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CHFP014

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in black type, or
bold block lettering

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

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

† delete as
appropriate

§ delete whichever
is inappropriate

COMPANIES FORM No. 155(6)(a)

Declaration in relation to assistance for the acquisition of shares

155(6)(a)

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

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

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4080051

Name of company

* **ROSYGLOW LIMITED**

† We Ø **(1) ANDREW CHARLES PROBERT of FOXHOLLOWS, SLON LANE,
OGMORE-BY-SEA, MID GLAMORGAN, CF32 0PN**

**(2) HENRY ALLAN ENGELHARDT of YELLOWWS WELLS, GRAIG ROAD,
LISVANE, CARDIFF, CF14 0UF**

**(3) DAVID GRAHAM STEVENS of GARNLLWYD BARNES, GARN LLWYD,
LLANCARFAN, SOUTH GLAMORGAN, CF62 3AT**

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

(a) ~~THE COMPANY IS A COMPANY WHICH IS ENGAGED IN THE BUSINESS OF~~

(b) ~~THE COMPANY IS A COMPANY WHICH IS ENGAGED IN THE BUSINESS OF~~
in ~~the business of~~ §

(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] **ADMIRAL GROUP LIMITED**

~~XXXXXX~~†

The assistance is for the purpose of ~~the acquisition~~ [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: **162,324 A ORDINARY SHARES
OF 10 PENCE EACH AND 60,176 B ORDINARY SHARES OF 10 PENCE EACH**

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

**THEODORE GODDARD
150 ALDERSGATE STREET
LONDON EC1A 4EJ**

For official Use
General Section

Post room



LD2
COMPANIES HOUSE

0369
07/10/02

The assistance is to be given to: (note 2) ADMIRAL GROUP LIMITED of CAPITAL
TOWER, GREYFRIARS ROAD, CARDIFF, CF10 3AZ

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legibly, preferably
in black type, or
bold block lettering

The assistance will take the form of:

SEE SCHEDULE 1

The person who [has acquired]~~[XXXXXX]~~† the share is:

† delete as
appropriate

SEE SCHEDULE 3

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

SEE SCHEDULE 2

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 OF THE DATE HEREOF

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legibly, preferably
in black type, or
bold block lettering

* delete either (a) or
(b) as appropriate

X/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) ~~I/We~~ 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) ~~I/We~~ I/we have formed the opinion that the company will be unable to pay its debts as they fall due during the year immediately following that date]* (note 3)

And X/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 The offices of Theodore Goddard
150 Aldersgate Street
London

Declarants to sign below

on Day Month Year
01 10 2002

before me James Graham (Solicitor)
A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

[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
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

SCHEDULE 1 TO THE FORM 155(6)(a) STATUTORY DECLARATION
dated 1st October 2002 in respect of
ROSYGLOW LIMITED (the "Company")

Form of Assistance

1. The execution, delivery and performance by the Company of its obligations under:
 - (a) a facility agreement (**Facility Agreement**) (to be entered into within eight weeks of the date hereof) between (1) Admiral Group Limited (the **Parent**) as Borrower (2) The Governor and Company of The Bank of Scotland (**BoS**) and Lloyds TSB Bank PLC (**Lloyds**) (as Arrangers) (3) Lloyds (acting as Agent and Trustee) (4) Admiral Insurance Services Limited, the Company, Admiral Life Limited, Admiral Commercial Limited, Diamond Motor Insurance Services Limited, Confused.com Limited, Able Insurance Services Limited, and Elephant Insurance Services Limited (together **Subsidiaries**) as Original Guarantors and (5) Lloyds and BoS as Original Lenders (the **Lenders**) pursuant to which the Lenders are proposing to make available to Parent a term loan facility of up to £60 million and a revolving credit facility of up to £20 million for the purposes of the refinancing of the Parent's existing indebtedness which includes the redemption of Existing Indebtedness (as defined in the Facility Agreement), the payment of the Super Dividend (as defined in the Facility Agreement), the payment of the Deferred Consideration pursuant to the terms of the Variation Agreement (the **Refinancing**) and for general corporate use pursuant to which the Company shall provide a guarantee and indemnity of the Parent's obligations to the Lenders pursuant thereto (**Guarantee**);
 - (b) a debenture (**Subsidiary Debenture**) (to be entered into within eight weeks of the date hereof) between (1) the Company and (2) Lloyds as Trustee (acting for and on behalf of the Secured Parties as defined therein);
 - (c) a subordination deed (**Subordination Deed**) (to be entered into within eight weeks of the date hereof) between (1) the Parent, (2) the Subsidiaries (which includes the Company) as Original Obligors (3) Admiral Syndicate Limited as Original Junior Creditor and (4) Lloyds as agent and trustee for the Finance Parties (as defined in Facility Agreement);
 - (d) an inter-company loan agreement (**Inter-Company Loan Agreement**) (dated on or about the date hereof) made between the Subsidiaries (which includes the Company) Admiral Syndicate Limited and Admiral Syndicate Management Limited as lenders and the Parent as borrower, pursuant to which the Company has agreed to make advances to the Parent from time to time.
- 1.2 In addition to the obligations referred to above the Company will also, from time to time, pay and discharge costs and expenses associated with the Refinancing including, but not limited to, legal, accountancy and other professional fees (the **Associated Costs**).

