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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
margin

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

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

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

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2940925

Name of company

* Paramount Hotels Limited

Note

Please read the notes
on page 3 before
completing this form.

* insert full name
of company

☒ We ☐ See Appendix 1

☐ insert name(s) and
address(es) of all
the directors

† delete as
appropriate

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

§ delete whichever
is inappropriate

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] ☒ holding company of* Paramount Hotels Services 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.]†

Presenter's name address and
reference (if any) :

Dibb Lupton Alsop
117 The Headrow
Leeds
LS1 5JX

DX. 12017 LEEDS

For official Use
General Section



SCT
COMPANIES HOUSE

S103WMP3 0511
30/12/99

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

The number and class of the shares acquired or to be acquired is: the entire issued share capital of the Company

The assistance is to be given to: (note 2) Paramount Hotels Holdings Limited, a company incorporated in England and Wales and having its registered office at 12 Bruntcliffe Way, Morley, Leeds, West Yorkshire LS27 0JG ("PHHL")

The assistance will take the form of:

See Appendix 2

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

† delete as
appropriate

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

See Appendix 3

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 £ Nil

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

Please do not
write in this
margin

The date on which the assistance is to be given is within 8 weeks of date hereof 19

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

~~*/~~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) ~~*/~~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)

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

(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and */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)~~

And ~~*/~~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 117 THE HEADROW, NEDS

Declarants to sign below

the 23rd day of December
one thousand nine hundred and ninety nine

before me [Signature]

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

[Signature]
[Signature]

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.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh

PARAMOUNT HOTELS LIMITED

COMPANY NUMBER 2940925

APPENDIX 1 FOR FORM 155(6)a

Ian Don Goulding
The Coach House
148 Spen Lane
Cleckheaton
West Yorkshire
BD19 4AD

Michael Edward Purtill
Froghall
Barmby Moor
Pocklington
Yorkshire
YO42 4DA

PARAMOUNT HOTELS LIMITED

COMPANY NUMBER 2940925

APPENDIX 2 FOR FORM 155(6)a

The execution, delivery and performance of:

- (1) a guarantee and debenture ("**Debenture**") by the Company in favour of De Nationale Investeringsbank N.V., London Branch as agent and security trustee for the Secured Parties;
- (2) an intercreditor and subordination and Trust Agreement made between (1) the Company, Paramount Hotels Group Limited, Paramount Hotels Holdings Limited, Old Ship Hotel (Brighton) Limited and Paramount Hotels Investments Limited, (2) The Senior Banks, (3) the Junior Banks, (4) The Overdraft Bank, (5) The Issuing Bank, (6) Alchemy Partners (Guernsey) Limited and (7) The Security Trustee (each as defined in the Debenture) ("**Intercreditor Agreement**");
- (3) a Keyman Insurance Assignment by the Company in favour of De Nationale Investeringsbank N.V., London Branch as agent and security trustee for the Secured Parties; and
- (4) a credit agreement dated on or about same date as this Statutory Declaration and made between (1) the Paramount Hotels Group Limited, Paramount Hotels Holdings Limited, Old Ship Hotel (Brighton) Limited and Paramount Hotels Investments Limited as Borrowers, (2) Senior Banks, (3) National Westminster Bank Plc as a Co-Arranger, (4) De Nationale Investeringsbank N.V., London Branch as a Co-Arranger, (5) De Nationale Investeringsbank N.V., London Branch as Facility Agent, (6) De Nationale Investeringsbank N.V., London Branch as Underwriter (7) De Nationale Investeringsbank N.V., London Branch as Security Trustee, (8) National Westminster Plc as Issuing Bank and (9) National Westminster Bank Plc as Overdraft Bank ("**Senior Credit Agreement**");

PARAMOUNT HOTELS LIMITED

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APPENDIX 3 FOR FORM 155(6)a

Under the terms of the Debenture:

1. The Company guarantees to the Security Trustee as agent and trustee for the Secured Parties that it shall on demand pay to the Security Trustee in the currency in which the same falls due for payment under the terms of the Secured Documents all moneys which are now or at any time thereafter shall have become due or owing by or from any Group Company to any or all of the Secured Parties in accordance with the terms of any of the Secured Documents.
 - 1.1 The Guarantee given pursuant to clause 1 above is given subject to, and with the benefit of, the provisions set forth in schedule 1 of the Debenture.
 - 1.2 The Company covenants with the Security Trustee that it will, to the extent that the same shall have fallen due and have not yet been paid pursuant to the terms of the relevant Secured Documents, pay to the Security Trustee on demand all costs and expenses incurred by the Security Trustee in relation to the Debenture and the protection or enforcement of the Security Trustee's rights thereunder.
2.
 - 2.1 The Company, with full title guarantee, as continuing security for the payment of the Secured Obligations (as defined below) thereby charges in favour of the Security Trustee (as agent and trustee for the Secured Parties) all of its property, assets and undertakings by way of legal, fixed and floating charges as more particularly described in the Debenture.
 - 2.2 The security constituted by or pursuant to the Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Security Trustee or any other Secured Party may at any time hold in respect of any of the Secured Obligations and it is declared that no prior security held by the Security Trustee or any other Secured Party over the Charged Property (as defined below) or any part thereof shall merge in the security created thereby or pursuant thereto.

