

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

Company number

Name of company

* P&H (2002) LIMITED (the "Company")

X/We 0 Please see attachment 1

~~XXXXXXXXXXXX~~ [all the directors] † of the above company do solemnly and sincerely declare that
The business of the company is

[illegible]

(c) something other than the above §

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

~~Company~~ [company's holding company Palmer & Harvey (Holdings)]

Limited†

The assistance is for the purpose of ~~reducing or discharging~~ [reducing or discharging a liability incurred for the purpose of that acquisition] †

The number and class of the shares acquired or to be acquired is Please see attachment 2

639 London City

FRIDAY



A53J8YLS

A20

04/04/2008

18

COMPANIES HOUSE

878263;

The assistance is to be given to (note 2) P & H Holdco Limited ("New Holdco") of
P & H House, Davigdor Road, Hove, East Sussex, BN3 1RE

*Please do not
write in this
margin

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

The assistance will take the form of

Please see attachment 3

The person who [has acquired] ~~100,000,000~~ † the shares is

† delete as
appropriate

New Holdco

The principal terms on which the assistance will be given are

Please see attachment 4

The amount of cash to be transferred to the person assisted is £ Please see attachment 5

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

The date on which the assistance is to be given is within 8 weeks of today's date

FORM 155(6)A
P&H (2002) Limited
Company Number 04236932
Attachment 1 to Form 155(6)a

Directors

Name	Address
Christopher Borlase Adams	Belmont House, East Hoathly, Lewes, East Sussex, BN8 6QJ
Chris Etherington	Forge House, Selborne Road, Greatham, Liss, Hampshire, GU33 6HC
Christopher William Little	7 Hoewood, Mill Glade, Small Dole, Henfield, West Sussex, BN5 9YR

FORM 155(6)A
P&H (2002) Limited
Company Number 04236932
Attachment 2 to Form 155(6)a

Shares Acquired

53,643,315 A ordinary shares of £0 10 each and 1 preference share of £1 in the capital of Palmer & Harvey (Holdings) Limited

FORM 155(6)A
P&H (2002) Limited
Company Number 04236932
Attachment 3 to Form 155(6)a

Form of Financial Assistance

1 1 Guarantees

Guarantees, indemnities and rights of set off granted by the Company to the persons (the "**Financiers**") providing New Holdco and others with

- (a) senior loan and other facilities of initially up to £165,000,000 in aggregate pursuant to a senior facilities agreement dated 4 February 2008 (the "**Senior Facilities Agreement**"),
- (b) a receivables financing facility and a revolving credit facility of initially up to £280,000,000 in aggregate pursuant to a receivables financing agreement dated 4 February 2008 (the "**Receivables Financing Agreement**"), and
- (c) interest rate hedging contracts and instruments (the "**Hedging Agreements**") in relation to the facilities provided under the Senior Facilities Agreement and the Receivables Financing Agreement

1 2 Security

Fixed and floating charges granted by the Company over all its assets and undertaking present and future by way of security for (inter alia) its obligations under the guarantees and indemnities referred to in paragraph 1 1 above, pursuant to a debenture dated 4 February 2008 (the "**Debenture**") in favour of Barclays Bank PLC as security agent (the "**Security Agent**") for the Financiers

1 3 Priority

Priority and subordination arrangements entered into by the Company with (among others) the Financiers pursuant to an intercreditor agreement dated 4 February 2008 (the "**Intercreditor Agreement**")

1 4 Intra-group Loan Facility

An intra-group loan facility (the "**Intra-group Loan**") granted by the Company along with other members of the group of companies of which it is a member pursuant to which each party will make available to the others a revolving credit facility

1 5 Payment of Fees

The payment of fees by the Company of, inter alia, certain legal, accountancy and financing fees incurred in connection with the acquisition of shares in Palmer & Harvey (Holdings) Limited by New Holdco

FORM 155(6)A
P&H (2002) Limited
Company Number 04236932
Attachment 4 to Form 155(6)a

Principal Terms of Financial Assistance

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

1.1 Guarantees

- (a) The Company will become a party to the Senior Facilities Agreement pursuant to an accession agreement (the "**Senior Accession Letter**") The guarantees and indemnities referred to in paragraphs 11(a) and 11(c) of Attachment 3 are recorded in clauses 19 and 31 of the Senior Facilities Agreement and pursuant to which the Company irrevocably and unconditionally jointly and severally with certain other members of the group of companies of which it is a member
 - (i) as principal obligor guarantees punctual performance of obligations undertaken to the Financiers under, inter alia, the Senior Facilities Agreement, the Hedging Agreements and each Senior Accession Letter (together the "**Senior Finance Documents**"),
 - (ii) undertakes with each of the Financiers that whenever another obligor under the Senior Facilities Agreement does not pay any amount when due under or in connection with, inter alia, any Senior Finance Document, the Company shall immediately on demand pay that amount as if it were the principal obligor,
 - (iii) agrees to indemnify the Financiers immediately on demand against any loss or liability suffered by any of them if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal,
 - (iv) agrees that its guarantee and indemnity obligations will not be affected by any act, omission, matter or thing which would otherwise reduce, release or prejudice any of such obligations, and
 - (v) agrees that any Financier may set off any matured obligation owed by the Company to the Financier against any matured obligation owed by that Financier to the Company
- (b) The Company will become a party to the Receivables Financing Agreement pursuant to an accession agreement (the "**Receivables Accession Letter**") The guarantees and indemnities referred to in paragraphs 11(b) and 11(c) of Attachment 3 are recorded in clauses 20 and 34 of the Receivables Financing Agreement and pursuant to which the Company irrevocably and unconditionally jointly and severally with certain other members of the group of companies of which it is a member:
 - (i) as principal obligor guarantees punctual performance of obligations undertaken to the Financiers under, inter alia, the Receivables Financing Agreement, the Hedging Agreements and each Receivables Accession Letter (together the "**Receivables Finance Documents**"),
 - (ii) undertakes with each of the Financiers that whenever another obligor under the Receivables Financing Agreement does not pay any amount when due under or in connection with, inter alia, any Receivables Finance Document,

