

G

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

155(6)b

CHWP000

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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03794854

Name of company

***Spirit Group Retail Limited**

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

* insert full name
of company

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

I/We **Ø Robert James McDonald** of 46 Wentworth Drive, Lichfield, WS14 9HN;**Neil David Preston** of 57 Postern Road, Tatenhill, Burton-on-Trent, DE13 9SJ; and**Giles Alexander Thorley** of Charlton Manor, Ashley Road, Charlton Kings, Cheltenham, GL52 6NS

† 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 the company is:

(a) ~~that of a person authorised under section 8 of the Banking Act 1979~~(b) ~~that of a person authorised under section 8 of the Insurance Companies Act 1982 to carry on~~~~insurance business in the United Kingdom~~

(c) something other than the above§

The company is ~~the~~ [a] holding company of **Spirit Group Retail (Pubs) No.2 Limited** (the**"Subsidiary")**

which is

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

in ~~the company~~ **Spirit Group Holdings Limited**

the holding company of this company.]†

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

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

OJC/70-20368228/JSXB/253

For official Use (10/03)
General Section

Post room



LD2
COMPANIES HOUSE

194
03/03/2006

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

The number and class of the shares acquired or to be acquired is: One hundred million (100,000,000)
ordinary shares of £0.00001 each

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

The assistance is to be given to: (note 2) Punch Taverns plc (company number 03752645) with
registered office at Jubilee House, Second Avenue, Burton-on-Trent, Staffordshire DE14 2WF; and
~~Punch Taverns (Redwood Bidco) Limited (company number 05622593) with registered office at Jubilee~~
House, Second Avenue, Burton-on-Trent, Staffordshire DE14 2WF.

The assistance will take the form of:

See Schedule 1

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

† delete as
appropriate

Punch Taverns (Redwood Bidco) Limited (company number 05622593) with registered office at Jubilee
House, Second Avenue, Burton-on-Trent, Staffordshire DE14 2WF.

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

See Schedule 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

Any amounts advanced from time to time

The amount of cash to be transferred to the person assisted is £ pursuant to the Intragroup Loan.

The amount of cash 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 eight weeks of the date hereof

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

~~X~~/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) ~~X~~/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) ~~THIS INTENDED TO CONFIRM THE WINDING UP OF THIS COMPANY WITHIN 12 MONTHS OF THE 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 ~~X~~/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 Jubilee House, Second Avenue,
Burton-upon-Trent, Staffordshire DE14 2WF

Declarants to sign below

on
Day Month Year

2	8	0	2	2	0	0	6
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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.~~

Peter A. Gee Justice of the Peace

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

DX 33050 Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

DX 235 Edinburgh

or LP-4 Edinburgh 2

Schedule 1 to Form 155(6)(b)

The assistance will take the form of:

The execution, delivery and performance by the Subsidiary of its obligations under:

- (a) an intragroup loan agreement (the "**Intragroup Loan Agreement**") to be dated on or about the date hereof between the Subsidiary, Punch Taverns (Redwood Bidco) Limited ("**Bidco**") and certain other subsidiaries of Bidco;
- (b) a letter of support (the "**Letter of Support**") to be dated on or about the date hereof between the Subsidiary, Punch Taverns (Redwood Bidco) Limited ("**Bidco**") and certain other subsidiaries of Bidco;
- (c) a supplemental deed of charge (the "**Supplemental Deed of Charge**") to:
 - (i) the borrower group deed of charge dated 25 November 2004 between Spirit Managed Pubs Limited as borrower, certain subsidiaries of the Spirit Group Holdings Limited as guarantors and charging companies, Spirit Issuer plc as issuer, Spirit Managed Inns Limited as lender, The Royal Bank of Scotland plc as bank security agent (the "**Bank Security Agent**") and Deutsche Trustee Company Limited as borrower group security trustee (the "**Borrower Group Security Trustee**") and issuer security trustee (the "**Borrower Group Deed of Charge**");
 - (ii) the adminco share mortgage dated 25 November 2004 between Spirit Group Parent Limited, Spirit Administrative Services Limited (now known as Spirit Group Limited), the Borrower Group Security Trustee and the Bank Security Agent; and
 - (iii) the supplyco share mortgage dated 25 November 2004 between Spirit Group Equity Limited, Spirit Supply Company Limited, the Borrower Group Security Trustee and the Bank Security Agent,

to be dated on or about the date hereof and made between, among others, Spirit Managed Pubs Limited as borrower, Spirit Issuer plc as issuer, Spirit Managed Inns Limited as bankco, the Bank Security Agent and The Royal Bank of Scotland plc as Punch security agent (the "**Punch Security Agent**"), the Borrower Group Security Trustee and certain other subsidiaries of Spirit Group Holdings Limited,

(each of those documents being in such form as may be amended, supplemented, novated and/or replaced from time to time) together with the performance by the Subsidiary of other acts in connection with the acquisition of the shares and the financing of that acquisition.

Schedule 2 to Form 155(6)(b)

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

1. By executing the Intragroup Loan Agreement, the Subsidiary will make a loan facility of £1,250,000,000 available to Bidco to enable Bidco to, among other things, repay intercompany borrowings by it and to reduce liabilities incurred by it for the purpose of the acquisition of Spirit Group Holdings Limited.
2. By executing the Letter of Support, Bidco will use its reasonable endeavours to assist the Subsidiary in meeting its working capital requirements should the Subsidiary have any working capital shortfalls.
3. By executing the Supplemental Deed of Charge, the Subsidiary:

(a) covenants to the Borrower Group Security Trustee (as trustee for the Junior Creditors) that it will:

- (i) duly and punctually pay and discharge all moneys and liabilities whatsoever which were on 25 November 2004 or at any time thereafter became due, owing or payable by it and/or any other Security Provider and/or the Punch Borrower in relation to the Punch Debt to the Borrower Group Security Trustee (whether for its own account or as trustee for the Punch Security Agent) or any of the other Junior Creditors (and whether solely or jointly with one or more persons and whether as principal or surety) actually or contingently, under or in respect of the Borrower Group Deed of Charge and/or any other Relevant Document and/or the Punch Finance Documents (as the case may be); and
- (ii) observe, perform and satisfy all its other obligations and liabilities under the Borrower Group Deed of Charge and each other Relevant Document or Punch Finance Document (as the case may be),

provided however, in respect of the obligations of the Subsidiary to discharge any liabilities under the Transaction Documents or the Punch Finance Documents, discharge of such liabilities will be limited to amounts recovered by the Borrower Group Security Trustee by virtue of enforcing the Security created pursuant to the Borrower Group Deed of Charge.

(b) as security for the payment or discharge of the Junior Secured Amounts, subject to Clause 6 of the Borrower Group Deed of Charge:

- (i) charges by way of second legal mortgage in favour of the Borrower Group Security Trustee on trust for itself and the other Junior Creditors all of its right, title, interest and benefit, present and future (if any), in, to and under:

- (1) the freehold or leasehold property comprising the Borrower Mortgaged Properties owned by it and described in Part 1 of Schedule 2 to the Borrower Group Deed of Charge; and
 - (2) all estates or interests in such property and all buildings, trade and other fixtures, fixed plant and machinery from time to time on such freehold or leasehold property;
- (ii) undertakes and obliges itself, subject to the Property Due Diligence Reports, by way of second fixed security:
 - (1) to have executed and delivered to the Borrower Group Security Trustee a Borrower Group Second Standard Security over its respective right, title and interest in each of the Borrower Scottish Properties owned by it (if any) and described in Part 2 of Schedule 2 to the Borrower Group Deed of Charge and all buildings, structures, heritable fixtures and fittings therein and thereon substantially in the form set out in Part 2 of Schedule 9 to the Borrower Group Deed of Charge; and
 - (2) in the event of it acquiring subsequent to the Effective Date legal title to any heritable or long leasehold property in Scotland, forthwith to execute and deliver to the Borrower Group Security Trustee a Borrower Group Second Standard Security over such property substantially in the form set out in Part 2 of Schedule 9 to the Borrower Group Deed of Charge;
- (iii) charges by way of second fixed security to the Borrower Group Security Trustee on trust for itself and the other Junior Creditors all of its right, title, interest and benefit, present and future (if any) in, to and under all rights and claims to which it was at 25 November 2004 or thereafter became entitled in relation to the property referred to in Clauses 4.1 to 4.3 of the Borrower Group Deed of Charge including those against any manufacturer, supplier, or installer of such property, any builder, contractor or professional adviser engaged in relation to any such property and any lessee, any tenant, sub-lessee or licensee of any lease, tenancy, licence, property and any guarantor or surety for the obligations of such person and, to the extent that such property was at 25 November 2004 or at any time thereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any guarantee, indemnity or security for the performance of the obligations of such person and any other rights and benefits relating thereto;
- (iv) mortgages by way of equitable mortgage, by way of second fixed security, to the Borrower Group Security Trustee on trust for itself and the other Junior Creditors all of its right, title, interest and benefit,

