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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

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

3141385

Name of company

\* Malmaison Limited

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

\* insert full name  
of company

X We see continuation sheet page 1,

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

† delete as  
appropriate

~~XXXXXXXXXX~~ [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) ~~the business of a person authorised under section 1 of the Insurance Companies Act 1982 to carry on  
insurance business in the United Kingdom~~
- (b) ~~the business of a person authorised under section 1 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\* Malmaison (Chart Square) Limited  
(Registered No. 3490682) which is  
proposing to give financial assistance in connection with the acquisition of shares  
in [this company] [ ]

~~XX~~

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

SJ Berwin  
222 Gray's Inn Road  
London  
WC1X 8XF

For official Use  
General Section

Post room



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: 26,962,147 ordinary shares of 1p each

The assistance is to be given to: (note 2) MWB Malmaison Holdings Limited (Registered No. 3917393)  
(formerly known as MWB Hotel Properties Limited) whose registered office is 179 Great Portland Street, London W1W 5LS.

The assistance will take the form of:

See Annexure 1.

The person who [has acquired] ~~will acquire~~ the shares is:  
MWB Malmaison Holdings Limited (Registered No. 3917393).

† delete as appropriate

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

See Annexure 2.

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 from the date hereof.

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

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

☒ 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)
- (b) ~~XXXXXX We have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date]\* (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 See continuation page 1

Declarants to sign below

Day Month Year

on									
----	--	--	--	--	--	--	--	--	--

before me \_\_\_\_\_

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

### 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

Malmaison Limited

Form 155(6)b

Continuation page 1

1. Ian Bruce Cave, 82 Park Street, Thame, Oxfordshire, OX9 3HX
2. Jagtar Singh, 163 Hempstead Road, Hertfordshire WD1 3HF

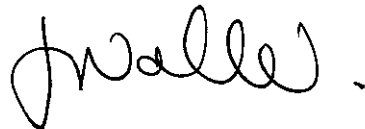


And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of this Statutory Declarations Act 1835.

Declared at 1 West Garden Place, Kendal Street, London W2 2AQ

the 17<sup>th</sup> day of May 2002

before me



**JULIET WALLER, Solicitor**  
46 Blandford Street  
London W1U 7HT

A Solicitor having the powers conferred on a Commissioner for Oaths.

**MALMAISON (CHART SQUARE) LIMITED**

Company No. 3490682

(the "Company")

Annexure 1 - Form 155(6)b

**Definitions**

In this Statutory Declaration (including Annexures 1 & 2) the following expressions shall have the following meanings:

- "Borrower"** means MWB Malmaison Holdings Limited (Company Number 03917393)
- "BoS"** means the Governor and Company of the Bank of Scotland plc.
- "BoS Facility Letter"** means the facility letter dated on or about the date hereof between BoS and the Borrower whereby the maximum aggregate sum of £110,000,000 is to be advanced, comprising term loan facilities of up to £110,000,000, revolving credit facilities of up to £36,400,000 and revolving credit facilities of up to £17,500,000. The proceeds of the term loan facilities are to be used to refinance borrowings advanced under a credit agreement dated 3 November 2000 entered into between Société Générale (in various capacities) and MWB Hotel Properties Limited (now known as MWB Malmaison Holdings Limited) the proceeds of which were, inter alia, used by it to acquire the entire issued share capital of Malmaison Limited and The Malmaison Hotel (Birmingham) Limited.
- "BoS Debenture"** means the debenture dated on or about the date hereof, to be granted by the Company in favour of BoS to secure all monies and liabilities due, owing or incurred by the Company to BoS, whereby the Company:
- (a) covenants that it will on demand pay or discharge such sums due, owing or incurred, more particularly referred to in the BoS Debenture as the "Secured Obligations"; and
  - (b) grants legal, fixed and floating charges and mortgages over its assets and undertakings in favour of BoS as continuing security and with full title guarantee for the payment and discharge of such Secured Obligations.
- "BoS Guarantee"** means the corporate guarantee dated on or about the date hereof to be granted by (inter alios) various group

companies, including the Company in favour of BoS guaranteeing payments of monies due and owing by the "Principal" (as defined in the BoS Guarantee) to BoS, including under the BoS Facility Letter.

**"BoS Legal Charge"**

means the legal charge dated on or about the date hereof, to be granted by the Company in favour of BoS to secure all sums of money owed and all liabilities or obligations to be carried out to BoS by, inter alios, the Company, whereby the Company:

- (a) will on demand pay such sums, more particularly referred to as the "Debt" in the BoS Commercial Charge Conditions (1995 Edition); and
- (b) grants (inter alia) legal and fixed charges over the "Property" (as defined in the BoS Legal Charge) as continuing security and with full title guarantee for the payment and discharge of such Debt.