- 2.3 The Debenture shall remain in full force and effect notwithstanding any amendments or variations from time to time to the Secured Documents and all references to the Secured Documents shall be taken as referring to the Secured Documents as amended from time to time (including any increase in the amount of the Secured Obligations).

3.

- 3.1 The Company covenants that without the prior written consent of the Security Trustee it will not nor will it agree or purport to:

3.1.1 create or permit to subsist any Encumbrance whether in any such case ranking in priority to or pari passu with or after the security created by the Debenture other than as permitted under the Senior Credit Agreement; or

3.1.2 sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of its undertaking or assets except as permitted under the Senior Credit Agreement.

- 3.2 The Company agrees from time to time, at the request of the Security Trustee and at the Company's cost, to execute in favour of the Security Trustee, or as it may direct such further or other legal assignments, transfers, mortgages, charges or other documents as in any such case the Security Trustee shall stipulate over the Company's estate or interest in any property or assets of whatsoever nature or tenure and wheresoever situate as security for the payment or discharge of the Secured Obligations.

- 3.3 The Company agrees that as soon as practicable after the execution of the Debenture (or upon becoming possessed thereof at any time thereafter) deposit with the Security trustee all deeds, certificates and other documents constituting or evidencing title to its real property comprised within the Charged Property or any part thereof and to any of the assets and rights charged in accordance with paragraph 2.1 above.

4. Under the terms of the Intercreditor Agreement the Company:

- 4.1 agrees to the priority, subordination and trust arrangements and the intercreditor matters set out therein;

- 4.2 undertakes that during the Security Period, it shall not, and shall procure that no other Group Company shall:
- (a) secure any of the Junior Liabilities (unless the Senior Liabilities are discharged) or the Investor Liabilities other than by a Permitted Encumbrance;
 - (b) pay, prepay, redeem, purchase or otherwise acquire any of the Junior Liabilities or the Investor Liabilities other than by a Permitted Payment; or
 - (c) without the prior written consent of the Majority Senior Banks, amend any of the terms of the Junior Credit Agreement or the Equity Loan Documents whilst any of the Senior Liabilities are outstanding; or
 - (d) after the Senior Liabilities are discharged, without the prior written consent of the Majority Junior Banks, amend any of the terms of the Equity Loan Documents.
5. Under the terms of the Keyman Insurance Assignment the Company assigns with full title guarantee and agrees to assign absolutely its interest in and to the Policies and the Proceeds and the full benefit thereof as a continuing security to the Security Trustee as agent and trustee for the Secured Parties for the payment of the Secured Obligations **PROVIDED THAT** the Assignor shall, at its own cost and subject to Clause 2.3 of the Keyman Insurance Assignment, be entitled to require the re-assignment of the Policies at any time after the Secured Obligations have been discharged in full.
6. The security constituted by or pursuant to the Assignment is be in addition to and is be independent of every bill, note, guarantee, mortgage, pledge or other security which either the Security Trustee or any other Secured Party may at any time hold in respect of any of the Secured Obligations.
7. Any re-assignment of the Policies to the Company shall be conditional upon no security disposition or payment to the Security Trustee or any of the other Secured Parties by the Company or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy, liquidation or insolvency or for any reason whatever and if such condition shall not be fulfilled the Security Trustee shall be entitled to enforce this Assignment subsequent as if such re-assignment had not occurred and any such payment had not been made.

8. Under the terms of the Senior Credit Agreement the Company agrees to:

- (a) indemnify and keep indemnified the Issuing Bank and each Bank from and against all actions, suits, proceedings, claims, demands, liabilities, damages, costs, expenses, losses and charges in relation to or arising out of any Guarantee issued by the Issuing Bank and each Bank Indemnity;
- (b) pay to the Issuing Bank for its own account or to the Facility Agent for the account of the Banks, as the case may be, on demand the amount of all payments made (whether directly or by way of set-off, counterclaim or otherwise) and all losses, costs and expenses suffered or incurred by the Issuing Bank and the Banks under or by reason of each such Guarantee and each Bank Indemnity;
- (c) pay sums which may include sums in respect of the cost associated with the acquisition of its shares.

PARAMOUNT HOTELS LIMITED

COMPANY NUMBER 2940925

SCHEDULE OF DEFINITIONS

In this Statutory Declaration, unless otherwise defined, words and expressions shall have the same meanings as is given to them under the Senior Credit Agreement. In addition, the following words and expressions shall have the respective meanings given to them:

"Equity Loan Documents" means the Loan Stock Instrument and the Loan Stock.