present and future, in, to and under any shares, stocks, debentures and other securities of any subsidiaries owned by it (with the exception of those subsidiaries listed in Schedule 3 Part 2 of the Borrower Group Deed of Charge) and/or by any nominee on its behalf including the relevant Borrower Group Shares on 25 November 2004 or thereafter from time to time, and all its rights, title, interest and benefit in, and options to acquire, securities for the time being owned by it and/or by any nominee on its behalf, on 25 November 2004 or thereafter, and all dividends, and interest paid or payable in relation thereto and all shares, securities, rights, money or property accruing or offered and at any time in relation to such Borrower Group Shares or other securities by way of redemption, substitution, exchange, bonus or preference in respect of or incidental or ancillary thereto;

- (v) mortgages by way of equitable mortgage, by way of second fixed security, to the Borrower Group Security Trustee on trust for itself and the other Junior Creditors all of its right, title, interest and benefit, present and future, in, to and under all Borrower Group Shares owned by it and/or any nominee on its behalf, on 25 November 2004 or thereafter, from time to time, and all dividends, and interest paid or payable in relation thereto and all shares, securities, rights, money or property accruing or offered and at any time in relation to such Borrower Group Shares by way of redemption, substitution, exchange, bonus or preference in respect of or incidental or ancillary thereto;
- (vi) assigns by way of security, by way of second fixed security, to the Borrower Group Security Trustee on trust for itself and the other Junior Creditors all of its right, title, benefit and interest, present and future in, to and under the Relevant Documents to which it is a party, including all rights to receive payment of any amounts which may become payable to the Subsidiary thereunder and all payments received by the Subsidiary thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof;
- (vii) assigns by way of security, by way of second fixed security, to the Borrower Group Security Trustee, all its right, title, benefit and interest present and future, in and to the Insurance Policies and all rights, claims and proceeds arising therefrom to which the Subsidiary was entitled on 25 November 2004 or may thereafter become entitled, but only insofar as such proceeds arise from claims relating to a Borrower Mortgaged Property in which the Subsidiary has an interest;

