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CHFP025

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

[ ] [ ] [ ] [ ] [ ] [ ]

3128071

Name of company

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

\* ERM Limited (the "Company")

\* insert full name  
of company

~~We~~ See Schedule 1 attached

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

† delete as  
appropriate

~~We~~ [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 1978~~  
~~(b) that of a person authorised under section 31 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\* ERM (Overseas Holdings) Limited  
(Company number 03698847)

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

in [this company] [ ]

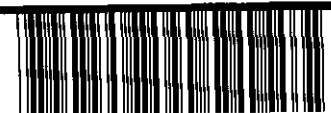
~~the holding company of the company†~~

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

Lovells  
65 Holborn Viaduct  
London  
EC1A 2DY

For official Use  
General Section

Post room



LD7  
COMPANIES HOUSE

0159  
27/04/01

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: See Schedule 2 attached

The assistance is to be given to: (note 2) ERM Holdings Limited (company number 4067993)  
whose registered office is situate at 8 Cavendish Square, London, W1M 0ER

The assistance will take the form of:

See Schedule 3 attached

The person who [has acquired] ~~will acquire~~ the shares is:  
ERM Holdings Limited

† delete as appropriate

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

See Schedule 4 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 £ 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 the date hereof

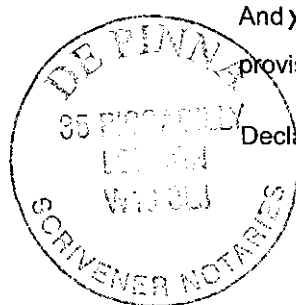
Please complete legibly, preferably in black type, or bold block lettering

~~/~~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)

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

- (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)
- (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 St GEORGES HOTEL, LANGHAM PLACE, LONDON W1

Declarants to sign below

*Paul H. Woodcock*  
*Peter T. Ryan*  
*[Signature]*  
*[Signature]*  
*[Signature]*

Day Month Year  
on 18 04 2001

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.  
D.A.L. FAWCETT  
Scrivener Notary of London, England

# 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  
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

removes the limitation as to financial assistance on its guarantee (contained within the Senior Credit Agreement and in the accession document by which it acceded to the Senior Credit Agreement (the "**Senior Accession Document**")) as to the punctual performance by, inter alia, the Parent of all its obligations arising under the Senior Finance Documents (as defined in the Senior Credit Agreement).

2. The entry by the Subsidiary into a guarantee increase deed (the "**Mezzanine Guarantee Increase Deed**") to a mezzanine loan agreement (the "**Mezzanine Loan Agreement**") dated 28 February 2001 and made between, inter alia, Intermediate Capital Group Plc and the Parent whereunder the Subsidiary, inter alia, removes the limitation as to financial assistance on its guarantee (contained within the Mezzanine Loan Agreement and in the accession document by which it acceded to the Mezzanine Loan Agreement (the "**Mezzanine Accession Document**")) as to the punctual performance by, inter alia, the Parent of all its obligations arising under the Mezzanine Finance Documents (as defined in the Mezzanine Loan Agreement).
3. The entry by the Subsidiary into the Senior Guarantee Increase Deed and the Mezzanine Guarantee Increase Deed whereunder the Subsidiary, inter alia, confirms the removal of the limitation as to financial assistance on its obligations under a debenture (the "**Debenture**") dated 30 March 2001 in favour of The Governor and Company of the Bank of Scotland (the "**Security Agent**") entered into by the Subsidiary by way of an accession document (the "**Debenture Accession Document**") whereunder the Subsidiary, inter alia, charges, with full title guarantee, by way of fixed and floating charges, all its property, assets and undertaking to secure all present and future obligations and liabilities created under or pursuant to the Senior Finance Documents and/or Mezzanine Finance Documents (whether actual or contingent and whether jointly or severally or in any other capacity) of the companies referred to therein (other than the Security Agent) (the "**Obligors**").
4. The entry by the Subsidiary into the Senior Guarantee Increase Deed and the Mezzanine Guarantee Increase Deed whereunder the Subsidiary, inter alia, confirms the removal of the limitation as to financial assistance on its obligations contained in an intercreditor deed (the "**Intercreditor Deed**") dated 28 February 2001 and made between, inter alia, the Parent, the Senior Lenders, the Mezzanine Lenders and the Investors (all terms as defined in the Intercreditor Deed) entered into by the Subsidiary by way of the Senior Accession Document and the Mezzanine Accession Document whereunder the Subsidiary and its subsidiaries (if any) acknowledge the priorities of security and contractual arrangements made between the parties to the Intercreditor Deed.
5. The entry by the Subsidiary into an intra-group loan agreement (the "**Intra-group Loan Agreement**") whereunder it agrees to lend to the Parent, together with the other companies defined as Lenders therein, an aggregate maximum principal amount of £110,000,000.

#### SCHEDULE 4

##### Principal terms on which the financial assistance will be given

1. Pursuant to the Senior Credit Agreement and the Mezzanine Loan Agreement, the Subsidiary will guarantee the obligations of, inter alia, the Parent of all its obligations arising under the Senior Finance Documents and the Mezzanine Finance Documents, give various representations and warranties, undertakings, covenants and indemnities to the Finance Parties and will agree that at any time following the occurrence of an Event of Default which is continuing, any Finance Party may set-off any amount standing to the credit of any Obligor's accounts with that Finance Party to the Obligor against any due

and payable liability owed by the Obligor to the Finance Party (capitalised terms in this paragraph have the meanings given to them in the Senior Credit Agreement and the Mezzanine Loan Agreement).

2. Pursuant to the Debenture, the Subsidiary, subject to any limits on its liability specifically recorded in the Finance Documents, as primary obligor will covenant with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand, in writing, made to it by the Security Agent pay the Indebtedness when it falls due for payment. The Subsidiary will secure its obligations under the Debenture by way of first fixed and floating charges over all its undertaking, property and assets present and future. The Subsidiary will covenant not to create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property or sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising from disposal of the same, or agree or attempt to do so or dispose of the equity of redemption in respect of all or any of the Charged Property, except as permitted by the Senior Credit Agreement and the Mezzanine Loan Agreement or with the prior consent of the Security Agent. The Subsidiary also agrees that it will, at its own expense, promptly following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may require:

- (a) to perfect and/or protect the security created (or intended to be created) by the Debenture;
- (b) to facilitate the realisation or enforcement of such security;
- (c) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the Debenture; and/or
- (d) to confer on the Security Agent security over any assets of it (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by the Debenture;

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever (capitalised terms in this paragraph 2 have the meanings given to them in the Debenture).

3. Pursuant to the Intercreditor Deed, the Subsidiary will acknowledge the arrangements made between the parties to the Finance Documents and the Investors (both terms as defined in the Intercreditor Deed) which regulate (inter alia) the ability of the Subsidiary to make certain payments to certain of the secured lenders.
4. Pursuant to the Intra-group Loan Agreement, the Subsidiary will agree to lend to the Parent, together with the other Companies defined as Lenders therein, an aggregate maximum principal amount of £110,000,000 at an interest rate of the Applicable Rate per annum above LIBOR or such other rate as the parties may agree (capitalised terms in this paragraph 4 have the meanings given to them in the Intra-group Loan Agreement). Such amounts to be available to the Parent for the purposes of:
- (a) making payments when due under the Senior Credit Agreement, the Mezzanine Loan Agreement and the UK Investor Loan Notes (as defined in the Senior Credit Agreement);
  - (b) to pay costs and expenses incurred by the Parent directly or indirectly in connection with the acquisition by the Parent of any shares in the capital of any of the Lenders (as defined therein); and

- (c) to pay any other liability incurred directly or indirectly for the purpose of or otherwise in connection with any such acquisition (including, for the avoidance of doubt, the repayment of any existing indebtedness to the vendor),

in each case where the Parent is obliged or permitted (in accordance with the Senior Credit Agreement, the Mezzanine Loan Agreement and/or the UK Investor Loan Notes (as defined in the Senior Credit Agreement)) to make such payment.

**PricewaterhouseCoopers**  
1 Embankment Place  
London WC2N 6RH  
Direct Phone +44 (0)20 7212 3991  
Direct Fax +44 (0)20 7804 4907

**Private and Confidential**

The Directors  
ERM Limited  
8 Cavendish Square  
London  
W1M 0ER

18 April 2001

Ref: JSJF185b

Dear Sirs

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

We have examined the attached statutory declaration of the directors of ERM Limited ('the Company') dated 18 April 2001 in connection with the proposal that the Company's subsidiary undertaking, ERM (Overseas Holdings) Limited, should give financial assistance for the purchase of 1,736,471<sup>5</sup> ordinary shares of the Company.

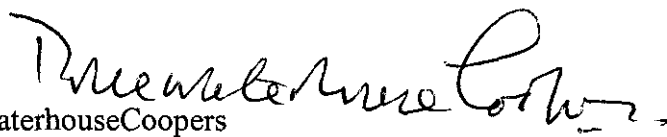
**Basis of opinion**

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