

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

155(6)b

SBM/F2056/00408
UK/180367/01

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

The number and class of the shares acquired or to be acquired is: See Schedule 2

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

The assistance is to be given to: (note 2) Focus Wickes (Investments) Ltd whose
registered office is Gawsworth House, Westmere Drive, Crewe, Cheshire, CW1 6XB

The assistance will take the form of:

See Schedule 3

The person who [has acquired] ~~will acquire~~ the shares is:

† delete as appropriate

Focus Wickes (Investments) Ltd whose registered office is Gawsworth House, Westmere Drive, Crewe, Cheshire, CW1 6XB

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

Schedule 4

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 £ See Schedule 5

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

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

3,407,736 Ordinary shares of 1p each;

10,169,085 'A' Ordinary shares of 1p each;

788,596 'B' Ordinary shares of 1p each; and

201,722,136,500 Deferred 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 Group (Finance) Limited (which for the purposes of schedules 3 and 4 to this form 155(6)b only 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 subordinated loan agreement to be made between, *inter alios*, the Parent, the Company, Focus Wickes (Finance) Limited or Focus Wickes (Investments) Limited (as the case may be) 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 "**Subordinated Loan Agreement**");
- (c) 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**");
- (d) a subordinated debenture to be made between, *inter alios*, the Parent and the charging companies listed therein in favour of the Security Agent under the Subordinated Loan Agreement to be dated on a date within 8 weeks of the date hereof (the "**Subordinated Debenture**");
- (e) an indenture relating to the issue of the Mezzanine Notes to be made between, *inter alios*, the Issuer, the Company, the companies listed therein and the Bank of New York as mezzanine notes trustee (the "**Notes Trustee**") to be dated on a date within 8 weeks of the date hereof (the "**Indenture**");
- (f) a paying agency agreement to be made between, *inter alios*, the Issuer, the Company and the paying agent named therein (the "**Paying Agent**") in connection with the issue of the Notes to be dated on a date within 8 weeks of the date hereof (the "**Paying Agency Agreement**");
- (g) a purchase agreement to be made between, *inter alios*, the Issuer, the Company and the Notes Trustee in connection with the issue of the Notes to be dated on a date within 8 weeks of the date hereof (the "**Purchase Agreement**");

- (h) a mezzanine debenture to be made between, *inter alios*, the Parent and the charging companies listed therein in favour of the Security Agent in connection with the Mezzanine Notes to be dated on a date within 8 weeks of the date hereof (the "**Mezzanine Debenture**");
- (i) 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**");
- (j) 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
- (k) intercompany loan agreements (each, an "**Intercompany Loan Agreement**") to be entered into between the Company and other members of the Group to be dated on a date within 8 weeks of the date hereof,

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 Refinancing) 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)a the following terms have the meanings given to them below:

"**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 and entered into between Focus (Group) Finance Limited and the Buyer (as defined therein);

"**Issuer**" means Focus Wickes (Finance) Limited;

"**Mezzanine Notes**" means the high yield mezzanine notes due 2014 in a maximum aggregate amount of up to £10,000,000 of the Issuer;

"**Parent**" means Focus Wickes Group Limited;

"**Refinancing**" means the refinancing of the debt of the Group used to finance the acquisition of the Target Shares;

"**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;