**"Intra-Group Loan Agreement"**

means the intra-group loan agreement to be granted by various group companies (including the Company) as lenders to the Borrower as borrower, pursuant to which such group companies may lend money to the Borrower to service interest costs and repay advances and make other payments due under the BoS Facility Letter

**"Mezzanine Loan Agreement"**

means the Mezzanine Loan Agreement dated 3 November 2000 between Hotel Invest UK A/S (as lender) and the Borrower whereby the maximum sum of £18,000,000 was advanced for the purpose (inter alia) of the acquisition of the entire issued share capital of Malmaison Limited and The Malmaison Hotel (Birmingham) Limited.

**"Subordination and Priority Deed"**

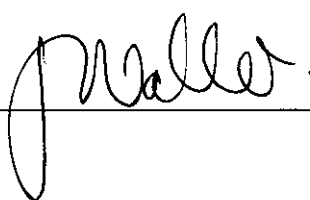
means the subordination and priority deed dated on or about the date hereof between (inter alios) the Company and various other of the Malmaison Group Companies whereby any amounts owing to BoS pursuant to the terms of the BoS Facility Letter and pursuant to any security granted in favour of BoS by the Company, and any Group Company (as defined therein) shall rank in priority to all sums due to the Subordinated Creditors (as defined therein) and in particular, any monies owing by the Company to (inter alia) MWB Malmaison Holdings Limited are subordinated until all the monies owing to BoS under the Facility Letter are paid.

The assistance will take the form of:

1. The BoS Debenture
2. The BoS Guarantee
3. The BoS Legal Charge
4. The Subordination and Priority Deed
5. The Intra-Group Loan Agreement

This is Annexure 1 referred to in Form 155(6)b declared by the directors of the Company on 17 May 2002.

Signed

  
\_\_\_\_\_  
Solicitor

**JULIET WALLER, Solicitor**  
46 Blandford Street  
London W1U 7HT

**MALMAISON (CHART SQUARE) LIMITED**

Company No. 3490682

(the "Company")

Annexure 2 - Form 155(6)b


All capitalised terms in this Annexure 2 shall have the meanings given to them in Annexure 1.

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

1. The BoS Debenture under which the Company:
  - (a) covenants that it will on demand pay or discharge such sums due, owing or incurred, more particularly referred to in the BoS Debenture as the "Secured Obligations"; and
  - (b) grants legal, fixed and floating charges and mortgages over its assets and undertakings in favour of BoS as continuing security and with full title guarantee for the payment and discharge of such Secured Obligations.
2. The BoS Guarantee under which (inter alios) the Company guarantees payments of monies due and owing by the "Principal" (as defined therein) to BoS including under the BoS Facility Letter.
3. The BoS Legal Charge under which the Company:
  - (a) will on demand pay such sums, more particularly referred to as the "Debt" in the BoS Commercial Charge Conditions (1995 Edition); and
  - (b) grants (inter alia) legal and fixed charges over the "Property" (as defined in the BoS Legal Charge) as continuing security and with full title guarantee for the payment and discharge of such Debt.
4. The Subordination and Priority Deed whereby any amounts owing to BoS pursuant to the terms of the BoS Facility Letter and pursuant to any security granted in favour of BoS by the Company, and any Group Company (as defined therein) shall rank in priority to all sums due to the Subordinated Creditors (as defined therein) and in particular, any monies owing by the Company to (inter alia) MWB Malmaison Holdings Limited are subordinated until all the monies owing to BoS under the Facility Letter are paid.
5. The Intra-Group Loan Agreement under which various group companies (including the Company) as lenders will lend monies to the Borrower as borrower to service interest costs and repay advances and make other payments due under the BoS Facility Letter.

This is Annexure 2 referred to in Form 155(6)b declared by the Directors of the Company on 17 May 2002.

Signed

  
\_\_\_\_\_  
Solicitor

**JULIET WALLER, Solicitor**  
46 Blandford Street  
London W1U 7HT





## KPMG Audit Plc

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Canary Wharf  
London E14 5AG  
United Kingdom

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Fax +44 (0) 20 7311 4121  
Telex 8811541 KPMGLO G  
DX 38050 Blackfriars

The Directors  
Malmaison Limited  
179 Great Portland Street  
London W1W 5LS

Our ref jg/592

The Directors  
Bank of Scotland  
Corporate Banking  
1 Bothwell Street  
Dunfermline KY11 3AG

Contact Tony Cates  
020 7311 6366

17 May 2002

Dear Sirs

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

We refer to the statutory declaration (Form 155(6)b) to which this report is annexed made by the directors of the Company and dated the same date as this report.

We have examined the attached statutory declaration of the directors dated 17 May 2002 in connection with the proposal that the company's subsidiary, Malmaison (Chart Square) Limited, should give financial assistance in connection with the refinancing of the debt used to acquire the entire issued share capital of the company and The Malmaison Hotel (Birmingham) Limited. We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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 sincerely

KPMG Audit Plc



KPMG Audit Plc, a company  
incorporated under the UK Companies  
Acts, is a member of KPMG  
International, a Swiss association

KPMG Audit Plc is  
registered to carry on audit  
work by the Institute of  
Chartered Accountants in

England and Wales.  
Registered in England  
No 3110745

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