

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

Company number

237511

Name of company

* Arcadia Group Limited

XWe 0 Philip Green, Ian Allkins, John Readman and Paul Coakley together with Lord Anthony Grabiner QC and Ian Grabiner (each of whom are making on the date of this declaration a declaration in the same form as this declaration).

(see Attachment A for addresses)

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

The business of the company is:

XX
(a) that of a repossessed bank licensed institution within the meaning of the Bankers Act 1973;

to that of a person authorized under section 9 of the Insurance Companies Act, 1982 to act

insurance business in the United Kingdom

(c) something other than the above§

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

[company] [REDACTED]

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: 210,204,416 ordinary

Shares

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

Allen & Overy
One New Change
London
EC4M 9QQ
BK: 1017249
DX 44

For official Use
General Section

Post room



The assistance is to be given to: (note 2) _____

TAVETA INVESTMENTS LIMITED, 129-137 Marylebone Road, London, NW1 5QD
(Registered Number 04464926)

Please do not
write in this
margin

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

The assistance will take the form of:

See Attachment B

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

† delete as
appropriate

TAVETA INVESTMENTS LIMITED (Registered Number 04464926)

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

See Attachment C

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

Please do not write in this margin

~~W~~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)

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

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

- (a) ~~X~~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 I/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 ~~XX~~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

Colegrave House, 70 Baines St.

| Day | Month | Year |
|-------|-------|------|
| on 13 | 03 | 2003 |

before me ALASTAIR VERE NICOLL
A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

Declarants to sign below

Paul Lockley
[Signature]
[Signature]
[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

G

CHFP025

COMPANIES FORM No. 155(6)a

Declaration in relation to
assistance for the acquisition
of shares

155(6)a

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

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

237511

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

Name of company

* Arcadia Group Limited

* insert full name
of company

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

X We ☒ Ian Grabiner together with Philip Green, Ian Allkins, John Readman,
Paul Coakley and Lord Anthony Grabiner QC (each of whom are making on
the date of this declaration a declaration in the same form as this
declaration).

(see Attachment A for addresses)

† 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

~~(a) that of a recognised bank (being a bank) within the meaning of the Banking Act 1979~~

~~(b) that of a person authorised under section 22 of the Financial Services and Markets Act 2000 to accept deposits~~

~~in the business of the company~~

(c) something other than the above§

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

[company] ~~XXXXXXXXXXXXXXXXXXXX~~

~~XXXX~~†

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: 210,204,416 ordinary

Shares

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

Allen & Overy
One New Change
London
EC4M 9QQ
BK: 1042941
DX 44

For official Use
General Section

Post room

The assistance is to be given to: (note 2) _____

TAVETA INVESTMENTS LIMITED, 129-137 Marylebone Road, London, NW1 5QD
(Registered Number 04464926)

Please do not
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Please complete
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lettering

The assistance will take the form of:

See Attachment B

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

† delete as
appropriate

TAVETA INVESTMENTS LIMITED (Registered Number 04464926)

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

See Attachment C

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

Please do not
write in this
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Please complete
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bold block lettering

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

I/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) ~~XX~~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) ~~XXXXXX~~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 ~~XX~~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 LONDON HEATHROW

Declarants to sign below

San Gabriel

on

| Day | Month | Year |
|-----|-------|------|
| 13 | 03 | 2003 |

before me *Sir Elizabeth Thomas*

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.
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The Registrar of Companies
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Edinburgh
EH1 2EB

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CHFP025

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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

Please complete
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bold block lettering

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

For official use

Company number

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

237511

Note

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

Name of company

* Arcadia Group Limited

* insert full name
of company

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

~~We~~ Lord Anthony Grabiner QC together with Philip Green, Ian Allkins,
John Readman, Paul Coakley and Ian Grabiner (each of whom are making
on the date of this declaration a declaration in the same form as
this declaration).