"Intercreditor and Subordination Agreement") means the intercreditor and subordination agreement dated on or around the same date as this Statutory Declaration made between the Borrowers, the Senior Banks, the Junior Banks, the Overdraft bank, the Issuing Banks and the Security Trustee, each of the Senior Creditors and the Junior Creditors;

"Investor Liabilities" means all present and future sums, liabilities and obligations (whether actual, contingent, present and/or future) due or owing by PHGL, PHHL or PHIL to the Investors under any of the Equity Loan Documents.

"Junior Banks" has the meaning given to the term **"Banks"** in the Junior Credit Agreement;

"Junior Credit Agreement") means a credit agreement dated on or about the same date as this Statutory Declaration and made between (1) Paramount Hotels Holdings Limited as Borrower (2) Junior Banks, (3) De Nationale Investeringsbank N.V., London Branch as a Co-Arranger, (4) National Westminster Bank Plc as a Co-Arranger, (5) National Westminster Bank Plc as the Facility Agent, (6) De Nationale Investeringsbank N.V., London Branch as an Underwriter, (7) National Westminster Bank Plc as an Underwriter and (8) De Nationale Investeringsbank N.V., London Branch as Security Trustee;

"Junior Creditors" means each of the Junior Banks, the Facility Agent (as such term is defined in the Junior Credit Agreement) and the Security Trustee;

"Junior Liabilities" means all present and future sums, liabilities and obligations (whether actual, contingent, present and/or future) due or owing by the Company or any other Group Company to any of the Junior Creditors under any of the Junior Documents.

"Majority Senior Banks" has the meaning given to the term **"Majority Banks"** in the Senior Credit Agreement.

"Permitted Payments" means the payment or making of any payment in relation to a Junior Liability:

- (a) on the Original Junior Terms to the extent that it may be made under Clause 14.3(k) of the Senior Credit Agreement; or
- (b) after the Senior Liabilities have been discharged

"Proceeds" means all moneys which are assured pursuant to any of the Policies and all moneys which may become payable thereafter, including but without limitation, the benefit of any claim or action against the insurers of the Policy by the Company arising by reason of or in connection with the Policy.

"Secured Documents" means all and each of the Senior Credit Agreement, the Junior Credit Agreement, the Interest Rate Protection Agreement, the Fees Letter, the Intercreditor and Subordination Agreement and the Security Documents.

"Secured Obligations" means the actual, contingent, present and/or future obligations and liabilities of the Subsidiary to any of the Secured Parties under or pursuant to any of the Secured Documents.

"Secured Parties" means the Junior Creditors and the Senior Creditors.

"Security Trustee" means De Nationale Investeringsbank Bank N.V., London Branch in its capacity as security trustee pursuant to the Intercreditor and Subordination Agreement, which expression shall include all successor security trustees appointed from time to time).

"Senior Banks" has the meaning given to the term **"Banks"** in the Senior Credit Agreement.

"Senior Documents" has the meaning given to the term **"Financing Documents"** in the Senior Credit Agreement.

"Senior Liabilities" means all present and future sums, liabilities and obligations (whether actual, contingent, present and/or future) due or owing by any Group Company to any Senior Creditor under any of the Senior Documents

"**Senior Credit Agreement**") means a credit agreement dated on or about same date as this Statutory Declaration and made between (1) the Paramount Hotels Group Limited, [Paramount Hotels Holdings Limited, Old Ship Hotel (Brighton) Limited and Paramount Hotels Investments Limited] as Borrower[s], (2) Senior Banks, (3) National Westminster Bank Plc as a Co-Arranger, (4) De Nationale Investeringsbank N.V., London Branch as a Co-Arranger, (5) De Nationale Investeringsbank N.V., London Branch as Facility Agent, (6) De Nationale Investeringsbank N.V., London Branch as Underwriter (7) De Nationale Investeringsbank N.V., London Branch as Security Trustee, (8) National Westminster Plc as Issuing Bank and (9) National Westminster Bank Plc as Overdraft Bank;

"**Senior Creditors**" means the Senior Banks, the Facility Agent (as such term is defined in the Senior Credit Agreement), the Security Trustee, the Issuing Bank and the Overdraft Bank.

PricewaterhouseCoopers
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Lower Mosley Street
Manchester M2 3PW
Telephone +44 (0) 161 245 2000
Facsimile +44 (0) 161 245 2911

The Directors
Paramount Hotels Limited
Fountain Court
12 Bruntcliffe Way
Morley
Leeds
LS27 0JG

23 December 1999

Dear Sirs

Auditors' report to the directors Paramount Hotels Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors Paramount Hotels Limited ('the Company') dated 23 December 1999 in connection with the proposal that the Company's subsidiary undertaking, Paramount Hotels Services Limited, should give financial assistance for the purchase of the shares of the Company.

Basis of opinion

We have enquired into the state of the Company'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 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors