

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

[[[I]]]

04560778

Name of company

* PEARL LIFE HOLDINGS LIMITED (FORMERLY RESOLUTION LIFE LIMITED) (the "Company")

~~X~~We SEE SCHEDULE 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

RESOLUTION PLC) PEARL GROUP HOLDINGS (NO 1) LIMITED (FORMERLY
Limited) t

The assistance is for the purpose of ~~reducing or~~ 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 UP TO 688,500,000 ORDINARY
SHARES OF £0.05

For official Use
General

WEDNESDAY



LD3

LMQYFZW5
21/05/2008
COMPANIES HOUSE

139

The assistance is to be given to (note 2) IMPALA HOLDINGS LIMITED (COMPANY NUMBER
06306909, THE PEARL CENTRE, LYNCH WOOD, PETERBOROUGH PE2 6FY)

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

SEE SCHEDULE 2

The person who has acquired ~~100% of the~~ † the shares is

† delete as
appropriate

IMPALA HOLDINGS LIMITED

The principal terms on which the assistance will be given are

SEE SCHEDULE 3

The amount of cash to be transferred to the person assisted is £ SEE SCHEDULE 4

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

Schedule 1 to the Statutory Declaration

List of directors

Ian Graham Maidens
Monks Park, Monks Lane, Wadhurst, East Sussex, TN5 6EW

Graham Lloyd Singleton
High Meadow, Alderminster, Stratford-upon-Avon, Warwickshire, CV37 8NX

John Simon Bertie Smith
32 Mingle Lane, Stapleford, Cambridge, CB2 5SY

Jonathan Moss
Park Cottage, Charlton Lane, West Farleigh, Kent, ME15 0NU

Schedule 2 to the Statutory Declaration

The assistance will take the form of the execution, delivery and performance by the Company of its obligations under the following documents (unless otherwise defined herein, terms defined in the Senior Facilities Agreement (as defined in Schedule 4 to this Statutory Declaration) or a framework agreement dated 10 October 2007 and as amended and restated on 2 May 2008, between The Royal London Mutual Insurance Society Limited ("**Royal London**"), Impala Holdings Limited and Pearl Group Limited relating to, inter alia, the disposal of certain assets and liabilities of the Resolution Group (as defined therein) to Royal London (the "**Rodney North Framework Agreement**") (as the context requires) shall have the same meaning as when used in these Schedules 2, 3 and 4)

- 1 an intra group loan agreement to be entered into on or about the date hereof between the Company (as borrower and lender) and certain group companies (as borrowers and lenders) (as may be amended, restated, supplemented, novated and/or replaced from time to time) (the "**Whitewash Loan Agreement**"),
- 2 An assignment agreement (or agreements) to be entered into within eight weeks of the date hereof between the Company (as assignor) and Pearl Group Holdings (No 1) Limited (as assignee) (the "**assignee**") whereby the Company agrees to allow the consideration payable for the assignment to the assignee of
 - (i) a receivable of £104 7 million, and
 - (ii) a receivable of £1,017 3 million each as adjusted pursuant to clause 5 2 of the Rodney North Framework Agreement ((i) and (ii) together being the "**Assignment Intra-Group Loan Agreements**"),

to remain outstanding until 31 December 2016, with interest accruing on such outstanding consideration until settled, and

- 3 inter-company loans between the Company as borrower and Scottish Provident Limited as lender under the following loans (i) dated 5 September 2006 for £575,000,000, (ii) dated 5 September 2006 for £85,000,000 and (iii) dated 16 May 2007 for £140,000,000, and inter-company loans between the Company as borrower and Scottish Mutual Assurance Limited as lender under the following loans (i) dated 5 September 2006 for £790,000,000, (ii) dated 8 November 2006 for £150,000,000 and (iii) dated 16 May 2007 for £450,000,000, and an inter-company loan between the Company as borrower and Phoenix Life Limited as lender under a loan dated 29 November 2005 for £100,000,000 and an inter-company loan between the Company as borrower and Scottish Mutual International Holdings as lender dated 13 December 2007 for £80,000,000 (each as may be amended, restated, supplemented, novated and/or replaced from time to time) (the "**Inter-company Loan Agreements**")

Schedule 3 to the Statutory Declaration

Terms defined in Schedule 2 shall have the same meaning in Schedule 3.