(see Attachment A for addresses)

† 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

~~(a) that of a recognised bank, licensed institution, within the meaning of the Banking Act 1985,~~

~~(b) that of a company or other body corporate, or of a partnership, or of an unincorporated association,~~

~~(c) something other than the above§~~

(c) something other than the above§

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

[company] ~~XXXXXXXXXX~~

~~XXXX~~†

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: 210,204,416 ordinary

Shares

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

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The assistance will take the form of:

See Attachment B

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† delete as
appropriate

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

See Attachment C

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(a) ~~X~~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 the directors 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)

Declared at ESSEX COURT

London EC4

AS Graham

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

- 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.
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or, for companies registered in Scotland:-

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37 Castle Terrace
Edinburgh
EH1 2EB

Page 1

Directors' names and addresses

Attachment A

ATTACHMENT A

Directors' names and addresses

(to statutory declaration Form 155(6)a – page 1)

Lord Anthony Grabiner, QC
1 Essex Court
Temple
London
EC4Y 9AR

Philip Green
Le Formentour
1st Floor
27 Avenue Princess Grace
Monte Carlo MC 9800
Monaco

Ian Mark Allkins
35 Brentham Way
London
W5 1BE

John Paul Readman
Jellystone Farm
Friezland Lane Greenfield
Oldham
Lancashire
OL1 7HB

Paul Coackley
54, Bucknall Way
Langley Park
Beckenham
Kent
BR3 3XN

Ian Grabiner
Daylesford
5 Methuen road
Glasgow G46 6TG

ATTACHMENT B

Form of Assistance

(to statutory declaration Form 155(6)a – Box 1 page 2)

Definitions

In this statutory declaration the following expressions have the following meanings:

Agent means Bradford & Bingley plc.

Company means Arcadia Group Limited.

Finance Party means a Lender, the Agent or the Security Trustee.

Lender means each of the following:

- (a) any Original Lender;
- (b) any bank, financial institution, trust fund or other entity which has become a party in accordance with clause 23 of the Facility Agreement,

which in each case has not ceased to be a party in accordance with the terms of the Facility Agreement.

Occupational Lease means any lease, tenancy, licence or other occupational arrangement granted by or directly held out of the interest of the Company (in its capacity as legal owner and landlord or grantor) of any part of the Security Property to any tenant or licensee (including the Company or a member of the Group whose obligations under the Occupational Lease are guaranteed by the Company) at any relevant time but (for the avoidance of doubt) excludes any lease, tenancy, licence or other occupational arrangement to which the Company is not for the time being the immediate reversioner or in respect of which the relevant Company would not for the time being be entitled to accept a direct surrender or renunciation

Original Lender means Bradford & Bingley plc

Rent Account means any account opened at the request of the Agent (on terms stipulated by the Agent) at the Agent or any other bank into which Rental Income is to be paid from time to time, such account to be secured to the Security Trustee in a manner satisfactory to the Agent.

Rental Income means, at any time, the gross rents, licence fees and other monies reserved by or arising out of any Occupational Lease or any agreement for the grant of an Occupational Lease or (following the service of a Section 6 Notice) reserved by or arising out of any underlease to which any Occupational Lease is subject to which such Section 6 Notice relates, without limitation, derived by the Company from Security Property from time to time (including, without limitation, mesne profits).

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of the Borrower to the Lenders or to the other Finance Parties (or any of them) under any Finance Document (as defined in the Facility Agreement) to which the Company is a party **provided** that no obligation or liability shall be included in the definition of "**Secured Obligations**" to the extent that, if it were so

Attachment B

included, the relevant document (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985

Security Property means such properties as are set out in a schedule to the Facility Agreement and any future property that is deemed to be eligible as security for the facility by the Agent.

Security Trustee means Bradford & Bingley plc.

The assistance will take the form of:

1. the Company executing a facility agreement between, inter alia, Redcastle Limited and Redcastle Property Mortgage Limited (the "**Borrower**"), Bradford & Bingley plc (in its capacity as Original Lender, Agent and Security Trustee) (the "**Facility Agreement**") pursuant to which:
 - (i) the Lenders (as defined in the Facility Agreement) will provide to the Borrower a ten year term loan facility of £80,000,000;
 - (ii) in order to secure the Borrower's obligations thereunder the Company is to enter into the Debenture (each as defined below); and
 - (iii) the Company gives representations and warranties and provides a number of affirmative and negative covenants in respect of the property secured pursuant to the agreements referred to above.
2. the Company executing a debenture pursuant to which the Company grants:
 - (i) a fixed charge (and assignment where relevant) over its present and future right, title and interest in the freehold or leasehold property in England and Wales owned by it and set out in a schedule to the Debenture together with any assets relating thereto (including agreements and insurance policies in relation to such property, the Occupational Leases and Rental Income), and
 - (ii) a floating charge over all of the Company's present and future assets and undertaking and over all heritable property and all other property and assets in Scotland,in favour of the Security Trustee as security for the Secured Obligations (the "**Debenture**").
3. The Company enters into a deed of priorities with Bradford and Bingley plc and the Governor and Company of the Bank of Scotland to govern the security granted by the Company referred to in the above paragraphs.