"Target" means Focus Wickes Limited; and

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

SCHEDULE 4

The principal terms upon which the assistance will be given

1. By executing the Senior Credit Agreement and the Subordinated Loan Agreement and the Senior Debenture and the Subordinated Debenture (the "**Debentures**"), 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 and the Subordinated 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 or from Focus Wickes (Investments) Limited and Focus Wickes (Finance) Limited (the "**Borrowers**") to them under or in connection with the Senior Finance Documents and/or the Subordinated Finance Documents (in each case being the "**Guaranteed Liabilities**") and undertakes to pay to the Finance Parties and the Subordinated Finance Parties from time to time any of the Guaranteed Liabilities which are not paid by the Borrowers 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 and/or the Subordinated Finance Parties for any cost, loss or liability suffered in respect of the Guaranteed Liabilities;
 - 1.3 agrees that any Finance Party and/or Subordinated Finance Party (as the case may be) may set off any obligation owed by it to that Finance Party or Subordinated Finance Party against any obligation (whether or not due and payable) owed by that Finance Party or Subordinated 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 Debentures), **provided that** until the occurrence of a Declared Default (as such term is defined in the Debentures), 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 Debentures 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 Debentures over the assets secured thereby.
- 2. Under the terms of the Indenture and the Mezzanine Debenture, the Company, each of the companies listed therein as a party and each additional company from time to time which accedes thereto:
 - 2.1 will guarantee to discharge on demand and indemnify the investors under the Mezzanine Notes (the "**Investors**") in respect of all the obligations of the Issuer under the Mezzanine Notes and any other notes issued by the Issuer;
 - 2.2 will unconditionally guarantee to the Notes Trustee the proper and punctual payment and performance of all moneys, obligations and liabilities which are from time to time due, owing or payable by or from the Issuer to the Notes Trustee under or in connection with the Indenture (such liabilities in each case being the "**Notes Guaranteed Liabilities**") and undertakes to pay to the Notes Trustee from time to time any of the Notes Guaranteed Liabilities which are not paid by the Issuer when due;
 - 2.3 will agree 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;
 - 2.4 as continuing security for the payment of the guarantees given under the Indenture charges in favour of the Investors:
 - 2.4.1 by way of second ranking fixed charge all its assets (both present and future, from time to time owned by it or in which it is from time to time interested) detailed in paragraph 1.3.2 above; and

- 2.4.2 by way of second ranking floating charge all its present and future assets not effectively charged by way of second ranking fixed charge or assigned by way of security.
- 2.5 as further continuing security for the payment of the Notes Guaranteed Liabilities, will assign (absolutely with full title guarantee) to the Security Agent all its rights, title and interest in the Assigned Agreements (as such term, or similar, is defined in the Mezzanine Notes Debenture), **provided that** until the occurrence of a declared default (as such term, or similar, is defined in the Mezzanine 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 Notes Guaranteed Liabilities, the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as the Company shall direct);
- 2.6 The Indenture and the Mezzanine Debenture also contain negative pledges and covenants for further assurance.
- 3. The Paying Agency Agreement contains indemnities in favour of, *inter alios*, the Paying Agent from the Issuer and the Company (*inter alios*) on a joint and several basis from and against, *inter alia*, any losses, liabilities, costs which such Paying Agent may sustain or incur or which may be made against such Paying Agent as a result of or in connection with the appointment or the exercise of or performance of the powers, authorities and duties of such Paying Agent, as the case may be, under the Paying Agency Agreement.
- 4. The Purchase Agreement contains indemnities in favour of, *inter alios*, the Notes Trustee from the Issuer and the Company (*inter alios*) whereby they will, jointly and severally, indemnify and hold harmless the parties identified therein against, *inter alia*, any losses, claims, damages or liabilities incurred or suffered by any such party in connection with the issue of the Notes or the performance of their obligations under the Purchase Agreement.
- 5. 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.
- 6. Under the terms of the Intercompany Loan Agreements funds will be borrowed by various members of the Group and lent upstream or downstream (as the case may be) to other members of the Group 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 any fees incurred in connection with the Refinancing.

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 is nil. However cash may become payable under the Intercompany Loan Agreements and/or under the other Documents.



CHFP025

COMPANIES FORM No. 155(6)b

**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

1111

01932765

Name of company

* Focus Wickes Limited

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

* insert full name
of company

☒ We ☐ See Schedule 1

☐ 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) ~~the business of a recognised bank, licensed deposit taker or the holding of the banking business~~
(b) ~~that of a person authorised under section 31 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 Group (Finance) Limited

_____ which is

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

in [this company] [_____

~~XX~~
~~This holding company of this company~~

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use
General Section

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 Schedule 2

The assistance is to be given to: (note 2) Focus Wickes (Investments) Ltd whose
registered office is Gawsworth House, Westmere Drive, Crewe, Cheshire, CW1 6XB

The assistance will take the form of:

See Schedule 3

The person who [has acquired] ~~will acquire~~ the shares is:

† delete as appropriate

Focus Wickes (Investments) Ltd whose registered office is Gawsworth House, Westmere Drive, Crewe, Cheshire, CW1 6XB

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

Schedule 4

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 £ See Schedule 5

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

Please do not
write in this
margin

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

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 are intended to commence the winding up of the company within 12 months of that date, and 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 CAWSWORTH HOUSE, WESTMERE DRIVE,
CREWE, CHESHIRE CW1 6XB

Declarants to sign below

Day Month Year
on 14 02 2005

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.

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

We, 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,

together with

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

who is 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

3,407,736 Ordinary shares of 1p each;

10,169,085 'A' Ordinary shares of 1p each;

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201,722,136,500 Deferred 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 Group (Finance) Limited (which for the purposes of schedules 3 and 4 to this form 155(6)b only 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 subordinated loan agreement to be made between, *inter alios*, the Parent, the Company, Focus Wickes (Finance) Limited or Focus Wickes (Investments) Limited (as the case may be) 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 "**Subordinated Loan Agreement**");
- (c) 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**");
- (d) a subordinated debenture to be made between, *inter alios*, the Parent and the charging companies listed therein in favour of the Security Agent under the Subordinated Loan Agreement to be dated on a date within 8 weeks of the date hereof (the "**Subordinated Debenture**");
- (e) an indenture relating to the issue of the Mezzanine Notes to be made between, *inter alios*, the Issuer, the Company, the companies listed therein and the Bank of New York as mezzanine notes trustee (the "**Notes Trustee**") to be dated on a date within 8 weeks of the date hereof (the "**Indenture**");
- (f) a paying agency agreement to be made between, *inter alios*, the Issuer, the Company and the paying agent named therein (the "**Paying Agent**") in connection with the issue of the Notes to be dated on a date within 8 weeks of the date hereof (the "**Paying Agency Agreement**");
- (g) a purchase agreement to be made between, *inter alios*, the Issuer, the Company and the Notes Trustee in connection with the issue of the Notes to be dated on a date within 8 weeks of the date hereof (the "**Purchase Agreement**");

- (h) a mezzanine debenture to be made between, *inter alios*, the Parent and the charging companies listed therein in favour of the Security Agent in connection with the Mezzanine Notes to be dated on a date within 8 weeks of the date hereof (the "**Mezzanine Debenture**");
- (i) 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**");
- (j) 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
- (k) intercompany loan agreements (each, an "**Intercompany Loan Agreement**") to be entered into between the Company and other members of the Group to be dated on a date within 8 weeks of the date hereof,

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 Refinancing) 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)a the following terms have the meanings given to them below:

"**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 and entered into between Focus (Group) Finance Limited and the Buyer (as defined therein);

"**Issuer**" means Focus Wickes (Finance) Limited;

"**Mezzanine Notes**" means the high yield mezzanine notes due 2014 in a maximum aggregate amount of up to £10,000,000 of the Issuer;

"**Parent**" means Focus Wickes Group Limited;

"**Refinancing**" means the refinancing of the debt of the Group used to finance the acquisition of the Target Shares;

"**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;

