

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

G

CHFP025

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

[] [] [] [] [] []

2214161

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

Name of company

* LAMBERT FENCHURCH OVERSEAS LIMITED

* insert full name of company

☒ We ☐ ☐ WILLIAM DAVID BLOOMER of 214 Barry Road, London, SE22 0JS
RICHARD JAMES SANSOM of 12 Birchmead, Orpington, Kent BR6 8LT
PAUL ROBERT WELLING of 1 South Park Gardens, Berkhamsted,
Hertfordshire HP4 1JA

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

† delete as appropriate

~~XXXXXXXXXX~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever is inappropriate

~~XX~~

~~XX~~

~~XX~~

(c) something other than the above§

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

~~XXXXXXXXXX~~ [company's holding company] FRIARY INTERMEDIATE LIMITED (CO. NO:4404202)

The assistance is for the purpose of ~~XXXXXXXXXX~~ [reducing or discharging a liability incurred for the purpose of that acquisition].†

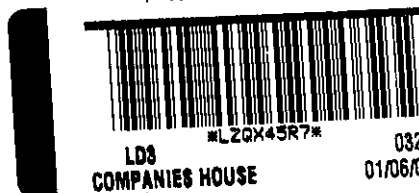
The number and class of the shares acquired or to be acquired is: 89,002,726

ORDINARY SHARES

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

Herbert Smith LLP
Exchange House, Primrose
Street, London, EC2A 2HS

For official Use
General Section



1393916

The assistance is to be given to: (note 2) HLG HOLDINGS LIMITED

Please do not
write in this
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Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

PLEASE SEE CONTINUATION SHEET

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

† delete as
appropriate

HLG HOLDINGS LIMITED

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

PLEASE SEE CONTINUATION SHEET

The amount of cash to be transferred to the person assisted is £ NIL

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

The date on which the assistance is to be given is WITHIN 8 WEEKS FROM THE DATE HEREOF

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gibly, preferably
black type, or
old block lettering

delete either (a) or
(b) 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 Hecht SA, Exchange House
Exchange Sq, London

Declarants to sign below

Day Month Year
on 26 05 2005

before me [Signature] (M.P. Jones of Ashurst)

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

[Signature]
Paul Wellip
[Signature]

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
37 Castle Terrace
Edinburgh
EH1 2EB

LAMBERT FENCHURCH OVERSEAS LIMITED

(Company No.:2214161)

1. THE FORM OF THE ASSISTANCE

The financial assistance to be given by the Company will take the form of the execution and delivery by the Company of the Composite Guarantee and Debenture in favour of the Security Trustee as agent and trustee for the Financing Parties.

2. PRINCIPAL TERMS OF THE ASSISTANCE TO BE GIVEN

2.1 Under the terms of the Composite Guarantee and Debenture:

2.1.1 the Company irrevocably and unconditionally jointly and severally:

- (A) guarantees to the Security Trustee punctual performance by any Group Company or any other Chargor (other than itself) of all that Group Company's or all that Chargor's obligations under the Finance Documents;
- (B) undertakes with each Secured Party that whenever any Group Company or any other Chargor (other than itself) does not pay any amount when due under or in connection with any Secured Document, that Chargor shall immediately on demand pay that amount as if it were the principal obligor;
- (C) indemnifies each Secured Party immediately on demand against any cost, loss or liability suffered by that Secured Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Secured Party would otherwise have been entitled to recover; and
- (D) indemnifies the Security Trustee immediately on demand against all costs and expenses incurred by the Security Trustee in respect of the negotiation, preparation, execution, completion, amendment or waiver of the Composite Guarantee and Debenture and the exercise, perfection, protection or enforcement of the Security Trustee's rights under it, to the extent that the same have fallen due and have not been paid pursuant to the terms of the relevant Security Document;

2.1.2 the Company covenants with the Security Trustee as agent and trustee for the Financing Parties that it shall on demand pay and discharge the Secured Liabilities when due;