- (viii) assigns by way of security, by way of second fixed security, in favour of the Borrower Group Security Trustee on trust for itself and the other Junior Creditors, all of its right, title, interest and benefit, present and future, in and to all of its Intellectual Property rights including the name "Spirit" and all trade marks, designs, copyrights, patents, domain names and other intellectual property monopoly rights and interests (including any licence save to the extent that the licence contains a prohibition against such assignment or charge) from time to time being owned by the Subsidiary therein, whether registered or not and including all applications for the same and including all fees, royalties and other rights derived therefrom or incidental thereto;
- (ix) charges, by way of second fixed security, in favour of the Borrower Group Security Trustee on trust for itself and the other Junior Creditors, all of its right, title, interest and benefit, present and future, in and to all book debts and other debts, rents (including the loans made to other members of Spirit Group) and all moneys and liabilities whatsoever for the time being due, owing or payable to the Subsidiary (other than those governed by the laws of Scotland) (including the benefit of any judgment, order or decree to pay a sum of money) and the benefit of any Encumbrance and securities for the time being held by the Subsidiary in respect of any such debts or moneys and all bills of exchange, promissory notes and negotiable instruments of any description at any time owned or held by Subsidiary;
- (x) assigns by way of security, by way of second fixed security, in favour of the Borrower Group Security Trustee on trust for itself and the other Junior Creditors, all of its right, title, interest and benefit, present and future, in, to and under the IP Licence and all statutory licences, consents and authorisations, present and future, held in connection with its business or the use of any asset or property the subject of any security created by or pursuant to the Borrower Group Deed of Charge and the right to recover and receive all compensation which may be payable to it in respect of them; and
- (xi) charges, by way of second floating security, in favour of the Borrower Group Security Trustee the whole of its undertaking and all its property, assets and rights, whatsoever and wheresoever, both present and future (including without limitation, all stock in trade and the Floating Accounts and the balance standing to the credit thereof from time to time and including all freehold, feuhold, heritable and leasehold property) subject to its rights, title, benefit and interests, present and future in, to and under any property or assets from time to time or for the time being the subject of fixed charges pursuant to Clauses 3.1 to 3.10 (inclusive) and Clauses 4.1 to 4.10 (inclusive) of the Borrower Group Deed of Charge and the subject of the floating charge pursuant to Clause 3.13 of

the Borrower Group Deed of Charge or otherwise effectively charged or assigned by way of security;

- (c) agrees that, subject to the dispositions and/or charges effected in or pursuant to Clause 3 of the Borrower Group Deed of Charge, each of the dispositions of or charges over property effected in or pursuant to Clause 4 of the Borrower Group Deed of Charge is made with full title guarantee but in each case so that the covenants set out in sections 2(1)(a), 3, 4 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend only so far as provided in Clause 1.2(f) (or in relation to assets situated in or the rights which are governed by the laws of Scotland, with absolute warrandice (save in respect of the rights in security created pursuant to Clause 3 of the Borrower Group Deed of Charge and those matters which have been disclosed in the Property Due Diligence Reports);
- (d) agrees that, without prejudice to the generality of Clauses 3 and 4 of the Borrower Group Deed of Charge, the mortgages, standard securities, charges, assignments and assignations contained in or granted pursuant to the Borrower Group Deed of Charge:
 - (i) shall be without prejudice and in addition to any other security whatsoever which may be held by the Borrower Secured Parties or the Borrower Group Security Trustee on behalf of the Borrower Secured Parties from any Security Provider or any other person for or in respect of the whole or part of the Secured Amounts;
 - (ii) shall remain in force as continuing security for the Borrower Secured Parties notwithstanding any settlement of account or the existence at any time of a credit balance on any current or other account or any other act, event or matter whatsoever; and
 - (iii) are made for securing further advances including re-advances and the Issuer, BankCo and the Punch Borrower (or, as the case may be, one of its subsidiaries) (as appropriate) agree to make and the Borrower Group Security Trustee agrees that there shall be made further advances as provided for in the Issuer/Borrower Facility Agreement, the BankCo/Borrower Subordinated Loan Agreement and the Issuer/Borrower Subordinated Loan Agreement, respectively, or as may be provided for in any Punch/Borrower Subordinated Loan Agreement or as agreed between the Borrower and the Issuer, BankCo or the Punch Borrower (or, as the case may be, one of its subsidiaries), as the case may be, and the Borrower Group Security Trustee from time to time but not otherwise and application is made to the Chief Land Registrar for a *note to be entered on the relevant registers of title to that effect*;
- (e) jointly and severally undertakes with the other Security Providers that, for so long as any Secured Amount remains outstanding, it shall forthwith sign, seal,

deliver and complete all transfers, renunciations, proxies, mandates, assignments, assignations, deed and documents and do all acts and things which the Borrower Group Security Trustee may, in its absolute discretion but without prejudice to any restriction or undertaking on the part of the Borrower Group Security Trustee in the Borrower Group Deed of Charge (including, without limitation, Clauses 11.9 and 12.3 thereof) at any time and from time to time specify:

- (i) for enabling or assisting it to perfect or improve its title to and security over its Borrower Group Shares;
 - (ii) to vest its Borrower Group Shares in it or its nominee or nominees including without limitation, registering or procuring the registration of the Borrower Group Security Trustee as its nominee or any other nominee as the holder of Borrower Group Shares, in the register of members of the relevant Subsidiary;
 - (iii) following the service of a Borrower Group Enforcement Notice, to exercise (or enable its nominee or nominees to exercise) any rights or powers attaching to its Borrower Group Shares; or
 - (iv) following the service of a Borrower Group Enforcement Notice only, to sell or dispose of the Borrower Group Shares;
- (f) save with the prior written consent of the Borrower Group Security Trustee or as provided for or envisaged by the Borrower Group Deed of Charge, covenants and agrees that it shall not for so long as any Secured Amount remains outstanding:
- (i) *Negative Pledge*: create (or agree to create) or permit to subsist any Encumbrance (unless arising by operation of law) or other security interest whatsoever over all or any of its present or future assets or revenues (including any uncalled capital) or its undertaking other than an Encumbrance falling within paragraph (g) of the definition of Permitted Encumbrance;
 - (ii) *Disposal of Assets*: transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings forming part of the Managed Estate or any interest, estate, right, title or benefit therein, other than a transfer of legal title to the Borrower;
 - (iii) *Borrowings*: other than Permitted Financial Indebtedness, incur, create or permit to subsist or have outstanding any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person;

- (g) grants an indemnity to the Borrower Group Security Trustee and the Receiver of any Security Provider in respect of certain costs, expenses, liabilities and losses incurred; and
- (h) makes certain representations, warranties and undertakings to the Borrower Group Security Trustee,

(where **"BankCo"**, **"Bankco/Borrower Subordinated Loan Agreement"**, **"Borrower"**, **"Borrower Group Enforcement Notice"**, **"Borrower Group Second Standard Security"**, **"Borrower Group Shares"**, **"Borrower Mortgaged Property"**, **"Borrower Scottish Properties"**, **"Encumbrance"**, **"Floating Accounts"**, **"Insurance Policies"**, **"Intellectual Property"**, **"IP Licence"**, **"Issuer"**, **"Issuer/Borrower Facility Agreement"**, **"Issuer/Borrower Subordinated Loan Agreement"**, **"Managed Estate"**, **"Permitted Encumbrance"**, **"Permitted Financial Indebtedness"**, **"Property Due Diligence Reports"**, **"Receiver"**, **"Relevant Documents"**, **"Secured Amounts"**, **"Security Provider"**, **"Spirit Group"** and **"Transaction Documents"** have the meaning given to them in the Master Definitions and Construction Schedule signed by Freshfields Bruckhaus Deringer and Slaughter and May for identification and dated 25 November 2004 and **"Borrower Secured Parties"**, **"Effective Date"**, **"Junior Creditors"**, **"Junior Secured Amounts"**, **"Punch Borrower"**, **"Punch/Borrower Subordinated Loan Agreement"**, **"Punch Debt"**, **"Punch Finance Documents"** have the meaning given to them in the Supplemental Deed of Charge).

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SPIRIT GROUP
RETAIL LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE
COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of the Company dated 28 February 2006, prepared in accordance with applicable United Kingdom law, in connection with the proposed financial assistance to be given by the Company's subsidiary, Spirit Group Retail (Pubs) No.2 Limited, for the purpose of reducing or discharging a liability incurred for the purpose of the purchase of the ordinary shares in the Company's holding company, Spirit Group Holdings Limited, particulars of which are given in the attached statutory declaration.

This report is made solely to the directors of the Company in accordance with Section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report under section 156(4) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors of the Company, for our audit work, for this report, or for the opinions we have formed.

Basis of opinion

We have enquired into the state of affairs of the Company so far as necessary 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 of the Company in their statutory declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.



Ernst & Young LLP
Registered Auditor
Birmingham
28 February 2006