SCHEDULE 2 TO THE SECTION 155 (6) (a) STATUTORY DECLARATION
dated 1st October 2002 in respect of

ROSYGLOW LIMITED (the "Company")

Principal terms of the assistance

Terms defined in Schedule 1 shall have the same meaning when used in this Schedule 2

1. By executing the Facility Agreement as a guarantor and giving the Guarantee the Company will:
 - 1.1 irrevocably and unconditionally jointly and severally:
 - (a) guarantee to each Finance Party punctual performance by the Parent of its obligations under the Finance Documents;
 - (b) undertake with each Finance Party that whenever the Parent does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
 - (c) agree to indemnify each Finance Party from time to time on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal in an amount equal to that which that Finance Party would otherwise have been entitled to recover;
 - 1.2 agree that such Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor (as defined in the Facility Agreement) under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part;
 - 1.3 agree that if any payment by any Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:
 - (a) the liability of the Company shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
 - (b) each Finance Party shall be entitled to recover the value or amount of that security or payment from the Company, as if the payment, discharge, avoidance or reduction had not occurred;
 - 1.4 agree that the obligations of the Company pursuant to the Facility Agreement, will not be affected by an act, omission, matter or thing which, but for the Guarantee, would reduce, release or prejudice any of its obligations under the Guarantee;
 - 1.5 agree to waive any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company and irrespective of any law or any provision of a Finance Document to the contrary;

- 1.6 agree that until all amounts which may be or become payable by the Obligor under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:
- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same; and
 - (b) hold in an interest-bearing suspense account any moneys received from any guarantor or on account of any guarantor's (which include the Company) liability under the Guarantee;
- 1.7 agree that until all amounts which may be or become payable by the Obligor under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Subsidiary, including the Company, will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:
- (a) to be indemnified by an Obligor;
 - (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
 - (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.
- 1.8 agree that the Guarantee is in addition to and not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.
2. By executing the Subordination Deed, the Junior Creditors (as defined therein) will subordinate their claims against the Company and each of the other Subsidiaries to the claims of the Finance Parties and the Company, the other Subsidiaries and Admiral Syndicate Limited will give various undertakings to Lloyds as agent and trustee for the Finance Parties in relation to such subordination.
3. By executing the Subsidiary Debenture, the Company will covenant:
- (a) To discharge all obligations including any liability in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity);
 - (b) charge with full title guarantee in favour of the Trustee as trustee for the Secured Parties (as defined therein) with the payment and discharge of the Secured Obligations:
 - (i) by way of first fixed charge (which so far as it relates to land in England and Wales vested in the Company at the date of the Subsidiary Debenture

shall be a charge by way of legal mortgage) all the Company's right, title and interest from time to time in and to each of the following assets as defined therein (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party):

- (1) the Real Property;
- (2) the Tangible Moveable Property;
- (3) the Accounts;
- (4) the Insurance Policies, the proceeds thereof and all Related Rights in respect of such Insurance Policies;
- (5) the Intellectual Property;
- (6) any goodwill and rights in relation to the uncalled capital of the Company;
- (7) the Investments;
- (8) the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise);
- (9) all Monetary Claims; and
- (10) each of the Specific Contracts;

(c) by way of first floating charge the whole of the Company's undertaking, assets present and future not otherwise effectively charged or assigned to the Trustee.