the Company shall immediately on demand pay that amount as if it were the principal obligor,

- (iii) agrees to indemnify the Financiers immediately on demand against any loss or liability suffered by any of them if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal,
- (iv) agrees that its guarantee and indemnity obligations will not be affected by any act, omission, matter or thing which would otherwise reduce, release or prejudice any of such obligations, and
- (v) agrees that any Financier may set off any matured obligation owed by the Company to the Financier against any matured obligation owed by that Financier to the Company

1 2 **Security**

The security referred to in paragraph 1 2 of Attachment 3 is to be created by the Company executing a security accession deed (the "**Security Accession Deed**") to the Debenture. By entering into the Debenture, the Company will (amongst other things)

- (a) as primary obligor, covenant with the Security Agent that it will pay or discharge all outstandings under, inter alia, the Senior Finance Documents and/or the Receivables Finance Documents,
- (b) with full title guarantee, charge in favour of the Security Agent all its assets and undertakings by way of fixed and/or floating charges and/or assignment by way of security for the payment, discharge and performance of such outstandings,
- (c) undertake to, at its own expense, do all acts and execute all documents as the Security Agent may reasonably require for perfecting or protecting the security intended to be created by the Debenture over the assets secured thereby, and
- (d) permit the Security Agent and each Financier to set off any obligation due and payable by the Company to the Security Agent or the Financier and unpaid against any obligation (whether or not matured) owed by the Security Agent or such Financier to the Company

1 3 **Priority**

By executing an accession agreement to the Intercreditor Agreement (the "**Intercreditor Accession Letter**"), the Company (amongst other things) will

- (a) covenant to pay the amounts owing under, inter alia, the Senior Finance Documents and Receivables Finance Documents, and
- (b) agree that any sums owed to it by way of intra-group loan by any other member of its group will be subordinated to sums owed by such members of the group to the Financiers

1 4 **Intra-group Loan**

By executing the Intra-group Loan referred to in paragraph 1 4 of Attachment 3, the Company and other members of the group of companies of which it is a member will make available to each other a revolving credit facility to be used by each of them, inter alia, to meet their payment obligations to the Financiers under, inter alia, the Senior Finance Documents and Receivables Finance Documents and for financing general working capital requirements, but on the basis that the Company will only be obliged to make advances under the Intra-group Loan if, inter alia, it has the cash resources and the

Company is not in liquidation or administration or the subject of a creditor's voluntary arrangement

1 5 Payment of Fees

The payment of fees by the Company of, inter alia, certain legal, accountancy and financing fees incurred in connection with the acquisition of shares in Palmer & Harvey (Holdings) Limited by New Holdco for an amount to be determined but not exceeding £12,500,000

1 6 Amendments

The Company's obligations as described above continue in relation to the Senior Finance Documents, Receivables Finance Documents, the Debenture, and Intra-group Loan as they may be amended, modified, varied or restated from time to time

FORM 155(6)A
P&H (2002) Limited
Company Number 04236932
Attachment 5 to Form 155(6)a

Cash to be transferred

Cash to be transferred at the time of the giving of financial assistance is up to £210,000,000
Further cash may become payable under the Intra-group Loan up to an aggregate of
£900,000,000 and/or under the other documents referred to in Attachments 3 and 4



KPMG LLP
1 Forest Gate
Brighton Road
Crawley RH11 9PT
United Kingdom

Tel +44 (0) 1293 652000
Fax +44 (0) 1293 652100
DX 89505 Crawley 4

Private and confidential

The Directors
P&H (2002) Limited
P&H House
Davigdor Road
Hove
East Sussex
BN3 1RE

Our ref **MS/613/6a**

Contact **Mark Sheppard**
01293 652176

27 March 2008

Dear Sirs

Auditors' report to the directors of P&H (2002) Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 27 March 2008 in connection with the proposal that the Company should give financial assistance for the purpose of reducing a liability incurred by the Company's holding company, Palmer & Harvey (Holdings) Limited (formerly Palmer & Harvey (Holdings) Plc) and / or its subsidiaries for the purpose of the acquisition of shares in Palmer & Harvey (Holdings) Limited by P & H Holdco Limited

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

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 faithfully

KPMG LLP

Registered Auditor