

G**Declaration in relation to assistance
for the acquisition of shares****155(6)a**

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

Please do not write
in this marginPlease complete
legibly, preferably in
black type or bold
block letteringNote
Please read the
notes on page 3
before completing
this form.* Insert full name
of companyo insert name(s) and
address(es) of all
the directorsY delete as
appropriate§ delete whichever
is inappropriateTo the Registrar of Companies
(address overleaf)

For official use

Company number

1102542

Name of company

Primesight International Limited

I/We o

PLEASE SEE ANNEX A

~~The sole director~~ [all the directors] Y of the above company do solemnly and sincerely
declare that:

The business of the company is:

~~(a) that of a recognised bank (licensed institution) within the meaning of the
Banking Act 1979~~~~(b) that of a person authorised under section 2 or 4 of the Insurance Companies
Act 1982 to carry on insurance business in the United Kingdom~~

(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~~

Limited] Y

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

The number and class of the shares acquired or to be acquired is: 400

ordinary shares of £0.25 each

Presenter's name address
and reference (if any):HARBOTTLE & LEWIS
HANOVER HOUSE
14 HANOVER SQUARE
LONDON W1R 0BE

Ref: 184/274520

For official use

General Section

Post room

A44
COMPANIES HOUSE

AE0FULL3

0397
20/11/99

Please do not write
in this margin

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

The assistance is to be given to: (note 2) PSI Advertising Limited
whose registered office is at Hanover House 14 Hanover Square
London W1R 0BE (Company No. 3855742)

The assistance will take the form of:

PLEASE SEE ANNEX B

✕ delete as
appropriate

The person who ~~has acquired~~ will acquire ~~the~~ shares is:
PSI Advertising Limited (Company No. 3855742)

The principal terms on which assistance will be given are:

PLEASE SEE ANNEX C

The amount of cash to be transferred to the person
assisted is £ SEE ANNEX B

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 16 November 1999

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

Please do not write in this margin

✓ delete as appropriate

✓ We have formed the opinion, as regards the 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 the company will be able to pay its debts as they fall due during the year immediately following that date] ✓ (note 3)

(b) ~~(It is intended to commence the winding up of the company within 12 months of that date, and ✓~~ We have formed the opinion that the company will be able 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 Hanover House, 14 Hanover Square, London W1R 0BE

16th the 16th day of November

one thousand nine hundred and Ninety-Nine

before me Nicola Finnelly

NICOLA FINNELLY
A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths

Declarants to sign below

[Handwritten signatures]

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 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.
- 3 Contingent and prospective liabilities of the company are to be taken into account, see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

DEFINITIONS

“Assets” means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company.

“BoS” means the Governor and Company of the Bank of Scotland its successors and assigns

“Company” means Primesight International Limited (No. 1102542)

“Principal” means PSI Advertising Limited and any holding or subsidiary company of the Principal which accedes to the Guarantee

In relation to the Debenture **“Secured Liabilities”** means all or any monies and liabilities which will for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to BoS by the Company, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not BoS shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which BoS may in the course of its business charge or incur in respect of any of those matters or for keeping the Company's account, and so that interest shall be computed and compounded according to the usual BoS rates and practice as well after as before any demand made or decree obtained under the Debenture

In relation to the Guarantee, **“Secured Liabilities”** means all or any monies and liabilities which shall for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner by the Principal to BoS whether actually or contingently and whether incurred solely, severally or jointly and whether as principal or surety and whether on account of money advanced, bills of exchange, promissory notes, guarantees, indemnities or otherwise, including interest, discount, commission and other lawful charges or expenses which BoS may in the course of its business charge or incur (including for any advances made by BoS during the three months' period of notice referred to in the Guarantee or in relation to any other liability of the Principal to BoS), together with:-

- (a) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by BoS from the Principal;
- (b) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by BoS in perfecting or in or about the recovery or attempted recovery of money due to BoS under the Guarantee; and
- (c) interest calculated and accruing daily from demand in accordance with the usual BoS rates and practice on (a) and (b) above.

ANNEX A

Directors

Neil Alldritt
Limekilns
Sweetwater Lane
Hambledon
Surrey
GU8 4HP

David Michael Barrett
38 Holland Park
London
W11 3RP

Angela Elaine Daniels
12 Beechwood Close
Church Crookham
Fleet
Hampshire
GU13 OPT

Charles Eric Antony Hugill
Broomsbriggs
Crabtree Park
Fairford
Glos.
GL7 4LT

This is Annex A referred to in the Form 155(6)(a) sworn by the directors of the Company on ~~10~~ November 1999 before me

Signed Nicola Finnelly (Solicitor)

Print Name Nicola Finnelly

ANNEX B

Form of Financial Assistance

The financial assistance will take the form of:

- (a) the execution, delivery and performance by the Company of the security created pursuant to a Debenture dated 16 November 1999, as the same may be amended, varied, supplemented or substituted from time to time (the "**Debenture**") in favour of BoS pursuant to which.
 - (i) the Company covenants that it will on demand in writing pay or discharge the Secured Liabilities; and
 - (ii) the Company as continuing security and with full title guarantee grants fixed and floating charges over all of its properties, assets, rights and revenues in favour of BoS for the payment of the Secured Liabilities;
- (b) the execution, delivery and performance by the Company of the guarantee created pursuant to a Guarantee dated 16 November 1999, as the same may be amended, varied, supplemented or substituted from time to time in favour of BoS, pursuant to which the Company unconditionally guarantees the payment or discharge of the Secured Liabilities; and
- (c) the execution, delivery and performance by the Company of an Inter-Company loan dated 16 November 1999 as the same may be amended, varied supplemented or substituted from time to time between the Company and PSI Advertising Limited pursuant to which the Company undertakes to make an advance to PSI Advertising Limited of £790,000 for the purpose of assisting PSI Advertising Limited to complete the acquisition (the "**Acquisition**") of the issued share capital of the Company (which sum is inclusive of PSI Advertising Limited's costs in relation to the Acquisition).

This is Annex B referred to in the Form 155(6)(a) sworn by the directors of the Company on 16 November 1999 before me

Signed Nicola Finnelly (Solicitor)

Print Name NICOLA FINNELLY

ANNEX C

Principal Terms on which Financial Assistance will be given

The principal terms on which financial assistance will be give are:

- 1.1 Under the terms of the Debenture, the Company charges to BoS as a continuing security and with full title guarantee for the payment and discharge of the Secured Liabilities:
 - 1.1.1 by way of legal mortgage all the freehold and leasehold property now vested in it whether or not the title to the property is registered at H.M. Land Registry together with all present and future buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;
 - 1.1.2 by way of fixed charge:-
 - 1.1.2.1 all future freehold and leasehold property belonging to the Company together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;
 - 1.1.2.2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property charged under the Debenture;
 - 1.1.2.3 all the Company's goodwill and uncalled capital for the time being;
 - 1.1.2.4 all present and future stocks, shares and other securities owned (at law or in equity) by the Company and all rights and interests accruing or offered at any time in relation to them (excluding the shares owned by the Company in Alban and Primesight International Limited (No. 3150212) (the "JVCo Shares"), all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Company and the benefit of all rights and claims to which the Company is now or may be entitled under any contracts;
 - 1.1.2.5 all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes,

disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Company or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;

1.1.2.6 all present and future book and other debts and monetary claims of the Company whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (save as charged under sub-clause 1.1.2.4);

1.1.2.7 all present and future plant and machinery not otherwise charged under this Clause 1 and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress); and

1.1.2.8 all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest);

1.1.3 by way of floating charge all the Assets (other than the JVCo Shares) not effectively otherwise charged by this Clause 1, including (without limitation) any immovable property of the Company in Scotland and any Assets in Scotland falling within any of the types mentioned in sub-clause 1.1.2, but so that the Company is prohibited from creating any fixed security or mortgage or any other floating charge over the Assets having priority over or ranking pari passu with the floating charge created by this sub-clause (otherwise than in favour of BoS) and the Company will have no power without the consent of BoS to part with or dispose of any part of those Assets except by way of sale in the ordinary course of its business.

1.2 BoS may at any time, by notice to the Company, immediately convert the floating charge created under sub-clause 1.1.3 into a fixed charge over any Assets specified in that notice and the floating charge will, without notice from BoS, automatically be converted with immediate effect into a fixed charge:-

1.2.1 in respect of any Assets which become subject to a fixed charge in favour of any other person or to a disposition otherwise than by way of sale in the ordinary course of the Company's business immediately upon such charge or disposition;

- 1.2.2 in respect of all the Assets charged under sub-clause 1.1.3 if and when the Company ceases to carry on business or to be a going concern; and
 - 1.2.3 in respect of all Assets on the making of an order for the compulsory winding-up of the Company or on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company or on the presentation of a petition for the making of an administration order in relation to the Company or on the presentation of an application for a warrant of execution, writ of fieri facias, garnishee order or charging order.
- 1.3 Sub-clause 1.2 will not apply to any Assets situated in Scotland.
- 1.4 The Company will not without the previous written consent of BoS:-
- 1.4.1 create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or encumbrance on any Asset charged under the Debenture; or
 - 1.4.2 dispose of or part with possession in any way (except on the determination of any lease, tenancy or licence) or share occupation of any Asset; or
 - 1.4.3 in any way dispose of the equity of redemption of any such Asset or any interest in any such Asset
- and the Company applies (and will apply), to the Chief Land Registrar for a restriction to be entered on the register of title of all present and future registered freehold and leasehold property of the Company in the following terms:-
- "Except under an order of the Registrar no disposition by the proprietor of the land is to be registered without the consent of the proprietor for the time being of the charge hereby created".
- 1.5 The Company will, if required to do so by BoS, deposit with BoS during the continuance of this security and BoS will be entitled to hold all deeds and documents of title relating to the Company's freehold, leasehold and heritable property and stocks, shares and other securities and all policies of insurance and assurance.
- 1.6 The Company (at its own cost) will on demand in writing by BoS execute and deliver in such form as BoS may reasonably require:-
- 1.6.1 a legal mortgage of any freehold or leasehold property of the Company which is not effectively charged by sub-clause 1.1.1 and of any freehold or leasehold property acquired by the Company after the date of the Debenture;

- 1.6.2 a standard security or other fixed security over the Company's heritable freehold, leasehold or other property;
- 1.6.3 a fixed charge or assignment in security of any Asset subject to a floating charge under sub-clause 1.1.3; and
- 1.6.4 a chattel mortgage over such chattels, plant and machinery as BoS may specify;

and the Company will do and concur in all such other acts or things as BoS may deem necessary to vest in BoS title to all or any of the Assets.

- 1.7 Any fixed mortgage, charge or other security hereafter created by the Company in favour of BoS shall have priority over the floating charge created by the Debenture, except insofar as BoS shall declare otherwise whether at or after the time of creation of such fixed security.
- 1.8 The Company will pay into its account with BoS (or as BoS may direct) all moneys which it receives in respect of any policies of insurance or assurance, fees, royalties, income or book or other debts or any other of the rights and claims charged to BoS under sub-clause 1.1.2 and until such payment hold all moneys so received upon trust for BoS and will not without the prior written consent of BoS charge, factor, discount, or assign any of those policies, fees, royalties, income, debts, rights or claims in favour of any other person or purport to do so.
- 2. Under the Guarantee, the Company will provide a guarantee in the following terms:
 - 2.1 The Company will unconditionally guarantee the payment or discharge of the Secured Liabilities and will on demand in writing pay or discharge them to BoS. The Guarantee shall continue until determined in accordance with the terms of the Guarantee.
 - 2.2 The Company's liability under the Guarantee shall not be discharged or affected by anything that would not have discharged or affected it if the Company had been a principal debtor instead of a guarantor.
 - 2.3 The Company acknowledges and agrees that the Guarantee and the rights of set off contained in it shall be a continuing security and shall extend to cover the ultimate balance due at any time to BoS from the Principal.
 - 2.4 The Guarantee shall be in addition to and shall not affect or be affected by or merge with any other judgment, security, right or remedy obtained or held by BoS at any time for the discharge and performance of the Secured Liabilities.
 - 2.5 On demand made by BoS at any time, the Company shall secure the performance of its obligations under the Guarantee by depositing with BoS

such amount, up to the maximum amount of the Secured Liabilities, as BoS may specify.

2.6 BoS shall have a lien on all securities or other property deeds and documents of the Guarantor which it holds from time to time.

2.7 The Guarantor shall, on demand by BoS, execute whatever documents BoS may require to perfect its security.

2.8 BoS may at any time, without prior notice to the Company before or after any demand has been made under the Guarantee:-

2.8.1 exercise a right of set-off or retention in respect of all money at any time standing to the credit of the Guarantor's account(s) (of whatever nature and/or currency) against payment of all money at any time owing from the Company to BoS on any account(s) and funds held following the exercise of this right of set-off may be held as security for the Secured Liabilities;

2.8.2 apply all money now or at any time standing to the credit of the Company's account(s) to a separate suspense account(s);

2.8.3 apply all money so held in settlement of the Secured Liabilities;

2.8.4 refuse payment of any cheque, bill or other document where such payment would reduce the aggregate credit balances of the Company's below the amount of the Secured Liabilities; or

2.8.5 debit any account of the Company with any money then due and payable by the Company to BoS under the Guarantee.

3.1 Under the terms of the Inter-Company Loan Agreement the Company agrees to make certain advances to PSI Advertising Limited (the "**Borrower**") in the sum of £790,000, which sum includes the Borrower's costs in relation to the acquisition of 400 ordinary shares of £0.25 being the whole of the issued share capital of the Company on the following terms:

3.2 The Loan is repayable on demand.

3.3 The Loan will not bear interest.

3.4 Without limitation to the nature of its rights to demand repayment at any time, the Company would expect to demand full or partial repayment upon any of the following occurring:

3.4.1 the Borrower ceases to carry on its business or is wound up or dissolved for any reason;

- 3.4.2 the Borrower is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or an application to the Court for an administration order is made;
- 3.4.3 the Borrower suspends payments of its debts or commences negotiations for the readjustment or rescheduling of its debts; or
- 3.5 the Borrower believing on reasonable grounds that the Company will not (or will be unable to) perform its obligations under the Inter-Company Loan Agreement.
- 3.6 The monies lent under the Inter-Company Loan Agreement will be applied in reducing the obligations owed by the Borrower in relation to the acquisition of 400 ordinary shares of £0.25 being the whole of the issued share capital of the Company

This is Annex C referred to in the Form 155(6)(a) sworn by the directors of the Company on 6th November 1999 before me

Signed Nicola Rynne (Solicitor)

Print Name Nicola Rynne



REES POLLOCK

Chartered Accountants

7 Pilgrim Street
London EC4V 6DR
Telephone 0171 329 6404
Fax 0171 329 6408

**AUDITORS' REPORT TO THE DIRECTORS OF
PRIMESIGHT INTERNATIONAL LIMITED PURSUANT TO SECTION 156(4)
OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated November 16, 1999 in connection with the proposal that the company should give financial assistance for the purchase of all of the company's ordinary shares.

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.

Rees Pollock
Chartered Accountants
Registered Auditor

November 16, 1999