(d) that, at any time during the subsistence of the Subsidiary Debenture, save for any Security permitted under the Facility Agreement, it shall not create or allow to exist any encumbrance on any of its present or future assets.

4. The Subsidiary Debenture contains a covenant for further assurances and shall remain in full force and effect unless and until discharged by the Trustee.
5. By executing the Inter-Company Loan the Company will agree to make advances to the Parent from time to time and at its request in order, amongst other things, to assist it in discharging and reducing its liabilities in connection with the Refinancing and including repayment of the borrowings under the Facility Agreement.
6. In addition to the obligations referred to above, the Company will also, from time to time, pay and discharge costs and expenses associated with the Refinancing including, but not limited to, legal, accountancy and other professional fees.
7. **Definitions**

Save as otherwise expressly provided **"Real Property"** **"Tangible Moveable Property"**; **"Accounts"**; **"Insurance Policies"**; **"Related Rights"**; **"Intellectual Property"**; **"Investments"**; **"Shares"**; **"Monetary Claims"**; **"Specific Contracts"**; **"Finance Documents"**; **"Finance Party"**; **"Obligor"**, **"Agent"**, **"Security"**, **"Secured Obligations"** have the meaning given to them in the Facility Agreement and the Subsidiary Debenture where applicable.

SCHEDULE 3 TO THE FORM 155(6)(a) STATUTORY DECLARATION
dated 1st October 2002 in respect of
ROSYGLOW LIMITED

NAME	ADDRESS
Barclays Industrial Development Limited	54 Lombard Street, London EC3P 3AH
Barclays Private Equity PVLP Limited Partnership	8 th Floor, 5 th North Colonnade, Canary Wharf, London E14 4BB
Barclays Private Equity Limited	54 Lombard Street, London EC3P 3AH
Clink Street Nominees Limited	54 Lombard Street, London EC3P 3AH
Parallel Ventures Nominees No.2 Limited	107 Cheapside, London EC2V 6BU
Heather V Stevens	Garnllwyd Barns, Garn Llwyd, Llancarfan, South Glamorgan CF62 3AT
Andrew Charles Probert	Foxhollows, Slon Lane, Ogmere-by-Sea, Mid Glamorgan CF32 0PN
David Graham Stevens	Garnllwyd Barns, Garn Llwyd, Llancarfan, South Glamorgan CF62 3AT
Jane Stone	Highbank House, Cyncoed Road, Cyncoed, Cardiff CF23 5SH, Wales
David A Walker	41 Minehead Avenue, Sully, Parnarth, South Glamorgan CF64 5TJ, Wales
Henry Allan Engelhardt	Yellows Wells, Graig Road, Lisvane, Cardiff, CF14 0UF
Katherine Armstrong	Cefn Corlau, Llannon, Llanelli, Dyfed FA14 8JY



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DX 33079 Cardiff 1

E-mail alun.bowen@kpmg.co.uk

Private & confidential

The Directors

Rosyglow Limited

Capital Tower

Greyfriars Road

Cardiff

Your ref

Our ref pjw/612

Contact Alun Bowen
029 2046 8010

1st October 2002

Dear Sirs

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

We have examined the attached statutory declaration of the directors dated 1st October 2002 in connection with the proposal that the company should give financial assistance (within the meaning of Sections 151 and 152 of the Act) in connection with the acquisition of shares in the company's holding company, Admiral Group Limited. 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 Act is unreasonable in all the circumstances.

Yours faithfully

KPMG Audit Plc

KPMG Audit Plc
Registered Auditor



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KPMG Audit Plc is registered to carry on audit work by the Institute of Chartered Accountants in

England and Wales.
Registered in England
No 3110745

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