2.1.3 the Company, with full title guarantee, as continuing security for the payment of the Secured Liabilities charges in favour of the Security Trustee as agent and trustee for the Financing Parties:

- (A) by way of legal mortgage its interest in any Land owned by it;
- (B) by way of fixed charge:
 - (1) any right, title or interest which it has now or may subsequently acquired in any other Land;
 - (2) all Investments, including those held for it by a nominee;

- (3) all its Book Debts;
 - (4) all its Intra-Group Loans;
 - (5) all benefits, rights and Security held in respect of as to secure the payment of, the Book Debt and/or the Intra-Group Loans;
 - (6) in the case of HLL, all Brokerage Commissions Book Debts and the proceeds thereof and all benefits, rights and Security held in respect of, or to secure the payments of, the Brokerage Commissions Book Debts;
 - (7) all credit balances of any Account in its name;
 - (8) in the case of HLL, all Blocked Brokerage Commissions Account Credit Balances;
 - (9) all its Intellectual Property Rights;
 - (10) its goodwill;
 - (11) its uncalled capital; and
 - (12) in the case of HLL, all its books and records relating to the Brokerage Commissions Book Debts;
- 2.1.4 the Company, with full title guarantee, as continuing security for the payment of the Secured Liabilities assigns absolutely to the Security Trustee as agent and trustee for the Financing Parties:
- (A) all its rights and interests under all contracts and policies of Insurance; and
 - (B) all rights under any agreement to which it is a party are which are not mortgaged, charged by way of fixed charge or assigned under the Composite Guarantee and Debenture;
- 2.1.5 the Company, with full title guarantee, as continuing security for the payment of the Secured Liabilities charges to the Security Trustee as agent and trustee for the Financing Parties by way of floating charge all its present and future business, undertaking and assets, other than any Approved Assets and IBA Accounts (and any credit balances on such IBA Accounts) opened in the name of that Chargor, which are not effectively mortgaged, charged by way of fixed charge or assigned under the Composite Guarantee and Debenture;
- 2.1.6 the Company agrees not to create or permit to subsist any Security over any Security Asset except for Security which is expressly permitted by the Credit Agreement;
- 2.1.7 the Company shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Trustee may require in order to:
- (A) give effect to the requirements of the Composite Guarantee and Debenture;
 - (B) protect, preserve and perfect the Security intended to be created by or pursuant to the Composite Guarantee and Debenture;
 - (C) protect and preserve the ranking of the Security intended to be created by or pursuant to the Composite Guarantee and Debenture with any other Security over any assets of any Chargor; or

- (D) facilitate the realisation of all or any of the Security Assets or the exercise of any rights, powers and discretions conferred on the Security Trustee, any Receiver or any administrator in connection with all or any of the Security Assets,

and any such document may (i) disapply section 93 of the Law of Property Act 1925 and (ii) contain an assignment to the Security Trustee of the Book Debts in any manner reasonably required by the Security Trustee.

- 2.1.8 the Company shall indemnify the Security Trustee, the other Secured Parties, any Receiver and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses and other liabilities incurred by them in respect of all or any of the following:

- (A) any act or omission by any of them in relation to all or any of the Security Assets;
- (B) any payment relating to or in respect of all or any of the Security Assets which is made at any time by them;
- (C) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, the Composite Guarantee and Debenture;
- (D) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under the Composite Guarantee and Debenture; and
- (E) any breach by the Chargor of any of its covenants or other obligations to the Security Trustee or any other Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

- 2.1.9 the Company shall pay interest at the Default Rate on the sums payable under the paragraph 2.1.8 from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

3. DEFINITIONS

"Account" means, any credit balance from time to time on any account in a Chargor's name or to which that Chargor is beneficially entitled, other than the Blocked Brokerage Commissions Account Credit Balances in respect of the Blocked Brokerage Commissions Account;

"Ancillary Facility" means any ancillary facilities provided by National Westminster Bank plc to certain members of the Group on a committed bilateral basis consistent with the terms of the Credit Agreement;