- 1 The principal terms on which the assistance will be given under the terms of the Whitewash Loan Agreement are
 - (a) the Company and certain of its subsidiaries grant each other facilities of up to £5,000,000,000 plus the amount of any interest, fees, costs and expenses payable under the Senior Facilities Agreement (as defined in Schedule 4 to this Statutory Declaration) (or such other amount as may be agreed by the parties to the Whitewash Loan Agreement) for the purpose of, inter alia, enabling monies to be lent by the Company to Impala Holdings Limited such that Impala Holdings Limited may make loans available to the Borrowers (as defined in Schedule 4 to this Statutory Declaration) pursuant to the terms of a separate inter-company loan thereby enabling the Borrowers to repay borrowings and make other payments required to be made under the Senior Facilities Agreement, and
 - (b) the Company and certain of its subsidiaries by way of security for their obligations to make advances under the Whitewash Loan Agreement, irrevocably appoints, amongst others, Impala Holdings Limited to be its attorney to do anything which they are required to do under the Whitewash Loan Agreement but they have failed to do (such appointment to take effect once the board of the Company has approved the making of an advance under the Whitewash Loan Agreement)
- 2 The principal terms on which the assistance will be given under the terms of the Assignment Intra-Group Loan Agreements are
 - (a) the Company agrees to allow the consideration payable by Pearl Group Holdings (No 1) Limited of, in aggregate, £1,122 million (as adjusted pursuant to clause 5.2 of the Rodney North Framework Agreement) to remain outstanding (subject to interest accruing on such outstanding amount until it is settled on 31 December 2016 for the purpose of, ultimately, enabling Impala Holdings Limited to apply such receivables in repayment of certain liabilities to the borrowers under a bridge facility provided by Royal London (the “**Royal London Facility**”) and in turn enabling such borrowers to set off such receivables against a portion of the debt owed under the Royal London Facility to Royal London, in accordance with the terms of the Rodney North Framework Agreement, and
 - (b) it is a term loan with the term expiring on 31 December 2016
- 3 The principal terms on which the assistance will be given under the terms of the Inter-company Loan Agreements are that the Company will amend the Inter-company Loan Agreements such that the loans thereunder are each no longer repayable on demand and only become due and payable on or after 31 December 2016 thereby enabling the Company to participate in the Whitewash Loan Agreement as a lender and lend money to Impala Holdings Limited who will in turn lend money to Borrowers (as

defined in Schedule 4 to this Statutory Declaration) pursuant to the terms of a separate inter-company loan between Impala Holdings Limited as Lender and the Borrowers (as defined in Schedule 4 to this Statutory Declaration) as borrowers to enable the Borrowers to repay borrowings and make other payments required to be made under the Senior Facilities Agreement

Schedule 4 to the Statutory Declaration

- 1 In relation to the Whitewash Loan Agreement cash to be transferred at the time of the giving of financial assistance is nil. However cash may become payable under the Whitewash Loan Agreement up to a maximum of £5,000,000,000 plus the amount of any interest, fees, costs, and expenses payable under a senior facilities agreement dated 10 October 2007 and as amended and restated from time to time including by way of a deed of amendment dated 20 December 2007 with various financial institutions as named therein including Dresdner Bank AG Niederlassung Luxemburg as Agent and Security Trustee and Sun Capital Investments No 2 Limited and Hera Investments No 2 Limited as borrowers and guarantors (the "**Borrowers**"), (the "**Senior Facilities Agreement**") (or such other amount as may be agreed between the borrowers and the lenders under the Whitewash Loan Agreement)
- 2 In relation to the Assignment Intra-Group Loan Agreements there will be an assignment of cash, or an undertaking to pay cash of, in aggregate, £1,122 million (as adjusted pursuant to clause 5.2 of the Rodney North Framework Agreement) at the time of giving the financial assistance
- 3 In relation to the Inter-company Loan Agreements cash to be transferred at the time of giving financial assistance is nil

**Report of the Independent Auditor to the Directors of Pearl Life Holdings Limited
(formerly known as Resolution Life Limited) pursuant to section 156(4) of the
Companies Act 1985**

We have reported on the attached statutory declaration of the directors dated 14 May 2008, pursuant to the Companies Act 1985, in connection with the proposed financial assistance to be given by Pearl Life Holdings Limited ("the Company") for the purchase of up to 688,500,000 ordinary shares in Pearl Group Holdings (No 1) Limited (formerly known as Resolution PLC).

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 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, for our audit 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

Ernst & Young LLP

Registered Auditor

London

14 May 2008



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