

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS
of
MENZIES HOTELS GROUP LIMITED
("Company")



In accordance with section 381A of the Companies Act 1985 ("Act"), we **resolve** as follows:

1. **That** the articles of association of the Company be altered as follows:

1.1 by inserting the following new article 8.3 as follows:

"8.3 Notwithstanding any other provision of this Article 8, where any share (whether an A Share, B Share, C Share or howsoever called) is subject to a security agreement pursuant to which a security interest has been granted in respect of such share then the provisions of Regulation 8 of Table A shall apply." ; and

1.2 by inserting the following new article 9.9:

"9.9 Notwithstanding any other provision of these Articles, in the case of any transfer of any share made pursuant to, or in connection with, any security agreement pursuant to which a security interest has been granted in respect of such share, (i) the provisions of Articles 9.1 to 9.8 shall not apply and (ii) the Directors may not in any circumstances refuse to register the transfer and the Secretary shall promptly register (without the need for any authority from the Directors to do so), where an instrument of transfer is lodged at the Office accompanied by the certificate for the shares to which it relates and a certificate by the party to whom such security has been granted that the transfer was executed pursuant to or in connection with such a security agreement."

2. **That**, subject to compliance with sections 155-158 of the Companies Act (the "Act"), the accession to and, where relevant, entry into and performance by the Company of the agreements listed below to which the Company is or is to become a party and such other deeds, certificates, instruments, notices, consents, requests, mandates and other documents to be entered into in connection therewith (the "**Documents**") and the transactions and matters contemplated by the Documents is in the best interests of the Company and are hereby approved and such approval is notwithstanding that the Company might be held to be giving financial assistance for the purposes of sections 155-158 of the Act:

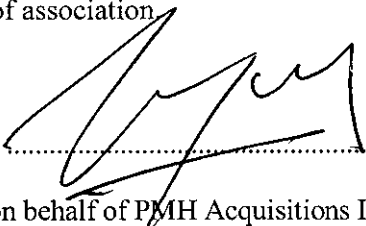
2.1 a facility agreement between (1) Piccadilly Hotels 2 Limited (2) the companies listed in Part 1 of Schedule 1 of the document (3) The Governor and Company of the Bank of Scotland (as Arranger) (4) the Financial Institutions listed in Schedule 1 (as Lenders) (5) The Governor and Company of the Bank of Scotland (as Agent) (6) the Governor and Company of the Bank of Scotland (as Security Trustee) (7) HBOS Treasury Services Plc (as Hedging Bank) and (8) The Governor and Company of the

Bank of Scotland (as Guarantor Bank) and which contains a guarantee under which the Company will provide an unlimited guarantee of the obligations and liabilities of Piccadilly Hotels 2 Limited and its subsidiaries;

- 2.2 a debenture between, amongst others, Piccadilly Hotels 2 Limited and the Governor and Company of the Bank of Scotland (as Security Trustee) comprising a charge over the whole of the assets and undertaking of the Company;
 - 2.3 a working capital facility between, inter alia, Piccadilly Hotels 2 Limited and the Governor and Company of the Bank of Scotland (as Working Capital Bank) of up to £5,000,000 to be made available, amongst others, to the Company;
 - 2.4 an intercreditor deed between (1) Piccadilly Hotels 2 Limited and certain Subsidiaries (2) the Senior Lenders (3) the Working Capital Bank (4) the Hedging Bank and (5) the Security Trustee (as Senior Agent) (all as defined therein) acknowledging the prior ranking security and interests of the Governor and Company of the Bank of Scotland (as Security Trustee);
 - 2.5 a loan agreement between Piccadilly Hotels 6 Limited (as lender) and the Company (as borrower) whereby the Company will have made available to it £22, 000,000 for the repayment of its existing indebtedness;
 - 2.6 an inter-company loan agreement between Piccadilly Hotels 1 Limited, Piccadilly Hotels 2 Limited, Piccadilly Hotels 3 Limited, Piccadilly Hotels 4 Limited, Piccadilly Hotels 5 Limited, Piccadilly Hotels 6 Limited, (each as borrower and as lender), pursuant to which a facility up to a maximum aggregate principal amount of £160,000,000 will be made available between the parties thereto, including, upon its accession, the Company; and
 - 2.7 a composite deed of release between, inter alia, Menzies Hotels Limited, and the Royal Bank of Scotland Plc ("RBS") whereby the Company releases existing security in favour of RBS.
3. **That** the financial assistance procedures referred to in the draft minutes of a meeting of the board of directors of the Company that are attached to these written resolutions be and are hereby approved;
 4. **That** these written resolutions shall have effect notwithstanding any provision of the Company's articles of association.

We confirm that a copy of the directors' statutory declarations made pursuant to section 155(6) of the Act and related auditors' reports have been supplied to us at or before the time at which this document was supplied to us for signature (in accordance with paragraph 4 of schedule 15A to the Act).

We further confirm that this resolution has been passed fully in accordance with the Company's articles of association.

Signed: 

Dated: 10 October 2006

for and on behalf of PMH Acquisitions Limited

Attachments:

1. *Statutory declarations in forms G155(6)a and G155(6)b.*
2. *Auditors' reports.*

We, being the auditors to the Company, acknowledge that a copy of the above resolutions and attachments were sent to us on

Signed: Deloitte & Touche LP Dated: 10/10/06

Deloitte & Touche LLP