

# Thermae OntwikkelingsMaatschappij (T.O.M.) N.V.

## **Strictly Private & Confidential**

Bath & North East Somerset District Council  
The Guildhall  
High Street  
Bath  
BA1 5AW

For the attention of: Councillor Paul Crossley  
Dr. Jo Farrar, Chief Executive

**29<sup>th</sup> July 2013**

Dear Sirs

## **Thermae Bath Spa – consent for change of control**

### ***Background***

We refer to:

1. the lease dated 12 July 2006 entered into by and between Bath & North East Somerset District Council (the "**Council**") (1) and Thermae Development Company Limited (the "**Company**") (2) relating to the Bath Spa premises at Bath Street, Hot Bath Street and Beau Street, Bath (the "**Lease**");
2. the water supply agreement dated 12 July 2006 entered into by and between the Council (1) and the Company (2) relating to the supply of water by the Council to the Company for use at the premises the subject of the Lease (the "**Water Supply Agreement**"); and
3. the content agreement dated 12 July 2006 entered into between the Council (1) and the Company (2) (the "**Content Agreement**").

The Company is a wholly owned subsidiary of Thermae Ontwikkelingsmaatschappij (T.O.M.) NV, a company whose registered office is at Kaya W.F.G. (Jombi) Mensing 35A, Curacao, Dutch Antilles ("**TOM**").

### ***Proposed Transaction***

TOM has entered into a sale and purchase agreement dated 29th July 2013 with YTL Hotels & Properties Sdn Bhd ("**YTL Hotels**"), a company incorporated in Malaysia and a subsidiary of YTL Corporation Berhad, by which YTL Hotels has, subject to the fulfilment of the condition described in more detail below, agreed to acquire the entire issued share capital of the Company (the "**Proposed Transaction**")

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## **Condition**

Pursuant to clause 4.15.9 of the Lease and clause 4.1 of the Water Supply Agreement, no Change of Control (as such term is defined in the Lease and the Water Supply Agreement) of the Company is permitted without the consent in writing of the Council (such consent not to be unreasonably withheld). Pursuant to clause 6.2(d) of the Content Agreement, the Council may terminate the Content Agreement on the change of control of the Company where the Council considers that the change of control materially affects the ability of the Company to carry out its obligations under the Content Agreement in a manner satisfactory to the Council.

Completion of the Proposed Transaction will result in the Change of Control of the Company with YTL Hotels becoming its sole shareholder. The Proposed Transaction is therefore conditional upon the Council's written consent to such change of ownership of the Company being given to TOM.

## **YTL Corporation**

YTL Corporation Berhad, (Company No. 92647-H), is one of the largest companies listed on the Malaysian Stock Exchange and, together with its four listed entities, has a combined market capitalisation of about RM 31.3 billion (approx. USD9.79 billion, based on the exchange rate of USD1.00:RM3.20) as at 30 June 2013, and has total assets of over RM51.6 billion (USD16.9 billion). The company was listed in 1985 and has also had a secondary listing on the Tokyo Stock Exchange since 1996. YTL Corporation Berhad was the first Asian non-Japanese company to be listed on the Tokyo Stock Exchange.

## **YTL Hotels**

YTL Hotels is a wholly owned subsidiary of YTL Corporation Berhad. YTL Hotels owns and manages a collection of internationally renowned, award winning hotels and resorts throughout Malaysia, ranging from moderately priced hotels to resorts among the most luxurious in the world.

YTL Hotels does not confine itself to any particular activity or sector in the hospitality industry. The division has developed core competencies in owning, managing and constructing world class accommodation featuring impressive services and facilities – examples of which are Pangkor Laut Resort ("Best Hotel" as voted by SLH Club Members, 2009, Small Luxury Hotels of the Worlds 2009) and Tanjung Jara Resort ("Top 10 Super Spas" – Spa Village Tanjung Jara, Elle UK 2009).

Hotels owned and/or managed/operated by YTL Hotels and its affiliates include, Pangkor Laut Resort, Tanjung Jara Resort, The Chedi, Phuket (50% owned by YTL Hotels), The Ritz-Carlton, Kuala Lumpur, JW Marriot, Kuala Lumpur, The Cameron Highlands Resort, The Majestic Malacca, Spa Village Tembok Bali, The Majestic Kuala Lumpur, Muse Saint Tropez, Niseko Village (a ski resort in Hokkaido, Japan), and Gaya Island Resort Borneo and Vistana Hotels (Kuala Lumpur, Penang and Kuantan – moderately priced hotels catering to business travellers). Adding on to YTL Hotels luxury collection is The Gainsborough Bath Spa opening in Spring 2014 which exclusively offers the only natural thermal spa within a hotel in the United Kingdom.

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## Consent

This letter is formal notice of the Proposed Transaction and a request for consent from the Council to the Change of Control and confirmation that the Council will not exercise its rights of termination under the Content Agreement. Please confirm your consent to the Change of Control as is required pursuant to the terms of both the Lease and the Water Supply Agreement and that the Council will not exercise its rights of termination under the Content Agreement by signing where indicated below and returning the signed original to Mr H.M.W. Verschuur, care of Simon Spooner.2 Temple Quay Bristol.

Yours faithfully



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**Henk Verschuur**

For and on behalf of **Thermae Ontwikkelingsmaatschappij (T.O.M.) NV**

**We hereby consent to the Change of Control that will be effected upon completion of the Proposed Transaction as required pursuant to the terms of the Lease and the Water Supply Agreement and we confirm that the Council will not exercise its right of termination under the Content Agreement arising from the Change of Control.**

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Authorised Signatory

**Bath & North East Somerset District Council**

Name: .....

Title: .....

Dated: .....