"Target" means Focus Wickes Limited; and

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

SCHEDULE 4

The principal terms upon which the assistance will be given

1. By executing the Senior Credit Agreement and the Subordinated Loan Agreement and the Senior Debenture and the Subordinated Debenture (the "**Debentures**"), 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 and the Subordinated 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 or from Focus Wickes (Investments) Limited and Focus Wickes (Finance) Limited (the "**Borrowers**") to them under or in connection with the Senior Finance Documents and/or the Subordinated Finance Documents (in each case being the "**Guaranteed Liabilities**") and undertakes to pay to the Finance Parties and the Subordinated Finance Parties from time to time any of the Guaranteed Liabilities which are not paid by the Borrowers 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 and/or the Subordinated Finance Parties for any cost, loss or liability suffered in respect of the Guaranteed Liabilities;
 - 1.3 agrees that any Finance Party and/or Subordinated Finance Party (as the case may be) may set off any obligation owed by it to that Finance Party or Subordinated Finance Party against any obligation (whether or not due and payable) owed by that Finance Party or Subordinated 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 Debentures), **provided that** until the occurrence of a Declared Default (as such term is defined in the Debentures), 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 Debentures 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 Debentures over the assets secured thereby.
2. Under the terms of the Indenture and the Mezzanine Debenture, the Company, each of the companies listed therein as a party and each additional company from time to time which accedes thereto:
 - 2.1 will guarantee to discharge on demand and indemnify the investors under the Mezzanine Notes (the "**Investors**") in respect of all the obligations of the Issuer under the Mezzanine Notes and any other notes issued by the Issuer;
 - 2.2 will unconditionally guarantee to the Notes Trustee the proper and punctual payment and performance of all moneys, obligations and liabilities which are from time to time due, owing or payable by or from the Issuer to the Notes Trustee under or in connection with the Indenture (such liabilities in each case being the "**Notes Guaranteed Liabilities**") and undertakes to pay to the Notes Trustee from time to time any of the Notes Guaranteed Liabilities which are not paid by the Issuer when due;
 - 2.3 will agree 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;
 - 2.4 as continuing security for the payment of the guarantees given under the Indenture charges in favour of the Investors:
 - 2.4.1 by way of second ranking fixed charge all its assets (both present and future, from time to time owned by it or in which it is from time to time interested) detailed in paragraph 1.3.2 above; and

- 2.4.2 by way of second ranking floating charge all its present and future assets not effectively charged by way of second ranking fixed charge or assigned by way of security.
- 2.5 as further continuing security for the payment of the Notes Guaranteed Liabilities, will assign (absolutely with full title guarantee) to the Security Agent all its rights, title and interest in the Assigned Agreements (as such term, or similar, is defined in the Mezzanine Notes Debenture), **provided that** until the occurrence of a declared default (as such term, or similar, is defined in the Mezzanine 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 Notes Guaranteed Liabilities, the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as the Company shall direct);
- 2.6 The Indenture and the Mezzanine Debenture also contain negative pledges and covenants for further assurance.
3. The Paying Agency Agreement contains indemnities in favour of, *inter alios*, the Paying Agent from the Issuer and the Company (*inter alios*) on a joint and several basis from and against, *inter alia*, any losses, liabilities, costs which such Paying Agent may sustain or incur or which may be made against such Paying Agent as a result of or in connection with the appointment or the exercise of or performance of the powers, authorities and duties of such Paying Agent, as the case may be, under the Paying Agency Agreement.
4. The Purchase Agreement contains indemnities in favour of, *inter alios*, the Notes Trustee from the Issuer and the Company (*inter alios*) whereby they will, jointly and severally, indemnify and hold harmless the parties identified therein against, *inter alia*, any losses, claims, damages or liabilities incurred or suffered by any such party in connection with the issue of the Notes or the performance of their obligations under the Purchase Agreement.
5. 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.
6. Under the terms of the Intercompany Loan Agreements funds will be borrowed by various members of the Group and lent upstream or downstream (as the case may be) to other members of the Group 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 any fees incurred in connection with the Refinancing.

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 is nil. However cash may become payable under the Intercompany Loan Agreements and/or under the other Documents.



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Our ref di/fs

14 February 2005

Dear Sirs

Auditors' report to the directors of Focus Wickes Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 14 February 2005 in connection with the proposal that Focus Group (Finance) Limited, of which this company is a holding company, should give financial assistance for the purchase of the company's entire issued ordinary share capital.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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.

Yours faithfully

KPMG Audit Plc
Registered Auditor