ATTACHMENT C

Principal Terms of Assistance

(to statutory declaration Form 155(6)a – Box 2 page 2)

1. FACILITY AGREEMENT

By executing the Facility Agreement, the Company will give certain representations and warranties and provide certain affirmative and negative covenants in respect of the security documents referred to below and the property owned by it and secured thereby.

2. DEBENTURE

By executing the Debenture:

Fixed Charge

The Company charges and agrees to charge all its present and future right, title and interest in and to the following assets which are at any time owned by it or in which it from time to time has an interest:

- (a) by way of first legal mortgage the Property (as defined in the Debenture);
- (b) by way of first fixed charge:
 - (i) all licences to enter upon or use the Property and the benefit of all other agreements relating to the Property;
 - (ii) all buildings and fixtures (including trade and tenant's fixtures belonging to it) now and in the future on the Property;
 - (iii) all other interests now and in the future belonging to it in or over the Property or the proceeds of sale of the Property;
 - (iv) all its rights to and interest in any proceeds of sale of the whole or any part of the Property (including, without limitation, any compensation received by it as a result of any notice or order from any planning authority or other statutory body which may at any time be held or received by it or anybody else on its behalf);
 - (v) all of its rights under the appointment of any managing agent of the Property;
- (c) by way of first fixed charge the Rent Account and all monies at any time standing to the credit of the Rent Account together with all interest from time to time accrued or accruing on such monies and all rights to repayment of any of the foregoing;
- (d) by way of first fixed charge all present and future policies of insurance and all claims and proceeds thereunder;
- (e) to the extent that any of the assets are not effectively assigned pursuant to Clause 3.2 (*Security assignments*), by way of first fixed charge those assets.

Attachment C

Security assignments

The Company assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) by way of security all its present and future right, title and interest in and to:

- (a) the Rental Income; and
- (b) the Occupational Leases.

Floating Charge

The Company charges and agrees to charge by way of floating charge all its present and future (1) assets and undertaking (wherever located) which is not effectively charged by way of first fixed mortgage or charge or assigned pursuant to the provisions of the Debenture, and (2) (whether or not effectively so charged) heritable property and all other property and assets in Scotland.

The floating charge shall:

- (a) only be enforceable against the Company immediately upon any formal steps being taken towards the presentation of a petition or the making of an application to the court for the making of an administration order in relation to Company or any formal steps being taken towards the appointment of an administrator of the Company;
- (b) only be enforced by the appointment of a receiver; and
- (c) shall only (except by operation of law) crystallise upon such formal steps being taken towards the presentation of a petition or other form of application to the court for the making of an administration order or towards the appointment of an administrator.

Further Assurance

Whenever requested by the Security Trustee the Company will at its own expense, promptly execute any deeds or documents and take any action required by the Security Trustee to create, perfect or protect the security created (or intended to be created) by or pursuant to the Debenture; or

- (a) to facilitate the realisation of any security or otherwise to enforce the security created by or pursuant to the Debenture; or
- (b) to exercise any of the rights of the Security Trustee or any receiver or any delegate or sub-delegate thereof under the Debenture,

including (without limitation) (1) the execution of any transfer, conveyance, assignment or assurance of any property or assets (whether to the Security Trustee or its nominees) and (2) the giving of any notice, order or direction and the making of any registration which, in any such case, the Security Trustee may think expedient.

3. DEED OF PRIORITIES

By executing a deed of priorities with Bradford and Bingley plc and the Governor and Company of the Bank of Scotland to govern the security granted by the Company referred to in the above paragraphs.

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460

Private and confidential

The Directors
Arcadia Group Limited
Colegrave House
70 Berners Street
London
W1T 3NL

13 March 2003

Dear Sirs

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

We have examined the attached statutory declaration of the directors of Arcadia Group Limited ('the Company') dated 13 March 2003 in connection with the proposal that the Company should give financial assistance for reducing or discharging a liability incurred in connection with the purchase of the ordinary shares of the Company.

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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors