



CHFP025

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

Official use box with vertical lines

Company number box containing 4271973

Name of company

Company name box containing * Spirit Managed Holdings 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

We Ø Karen Jones, Paddock House, 5 Spencer Park, Wandsworth, London, SW18 2SX
Cornel Riklin, 103 Barrow Gate Road, Chiswick, London W4 4QS
Benedict Smith, Flat 9, 62 Ecclestone Square, London SW1V 1PH
Stephen Peel, 4 Neville Street, London SW7 3AR

† delete as appropriate

[XXXXXXXXXXXX] [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 pursuant to the Banking Act 1985
(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom
(c) something other than the above§

This company is [del] [a] holding company of* Spirit Pubs Holdings Limited
which is proposing to give financial assistance in connection with the acquisition of shares
in [this company] [del the holding company of this company]†

Presentor's name address and reference (if any) :
Slaughter and May
(Ref: KRD/SJVW/DER)
One Bunhill Row
London
EC1Y 8YY

For official Use
General Section

Post room



LD2 COMPANIES HOUSE *LPE478RG* 0278 03/12/04

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 Annex 1

The assistance is to be given to: (note 2) Spirit Intermediate Holdings Limited
of 107 Station Street, Burton-on-Trent, Staffordshire DE14 1BZ.

The assistance will take the form of:

See Annex 2.

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

† delete as appropriate

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

See Annex 3.

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 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)

(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)

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

(b) ~~We have formed the opinion that this company will be unable to pay its debts in full within 12 months of the winding up of the company, with 12 months of that date, and that it is intended to commence the winding up of the company, within 12 months of that date, and that we have formed the opinion that this company will be unable 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

Declarants to sign below

LAUGHTER AND MAY
ONE BUNHILL ROW
LONDON EC1Y 8YU

Day Month Year
on

2	4	1	1	2	0	0	4
---	---	---	---	---	---	---	---

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.

[Signatures]

NOTES

- For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 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.
- Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 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

JONATHAN PAUL COUTTS
Scrivener Notary, authorised
by statute to administer oaths

Spirit Managed Holdings Limited
Annexure 2 – Form 155(6)(b)

The financial assistance will take the form of:

- (A) Execution, delivery and performance by the Company's subsidiary of a deed of charge to be dated 25 November, 2004 between, inter alios, the Company's subsidiary and Deutsche Trustee Company Limited (the "**Trustee**") (the "**Borrower Group Deed of Charge**").
- (B) Intra-group loans or other advances (including by way of repayment of existing loans and other inter-company balances) (the "**Loans**") from the Company's subsidiary to group companies on the terms set out in a Debt Reorganisation and Settlement Agreement to be dated 25 November, 2004 between, inter alios, the Company's subsidiary, Spirit Retail Bidco Limited and Spirit Group Parent Limited (the "**DRSA**").
- (C) Execution, delivery and performance by the Company's subsidiary of a Guarantee and Reimbursement Agreement to be dated 25 November, 2004 between, inter alios, the Company's subsidiary and Ambac Assurance UK Limited ("**Ambac**") (the "**Guarantee and Reimbursement Agreement**").
- (D) Execution, delivery and performance by the Company's subsidiary of an Issuer/Borrower Facility Agreement to be dated 25 November, 2004 between, inter alios, the Company's subsidiary and Spirit Issuer plc (the "**IBFA**").
- (E) Execution, delivery and performance by the Company's subsidiary of a subscription agreement in relation to the Debenture Bonds to be dated 24 November 2004 between, inter alios, the Company's subsidiary, Spirit Issuer plc and the Managers (as defined therein) (the "**Subscription Agreement**").
- (F) Payment of certain fees and expenses incurred in respect of the preparation, execution, delivery and performance of, and of the transactions contemplated by the documents listed in paragraphs (A) to (E) above.

Spirit Managed Holdings Limited
(the "**Company**")

Annexure 3 – Form 155(6)(b)

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

- (A) By entering into the **Borrower Group Deed of Charge**, the Company's subsidiary covenants to duly and punctually pay and discharge all moneys and liabilities which now are or at any time hereafter may (whether before or after demand) become due, owing or payable to the Trustee (whether for its own account or as trustee for the Borrower Secured Parties (as defined in the Borrower Group Deed of Charge)) or any of the other Borrower Secured Parties (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 Transaction Documents (as defined in the Borrower Group Deed of Charge) to which it is a party. The security interests created by the Company's subsidiary pursuant to the Borrower Group Deed of Charge comprise:
- (i) an equitable mortgage in favour of the Trustee of the Borrower Group Shares (as defined in the Borrower Group Deed of Charge) owned by the Company's subsidiary;
 - (ii) a floating charge in favour of the Trustee over the Company's subsidiary's undertaking, property, assets and rights whatsoever and wheresoever both present and future;
 - (iii) a first legal mortgage in favour of the Trustee, of all the Company's subsidiary's right, title, interest and benefit in, to and under the Borrower Mortgaged Properties and Ancillary Property Rights (each as defined in the Borrower Group Deed of Charge) owned by the Company's subsidiary;
 - (iv) a first standard security in favour of the Trustee over all the Company's subsidiary's right, title and interest in each Borrower Scottish Property (as defined in the Borrower Group Deed of Charge) owned by the Company's subsidiary;
 - (v) an assignment by way of security in favour of the Trustee of all the Company's subsidiary's title, benefit and interest in, to and under the Relevant Documents (as defined in the Borrower Group Deed of Charge);
 - (vi) an assignment by way of security in favour of the Trustee all the Company's subsidiary's right, title, benefit and interest, in and to the Insurance Policies (as defined in the Borrower Group Deed of Charge) and all rights, claims and proceeds arising therefrom insofar as they relate to a Borrower Mortgaged Property;
 - (vii) an assignment by way of security in favour of the Trustee of all the Company's subsidiary's right, title, interest and benefit in and to all of the Intellectual Property rights (as defined in the Borrower Group Deed of Charge) from time to time owned by the Company's subsidiary;

- (viii) a first fixed charge in favour of the Trustee over all the Company's subsidiary's right, title, interest and benefit in and to all book debts and other debts, rents and all monies and liabilities whatsoever for the time being due, owing or payable to the Company's subsidiary;
 - (ix) an assignment by way of security in favour of the Trustee of all the Company's subsidiary's right, title, interest and benefit in, to and under the IP Licence (as defined in the Borrower Group Deed of Charge) and all statutory licenses, consents and authorisations (as more fully described in the Borrower Group Deed of Charge) held by the Company's subsidiary; and
 - (x) a first fixed charge in favour of the Trustee over all the Company's subsidiary's right, title, interest and benefit in and to all Eligible Investments (as defined in the Borrower Group Deed of Charge) into which monies standing to the credit of the Fixed Accounts (as defined in the Borrower Group Deed of Charge) may be invested.
- (B) By entering into the **DRSA**, the Company's subsidiary has agreed to advance certain amounts by way of the Loans to members of Spirit Group on and in accordance with the terms set out in the DRSA. The ultimate use of part of the proceeds of the Loans will be to reduce or discharge indebtedness incurred in relation to the acquisition of Spirit Managed Holdings Limited.

Where Additional Bank Indebtedness (as defined in the DRSA) up to an aggregate principal amount of £150,000,000 is drawn down, the relevant parties to the DRSA shall co-operate to transfer the proceeds of such Additional Bank Indebtedness directly or indirectly to SGPL by way of subordinated loan or repayment of subordinated loan, but subject always to the applicable restrictions set out in section 151 of the Companies Act 1985.

- (C) By entering into the **Guarantee and Reimbursement Agreement**, the Company's subsidiary:
- (i) agrees to indemnify the Indemnified Parties (as defined in the Guarantee and Reimbursement Agreement) in respect of losses they may incur as a result of certain breaches, misrepresentations and events of default (as more particularly described in the Guarantee and Reimbursement Agreement);
 - (ii) covenants with Ambac to compensate it for its increased costs (if any) as determined by Ambac in accordance with the terms of the Guarantee and Reimbursement Agreement; and
 - (iii) agrees with Ambac to pay interest on any late payments under the Guarantee and Reimbursement Agreement;
- (D) By entering into the **IBFA**, the Company's subsidiary:
- (i) unconditionally guarantees and undertakes on demand from time to time the due and punctual payment of the Guaranteed Amounts (as defined in the IBFA);

- (ii) agrees to indemnify the Borrower Group Secured Creditors (as defined in the IBFA) from time to time on demand against any loss (together with VAT thereon) incurred by any of them as a result of the voidability, invalidity or ineffectiveness of the guarantee referred to in (i) above;
 - (iii) agrees with the Trustee to pay interest at a default rate in respect of any sums unpaid when due;
 - (iv) undertakes to indemnify the Trustee and each Borrower Group Secured Creditor in respect of losses it may incur as a result of certain events of default (as more particularly described in the IBFA);
 - (v) undertakes to indemnify the Issuer (as defined in the IBFA) in respect of losses it may incur as a result of it funding a Term Advance (as defined in the IBFA) which is not made;
 - (vi) undertakes to indemnify the Trustee and each Borrower Group Secured Creditor in respect of losses it may incur as a result of enforcing any security granted pursuant to the Security Documents (as defined in the IBFA);
 - (vii) undertakes to indemnify the Issuer in respect of payments calculated in accordance with the Mandatory Costs rate (as defined in the IBFA) or any amount payable in accordance with certain provisions of the Liquidity Facility Agreement (as defined in the IBFA); and
 - (viii) undertakes to pay certain fees and expenses (together with VAT thereon) incurred by the Trustee and each Borrower Group Secured Creditor in respect of any amendment, waiver or enforcement etc in respect of the Transaction Documents (as defined in the IBFA).
- (E) By entering into the Subscription Agreement, the Company's subsidiary agrees to:
- (i) indemnify and hold harmless the Managers and Ambac for losses they may suffer as a result of certain breaches and/or events of default;
 - (ii) pay stamp duty, issue, registration, documentary or other taxes of a similar nature in respect of the Debenture Bonds; and
 - (iii) pay certain fees, costs and expenses as more fully described in the Subscription Agreement.

**Auditors' report to the directors of Spirit Managed Holdings Limited
pursuant to section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of Spirit Managed Holdings Limited ("the Company") dated 24 November 2004, prepared in accordance with applicable United Kingdom Law, in connection with the proposal that the Company's subsidiary, Spirit Pubs Holdings Limited should give financial assistance for the purchase of the Company's entire share capital by Spirit Intermediate Holdings Limited.

This report is made solely to the directors 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 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, for our work, for this report, or for the opinions we have formed.

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.



Ernst & Young LLP
Registered Auditor
24 November 2004