"Ancillary Facility Document" means any document, agreement, contract, instrument or letter setting out the terms under which any Ancillary Facility is to be or has been made available to any of the Chargors;

"Ancillary Lender" means National Westminster Bank plc;

"Approved Assets" shall have the meaning set out in section B of the rules issued by the General Insurance Standards Council (or any successor regulation);

"Arranger" means The Royal Bank of Scotland plc;

"Blocked Brokerage Commissions Account" means an interest bearing deposit account opened in the name of the HLL (or to which HLL is beneficially entitled) with the Security Trustee;

"Blocked Brokerage Commissions Account Credit Balances" means all amounts standing to the credit of any Blocked Brokerage Commissions Account;

"Brokerage Commissions Book Debts" means all the HLL book debts in respect of brokerage commissions owing to HLL, including, without limitation, any brokerage commissions owing to HLL which are payable out of any IBA Account from time to time;

"Book Debts" means:

- (a) all its book debts other than any Brokerage Commissions Book Debts (if any);
- (b) all other debts and moneys payable to or receivable by it except for those subject to a fixed charge under the Composite Guarantee and Debenture;

"Borrowers" means both of HLGH and HLL;

"Chargors" means HLGH, the Company, Friary Intermediate Limited, HLL and Heath Lambert Overseas Limited and **"Chargor"** shall mean any one of them;

"Company" means Lambert Fenchurch Overseas Limited (company number 2214161);

"Composite Guarantee and Debenture" means the debenture between, amongst others, the Company and the Security Trustee dated on or shortly after the date of this declaration;

"Credit Agreement" means the credit agreement between HLGH, HLL, the Banks, the Royal Bank of Scotland plc (as arranger) and the Royal Bank of Scotland plc (as Facility Agent) dated on or about the date of this declaration;

"Default Rate" means the rate per annum which is 2 per cent. (2%) above the interest rate payable under the Credit Agreement;

"Facility Agent" means The Royal Bank of Scotland plc acting as agent for National Westminster Bank plc;

"Financing Document" means the Credit Agreement, the Ancillary Facilities and the Security Documents.

"Financing Parties" means:

- (A) National Westminster Bank plc;
- (B) Credit Suisse, London Branch;
- (C) Morgan Stanley & Co International Limited;
- (D) Intermediate Capital Group plc;
- (E) Intermediate Capital Nominees Limited;
- (F) Scotiabank Europe plc;

- (G) Intermediate Capital Limited;
- (H) Graphite Enterprise Trust plc; and
- (I) Graphite Enterprise Limited Partnership,

and any permitted assignees or transferees;

"Group Companies" means the Chargors and each **"Group Companies"** means the Chargors and each of their respective Subsidiaries (as defined in the Credit Agreement) and **"Group Company"** shall mean any one of them;

"HLGH" means HLG Holdings Limited (company number 5443995);

"HLL" means Heath Lambert Limited (company number 01199129);

"IBA Accounts" means any insurance broking account (and any other account containing client funds) maintained by any Group Company as required by the Financial Services Authority (or any successor entity) or any other regulatory body (whether in the United Kingdom or elsewhere) to which any of the Group companies are subject;

"Indebtedness" means, in relation to a person, its obligation (whether present or future, actual or contingent, as principal or surety) for the payment or repayment of money (whether in respect of interest, principal or otherwise) incurred in respect of:

- (a) moneys borrowed or raised;
- (b) any bond, note, loan stock, debenture or similar instrument;
- (c) any acceptance credit, bill discounting, note purchase, factoring (to the extent that there is recourse to such person) or documentary credit facility;
- (d) the supply of any goods or services which is more than 90 days past the expiry of the period customarily allowed by the relative supplier after the due date;
- (e) any finance lease;
- (f) any guarantee, bond, stand-by letter of credit or other similar instrument issued in connection with the performance of contracts;
- (g) any interest rate or currency swap agreement or any other hedging or derivatives instrument or agreement (other than any spot foreign exchange transaction);
- (h) any arrangement entered into primarily as a method of raising finance pursuant to which any asset sold or otherwise disposed of by that person is or may be leased to or re-acquired by a Group Company (whether following the exercise of an option or otherwise); or
- (i) any guarantee, indemnity or similar insurance against financial loss given in respect of the obligation of any person falling within paragraphs (a) to (h) above, but on the basis that there shall be no double counting.

