

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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CHFP025

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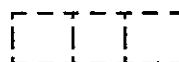
Pursuant to section 155(6) of the Companies Act 1985

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



01932765

Name of company

Note
Please read the notes
on page 3 before
completing this form

* Focus Wickes Limited

* insert full name
of company

☒ We ☐ See Schedule 1

2 insert name(s) and
address(es) of all
the directors

† 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 credit institution or the holding of the banking licence~~
(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 ~~not~~ [a] holding company of* Focus Retail Group Limited

which is

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

in ~~Focus Wickes Group Ltd~~ Focus Wickes Group Ltd

the holding company of this company.†

Presentor's name address and
reference (if any) :

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use
General Section



LD2
COMPANIES HOUSE

0287
25/02/05

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

The assistance is to be given to: (note 2) New Focus Group Holdings 2 Limited, whose
registered office is Gawsworth House, Westmere Drive, Crewe, Cheshire CW1
6XB

See Schedule 3

† delete as appropriate

See Schedule 4

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

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The date on which the assistance is to be given is within 8 weeks of the date hereof

lease complete
gibly, preferably
black type, or
old 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)

delete either (a) or
(b) as appropriate

- (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)
- (b) ~~It is intended to commence the winding-up of this company within 12 months of that date, and we have formed the opinion that this 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 HOTEL L'AIGUILLE PERCEE
ALLÉ LAC, TIGNES, FRANCE

Declarants to sign below

SMZ

on

Day	Month	Year
14	02	2005

before me De Muriel Rabeyrolles

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

Je SOUSSIGNÉ Maître RABEYROLLES
Notaire Associé de la S.C.P. "Gilles AUBRY-
MARAI, Georges PEREZ, Bernard
BOSSU et Muriel RABEYROLLES"
Titulaire d'un office notarial à MOUTIERS
(Savoie) certifie que la signature apposée
ci-dessus est bien celle de Stephan JOHANSEN

A MOUTIERS, TIGNES
I.E. 14 février 2005 *ajms*

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
CF14 3UZ

or, for companies registered in Scotland:-

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



FOCUS WICKES LIMITED

(the "Company")

Financial Assistance Declaration s155(6)b

SCHEDULE 1

Directors

I, Stephen Richard Johnson of The Old Vicarage, Lower Dunsforth, York, YO26 9SA,

together with

Geoffrey Charles Wilson of Broadoaks, 237 Seabridge Lane, Newcastle under Lyme,
Staffordshire ST5 3TB,

David Robert Williams of 15 St. Stephens Road, Prenton, Birkenhead, Merseyside, CH42
8PP, and

William Ernest Archer of The Priory, 2 Astley Close, Knutsford, Cheshire WA16 8GJ,

who are making a declaration on the date hereof which together with this declaration is the
statutory declaration required by the Companies Act, are all the directors of the Company.

SCHEDULE 2

Number and class of shares acquired or to be acquired

10,438,622 'A' ordinary shares of 1p each; and

736,041 'B' ordinary shares of 1p each

SCHEDULE 3

Form of Financial Assistance

The financial assistance will take the form of the execution, delivery and performance by Focus Wickes Limited's subsidiary Focus Retail Group Limited (which for the purposes of Schedule 3 and 4 only to this Form 155(6)b shall be defined as the "**Company**") of the following documents, as the same shall be amended, supplemented, novated and/or replaced from time to time (together, the "**Documents**"):

- (a) a senior term and revolving credit facilities agreement to be made between, *inter alios*, the Parent, the Company, Focus Wickes (Investments) Limited as borrower, The Governor and Company of the Bank of Scotland and ING Bank N.V., London Branch as mandated lead arrangers, the original lenders named therein and the Security Agent to be dated on a date within 8 weeks of the date hereof (the "**Senior Credit Agreement**");
- (b) a senior debenture to be made between, *inter alios*, the Parent and the charging companies listed therein in favour of the Security Agent under the Senior Credit Agreement to be dated on a date within 8 weeks of the date hereof (the "**Senior Debenture**");
- (c) an intercompany loan to be made between the Company and other members of the Group and New Focus Group Holdings 2 Limited ("**Newco**") to be dated on a date within 8 weeks of the date hereof (the "**Global Intercompany Loan**");
- (d) one or more upstream intercompany loan agreements in amounts as set out in schedule 5 hereto to be made between the Company as borrower and/or lender (as the case may be) and other members of the Group as lender and/or borrower (as the case may be), each to be dated on a date within 8 weeks of the date hereof (the "**Funding Intercompany Loans**");
- (e) an intercreditor deed to be made between, *inter alios*, the Parent, the Company, the companies listed therein, the Security Agent and the lenders named therein to be dated on a date within 8 weeks of the date hereof (the "**Intercreditor Deed**");
- (f) an intercreditor deed to be made between, *inter alios*, the Parent, the Company, the companies listed therein, the Security Agent, the Notes Trustee and the lenders named therein to be dated on a date within 8 weeks of the date hereof (the "**Notes Intercreditor Deed**"); and

and by the performance of any other acts (including, without limitation, the payment of all fees (the "**Fees**") to professionals, third parties and others in connection with the Acquisition) or the execution of any other documents (as the same shall be amended, supplemented, novated and/or replaced from time to time, ancillary or otherwise) relating to the Documents.

In this Form 155(6)b the following terms have the meanings given to them below:

"**Acquisition**" means the acquisition of the Target Shares;

"Finance Party" shall have the meaning ascribed to it in the Senior Credit Agreement;

"Group" means the Parent and those of its subsidiaries that were not disposed pursuant to a sale and purchase agreement dated 16 December 2004 (the **"Sale Agreement"**) and entered into between Focus (Group) Finance Limited (the **"Seller"**) and the Buyer (as defined in the Sale Agreement);

"Indenture" means an indenture relating to the Mezzanine Notes and to be made between, *inter alios*, Focus Wickes Finance Limited as issuer, the Company, the companies listed therein and the Notes Trustee;

"Mezzanine Debenture" means a mezzanine debenture to be made between, *inter alios*, the Parent, the Company and the other companies listed therein as charging companies in favour of the Security Agent in connection with the Mezzanine Notes;

"Mezzanine Notes" means the high yield mezzanine notes due 2014 in a maximum aggregate amount of up to £90,000,000 of Focus Wickes (Finance) Limited as issuer;

"Noteholders" means holders of the Vendor Loan Notes;

"Notes Trustee" means the Bank of New York acting as trustee in relation to the Mezzanine Notes;

"Parent" means Focus Wickes Group Limited;

"Security Agent" means ING Bank N.V., London Branch;

"Senior Finance Documents" means the Senior Credit Agreement, each Security Document, the Intercreditor Deed, the Hedging Instruments, the Fee Letters, the Ancillary Documents, the BACS Documents, each Accession Document, each Transfer Certificate and any other document designated in writing as a Senior Finance Document by the Parent and the Facility Agent (each capitalised term as defined in the Senior Credit Agreement);

"Subordinated Finance Documents" means the Subordinated Loan Agreement, each Subordinated Security Document, the Intercreditor Deed, each Accession Document, each Transfer Certificate and any other document designated in writing as a Subordinated Finance Document by the Parent and the Facility Agent (each capitalised term as defined in the Subordinated Loan Agreement);

"Subordinated Finance Parties" shall have the meaning ascribed to it in the Subordinated Loan Agreement;

"Subordinated Loan Agreement" means a subordinated loan agreement to be made between, *inter alios*, the Parent, the Company, Focus Wickes (Finance) Limited as borrower, The Governor and Company of the Bank of Scotland and ING Bank N.V., London Branch as mandated lead arrangers, the original lenders named therein and the Security Agent;

"Target" means Focus Wickes Group Limited;

"Target Shares" means the entire issued share capital of the Target;

"Term A Facility" means the term loan and guarantee facility under the Senior Credit Agreement;

"Term A Guarantees" means guarantees issued by one or more Lenders under the Term A Facility to the Noteholders in respect of all obligations of Newco as issuer of the Vendor Loan Notes; and

"Vendor Loan Notes" means the loan notes to be issued by Newco in connection with the Acquisition.

SCHEDULE 4

The principal terms upon which the assistance will be given

1. By executing the Senior Credit Agreement under which, amongst other things, the Term A Guarantees are to be issued, and the Senior Debenture, the Company, each of the companies listed therein as a party to each of those agreements, and each additional company from time to time which accedes thereto:
 - 1.1 unconditionally guarantees to the Finance Parties the proper and punctual payment and performance of all moneys, obligations and liabilities which are from time to time due, owing or payable by the Obligors under or in connection with the Term A Facility (being the "**Guaranteed Liabilities**") and undertakes to pay to the Finance Parties from time to time any of the Guaranteed Liabilities which are not paid by Obligors when due;
 - 1.2 in the event that any of its guarantee obligations becomes unenforceable, invalid or illegal, unconditionally agrees to indemnify the Finance Parties for any cost, loss or liability suffered in respect of the Guaranteed Liabilities;
 - 1.3 agrees that any Finance Party may set off any obligation owed by it to that Finance Party against any obligation (whether or not due and payable) owed by that Finance Party to it;
 - 1.4 as continuing security for the payment of the Guaranteed Liabilities charges in favour of the Security Agent with full title guarantee the following assets both present and future, from time to time owned by it or in which it is from time to time interested:
 - 1.4.1 by way of first legal mortgage:
 - (a) all the freehold and leasehold property specified in schedule 2 to each of the Debentures together with all buildings and fixtures (including trade fixtures) at any time thereon; and
 - (b) all other freehold property and those leasehold properties held on long leases of a term over 21 years owned by it situated in England and Wales together with all buildings and fixtures (including trade fixtures) at any time thereon;
 - 1.4.2 by way of first fixed charge:
 - (a) all other interests in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
 - (b) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;

- (c) all book and other debts arising in the ordinary course of trading ("**Book Debts**") and all rights and claims against third parties and against any security in respect of Book Debts;
- (d) all the shares owned by the Company in its subsidiaries (the "**Subsidiary Shares**") (including those listed in schedule 3 to each of the Debentures), any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (an "**Investment**") (whether or not marketable) whether owned directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Subsidiary Shares) and all corresponding dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or a Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);
- (e) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;
- (f) all monies from time to time standing to the credit of any and all of its accounts (including without limitation accounts designated as "**Cash Collateral Accounts**", "**Nominated Accounts**" or "**Collection Accounts**") with any bank, financial institution or other person;
- (g) all its patents and patent applications, trade and service marks and trade and/or service mark applications (and all goodwill associated with any such applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all trade secrets, know-how and all other intellectual property rights;
- (h) the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets; and
- (i) its goodwill and uncalled capital;

1.5 as further continuing security for the payment of the Guaranteed Liabilities, the Company charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets not effectively charged by way of first fixed charge;

1.6 as further continuing security for the payment of the Guaranteed Liabilities, the Company assigns (absolutely with full title guarantee) to the Security Agent all its

rights, title and interest in the Assigned Agreements (as such term is defined in the Debenture), **provided that** until the occurrence of a Declared Default (as such term is defined in the Debenture), the Company shall be entitled to continue to deal with the counterparties to such Assigned Agreements and provided further that on payment or discharge in full of the Guaranteed Liabilities the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as it shall direct); and

- 1.7 the Senior Debenture also contain negative pledges and covenants for further assurances by which each Charging Company (as defined therein) will undertake to, at its own expense, execute and do all such assurances, acts and things as the Security Agent may reasonably require for perfecting or protecting the security intended to be created by the Senior Debenture over the assets secured thereby.
2. Under the terms of the Global Intercompany Loan funds will be borrowed by various members of the Group and Newco and lent upstream or downstream (as the case may be) to other members of the Group or Newco to assist, *inter alia*, those companies in meeting their relevant payment obligations under the Senior Finance Documents, the Subordinated Finance Documents, the Indenture, the Mezzanine Debenture, the Notes Intercreditor Deed, working capital requirements, should those companies have any working capital shortfalls and also in connection with any fees or other payment obligations incurred in connection with the Acquisition.
3. Under the terms of the Funding Intercompany Loans, funds will be lent upstream in connection with the funding arrangements for the Acquisition as well as other payments which may be required to be made in connection with the Acquisition.
4. Under the terms of the Intercreditor Deed and the Notes Intercreditor Deed the Company (amongst other things) will:
 - (a) covenant to pay the amounts owing under the Senior Finance Documents, the Subordinated Finance Documents and the Indenture; and
 - (b) agree that any sums owed to it by any other member of the Group will be subordinated to sums owed by such members of the Group to the Senior Finance Parties, the Subordinated Finance Parties and the investors under the Mezzanine Notes.

Unless otherwise stated, capitalised terms used herein shall have the same meaning as ascribed thereto in the Senior Credit Agreement.

SCHEDULE 5

The amount of cash to be transferred to the person assisted

Cash to be transferred at the time of the giving of the financial assistance pursuant to the Funding Intercompany Loans will be in an amount not exceeding £800,000,000. In addition, cash may become payable under the Global Intercompany Loan and/or under the other Documents.