caesars UK Bidco exercises the right referred to in sub-clause 2(B) of this Scheme to reduce the consideration payable for each Scheme Share by all or part of the amount of dividend and/or other distribution and/or other return of capital that has not been paid but is payable by reference to a record date prior to the Effective Date:
 - (i) the relevant Scheme Shareholders shall be entitled to receive and retain that dividend and/or other distribution and/or other return of capital in respect of the William Hill Shares they hold;
 - (ii) any reference in this Scheme and the Document to the consideration payable under the Scheme shall be deemed a reference to the consideration as so reduced; and
 - (iii) the exercise of such rights shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- (D) To the extent that any such dividend and/or distribution and/or other return of capital is announced, declared, made or paid and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Caesars UK Bidco to receive the dividend and/or distribution and/or return of capital and to retain it; or (ii) cancelled, the consideration shall not be subject to change in accordance with this clause 2 of this Scheme.

3. Settlement and despatch of consideration

- (A) As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date (unless the Panel consents otherwise), Caesars UK Bidco shall:
 - (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable to the Scheme Shareholder to the persons entitled thereto in accordance with clause 2 of this Scheme;

- (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Caesars UK Bidco reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 3(A)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 3(A)(ii); or
 - (iii) in the case of Scheme Shares issued or transferred pursuant to the William Hill Share Plans after the Scheme Court Hearing and prior to the Scheme Record Time, procure that the sums payable in respect of those Scheme Shares are settled by such method as shall be determined by William Hill (including, but not limited to, procuring that payments are made through payroll as soon as possible subject to the deduction of applicable income taxes and social security contributions).
- (B) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (C) All deliveries of notices, cheques or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of William Hill at the Scheme Record Time or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time, and none of William Hill, Caesars UK Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this sub-clause 3(C), which shall be sent at the risk of the person or persons entitled thereto.
- (D) All cheques shall be in sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder concerned (except that, in the case of joint holders, Caesars UK Bidco reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time), and the encashment of any such cheque shall be a complete discharge of Caesars UK Bidco's obligation under this Scheme to pay the monies represented thereby. Caesars UK Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date.
- (E) If any Scheme Shareholders have not encashed the cheques within six months of the Effective Date, Caesars UK Bidco and the Company shall procure that the cash consideration due to such Scheme Shareholders under this Scheme shall be held on trust for such Scheme Shareholders for a period of 12 years from the Effective Date, and such Scheme Shareholders may claim the consideration due to them (plus any interest accrued thereon, but net of any expenses and taxes) by written notice to the Company in a form which the Company determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.
- (F) In respect of payments made through CREST, Caesars UK Bidco shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements within 14 days of the Effective Date. The instruction of Euroclear shall be a complete discharge of Caesars UK Bidco's obligation under this Scheme with reference to the payments made through CREST.
- (G) None of William Hill, Caesars UK Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this clause 3, which shall be sent at the risk of the person or persons entitled thereto.
- (H) The preceding sub-clauses of this clause 3 of this Scheme shall take effect subject to any prohibition or condition imposed by law.

4. Certificates in respect of Scheme Shares and cancellation of CREST entitlements

With effect from, or as soon as practicable after, the Effective Date:

- (A) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of William Hill to deliver up the same to William Hill (or any person appointed by William Hill to receive such certificates), or, as it may direct, to destroy the same;
- (B) William Hill shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (C) following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, William Hill shall procure that such entitlements to Scheme Shares are rematerialised; and
- (D) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with clause 1 of this Scheme and the payment of any UK stamp duty thereon, William Hill shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Caesars UK Bidco and/or its nominee(s).

5. Mandates

All mandates and other instructions given to William Hill by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

6. Operation of this Scheme

- (A) This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- (B) Unless this Scheme has become effective on or before 31 December 2021, or such later date, if any, as may be agreed in writing by Caesars UK Bidco and William Hill (with the Panel's consent and as the Court may approve (if such approval(s) are required), this Scheme shall never become effective.

7. Modification

William Hill and Caesars UK Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

8. Governing law

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Takeover Code apply to this Scheme.

Dated 26 October 2020