"Insurances" means all contracts and policies of insurance and all proceeds of them either now or in the future held by or written in favour of a Chargor or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors' and officers' insurance;

"Intellectual Property Rights" means any patents, petty patents, trade marks, service marks, trade names, domain names, rights in designs, software rights, utility models, database rights, copyrights, rights in nature of copyright, confidential information, know

how and any other rights and assets of a similar nature, the benefit of and any other right to use such rights, whether registered or not, arising or subsisting in any jurisdiction;

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this declaration between HLGH, HLL, the Financing Parties, the Facility Agent, the Security Trustee and the PPF;

"Intra-Group Loans" means any Indebtedness between one or more Chargor and any of the other Chargors and/or Group Companies.

"Investments" means, in relation to a Chargor:

- (a) all of any of its stocks, shares, bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations); and
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of them;

"Keyman Insurance" means keyman personal accident insurance policies (in form and content reasonably satisfactory to the Facility Agent and with such insurer as the Facility Agent may reasonably approve) in a minimum amount of £1,000,000 per person maintained in respect of the Management to be agreed by the Facility Agent and HLGH acting in good faith.

"Keyman Insurance Assignment" means an assignment in the form to be agreed relating to the Keyman Insurance (and any other keyman insurance policies maintained by HLGH) executed or to be executed by HLGH in favour of the Security Trustee.

"Land" shall have the meaning given to it in section 205(1) of the Law of Property Act 1925;

"Management" means Adrian Colosso, Richard Sansom and Mike Bruce;

"PPF" means the Pension Protection Fund;

"Receiver" means a receiver appointed pursuant to the Composite Guarantee and Debenture or to any applicable law, whether alone or jointly, and includes a receiver and/or manager;

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and Regulation means any of them.

"Secured Document" means each Financing Document and any Ancillary Facility Document;

"Secured Liabilities" means the actual, contingent, present and/or future obligations and liabilities of each Group Company and each Chargor to the Secured Parties under or pursuant to the Secured Documents (including the Composite Guarantee and Debenture)

expect for any liabilities which, if secured by the Composite Guarantee and Debenture, would result in a contravention by a Chargor of section 151 of the Companies Act 1985;

"Secured Parties" means the Security Trustee, the Banks, the Arranger, the Facility Agent, the Ancillary Lender and any other Finance Party (together with their successors, transferees and assigns from time to time) under the Secured Documents (each as amended, varied, replaced, novated or supplemented);

"Security" means any mortgage, charge, assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same, or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to or re-acquired by any Group Company;

"Security Assets" means, in relation to a Chargor, all of its assets which are the subject of any Security created or to be created by the Composite Guarantee and Debenture;

"Security Documents" means the Composite Guarantee and Debenture, the Intercreditor Agreement, the Keyman Insurance Assignment and any guarantee and any document creating security executed and delivered after the date of the Composite Guarantee and Debenture as security for any of the obligations and liabilities of any Borrower and the other Group Companies under any Financing Documents;

"Security Trustee" means National Westminster Bank plc; and

"Tax" means all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto.

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London SE1 9SY
Telephone +44 (0) 20 7583 5000
Facsimile +44 (0) 20 7822 4652

The Directors
Lambert Fenchurch Overseas Limited
Friary Court
Crutched Friars
London EC3N 2NP

26 May 2005

Dear Sirs

Auditors' report to the directors of Lambert Fenchurch Overseas Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Lambert Fenchurch Overseas Limited (the "Company") dated 26 May 2005 in connection with the proposal that the Company should give financial assistance for the purchase of 89,002,726 of the ordinary shares of the Company's holding company, Friary Intermediate Limited. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


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.

Yours faithfully


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors