

# G

CHA 116

## 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

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

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

\*Insert full name  
of company

†Insert name(s) and  
address(es) of all  
the directors

§Delete as  
appropriate

‡Delete whichever  
is inappropriate

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

To the Registrar of Companies

For official use

Company number



274611

Name of company

\* Shopacheck Financial Services Limited

†/We† John Edward Gordon Cran of Burn Croft, Burn Rd, Huddersfield HD2 2ED, Mark Collins of  
9 Wentworth Ave, Whirlowdale Park, Sheffield S11 9QX, Keith Dunn of 199 Station Rd,  
Shepley, Huddersfield HD8 8DU, Michael Geoffrey Goulding of 36 Church Rd, Molescroft,  
Beverley, HU17 7EN, Michael Loughman of 15 Donnington Rd, Montgomery Park, Manchester  
M26 3TT, Ian Stanley Halder of 63 Beech View, Cranswick, Driffield, YO25 9QQ, Paul  
Kirby of 8 Glenview Close, Nab Wood, Shipley, BD18 4AZ, David William Sutherland of 1  
The Drive, Adel, Leeds LS16 6BG, Roger Horrex of 6 Dene Rd, Cottingham HU16 5JP and  
Ian Stephen Cummine of 18 Stamford Rd, Oakham, Rutland, Leicestershire LE15 6JA

~~the sole director~~ [all the directors]§ of the above company (hereinafter called 'this company') do  
solemnly and sincerely declare that:

The business of the company is:

- ~~(a) that of a [recognised bank] [licensed institution]§ within the meaning of the Banking Act 1979†~~  
~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on  
insurance business in the United Kingdom†~~  
(c) something other than the above‡

This company is [the] [a] holding company of\* Provincial Lending Company Limited  
("the Company") \_\_\_\_\_ which is

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

in [this company] [ Compass Credit Limited \_\_\_\_\_

\_\_\_\_\_ the holding company of this company.]‡

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

Walker Morris  
Kings Court  
12 King Street  
LEEDS  
LS1 2HL  
DX: 12051 Leeds 24  
Our Ref: MQO/TTB

For official use  
General Section

Post room



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: 206,026 deferred shares of 5p each, 100 ordinary shares of 5p each and 900 10% cumulative preference shares of £1 each in the capital of Compass Credit Limited

The assistance is to be given to: (note 2) Cattles plc of Kingston House, Centre 27

Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD

The assistance will take the form of:

See Appendix 1

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

Cattles plc as above

†Delete as appropriate

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

See Appendix 2

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 £ Nil

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 19     

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

~~\*/~~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)

\*Delete either (a) or  
(b) as appropriate

- (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 Kingston Home  
Centre 24 Birmen Park  
Woodhead Road, Birstall.

the 22 day of June

One thousand nine hundred and ninety nine

before me D. C. Allen

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

D. C. Allen

Declarants to sign below

Michael  
James  
Cliff  
John  
Paul

## 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.

**BLACKS**  
SOLICITORS

Hanover House  
22, Clarendon Road  
Leeds LS2 9NZ  
DX Leeds  
Park Sq. 26416

## APPENDIX 1

The assistance will take the form of the entry into by the Company of and the assumption by the Company of obligations under a guarantee of all obligations of Cattles PLC, the holding company of the Company, under or in connection with a £60,000,000 loan facility and the "Finance Documents" associated with it, to the extent that the facilities made available thereunder may be utilised for the purpose of reducing or discharging liabilities previously incurred for the purpose of the acquisition of shares in the Company's holding company.

The terms on which the said loan facility is to be made available to Cattles plc and a definition of the term "Finance Documents" are set out in a facility agreement between Cattles plc (1) the First National Bank of Chicago as Arranger (2), the Banks as lenders (3) and the First National Bank of Chicago as Agent (4) (each as defined in the said Facility Agreement) ("the Loan Agreement").

## APPENDIX 2

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

- 1 The Guarantee is to be executed by the Company and delivered to the First National Bank of Chicago as Agent and to the Banks (as each term is defined in the Loan Agreement) in consideration of the provision by the Banks (as so defined) to Cattles plc, the holding company of the Company, of a loan facility ("the Loan Facility") in the maximum aggregate principal sum of £60,000,000 for the general corporate purposes of Cattles plc and its subsidiaries, including the Company, which guarantee shall take substantially the same form as the document annexed to this declaration and marked "A".
- 2 Under the terms of the Guarantee the Company irrevocably, unconditionally, jointly and severally:
  - 2.1 as principal obligor guarantees to each Bank (as defined in the Loan Agreement) the prompt performance by Cattles plc of all of its obligations under the Finance Documents (as defined in the Loan Agreement) and payment of all due sums payable by Cattles plc under the Finance Documents (as so defined);
  - 2.2 undertakes with each Bank (as so defined) whenever Cattles plc does not pay any amounts when due under or in connection with any Finance Document (as so defined) that the Company shall forthwith on demand by the First National Bank of Chicago as Agent (as defined in the Loan Agreement) pay that amount as if the Company instead of Cattles plc were expressed to be the principal obligor together with interest on such amount at the rate payable by Cattles plc under the terms of the Loan Agreement from the date such amount becomes due until the date of actual payment by the Company;
  - 2.3 indemnifies each Bank (as so defined) on demand against any loss or liability suffered by it if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal.

A

## **GUARANTEE**

**Dated June, 1999**

**To:** The First National Bank of Chicago  
1 Triton Square  
London, NW1 3FN  
as Agent for the Banks defined below (the "**Agent**"), and to such Banks

### **WHEREAS:**

- (A) By a facility agreement of even date herewith made between Cattles plc (the "**Borrower**"), the several banks therein mentioned (the "**Banks**"), and the Agent (the "**Loan Agreement**") the Banks agreed to make available to the Borrower the Facility.
- (B) It is a condition precedent to the availability of the Facility that the Guarantors grant a guarantee of the Borrower's obligations under the Loan Agreement.

### **NOW THIS DEED WITNESSES as follows:-**

#### **1. DEFINITIONS**

Terms defined in the Loan Agreement shall have the same meaning in this Guarantee unless otherwise expressly defined.

#### **2. GUARANTEE**

2.1 In consideration of the Banks, and the Agent, at the request of each of the Guarantors, entering into the Loan Agreement with the Borrower and the Banks agreeing to advance moneys to the Borrower under the Loan Agreement, each Guarantor hereby irrevocably, unconditionally, jointly and severally:

- 2.1.1 as principal obligor, guarantees to each Bank prompt performance by the Borrower of all its obligations under the Finance Documents and payment of all due sums payable by the Borrower under the Finance Documents;
- 2.1.2 undertakes with each Bank whenever the Borrower does not pay any amounts when due under or in connection with any Finance Document, that Guarantor shall forthwith on demand by the Agent pay that amount as if that Guarantor instead of the Borrower were expressed to be the principal obligor together with interest on such amount at the rate payable by the Borrower under the terms of the Agreement from the date such amount becomes due until the date of actual payment by each Guarantor; and
- 2.1.3 indemnifies each Bank on demand against any loss or liability suffered by it if any obligation guaranteed by that Guarantor is or becomes unenforceable, invalid or illegal.

- 2.2 The liability of each of the Guarantors to make payments pursuant to, and comply with their obligations under, this Guarantee is joint and several and accordingly each of the Guarantors shall be fully liable irrespective of the validity, regularity or enforceability against any of the other Guarantors of the terms of this Guarantee and the liability of each Guarantor shall not be discharged, lessened, affected or impaired by any time or indulgence granted to any of the other Guarantors by the Agent or any Bank or any of them, by any of the other Guarantors losing its separate corporate entity or by any dealings or transactions between the Agent or any Bank or any of them and any of the other Guarantors.

3. **CONTINUING GUARANTEE**

This Guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

4. **REINSTATEMENT**

- 4.1 Where any discharge (whether in respect of the obligations of the Borrower or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of each Guarantor under this Guarantee shall continue as if the discharge or arrangement had not occurred.
- 4.2 Each Bank may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

5. **PRESERVATION OF GUARANTEE**

The obligations of each Guarantor will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Guarantee or prejudice or diminish those obligations in whole or in part, including without limitation (whether or not known to it or any Bank):-

- 5.1.1 any time or waiver granted to, or composition with, the Borrower or any other person;
- 5.1.2 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against or security over assets, of the Borrower or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 5.1.3 any legal limitation, disability, incapacity or dissolution of or change in the members or status of the borrower or any other person;
- 5.1.4 any amendment, replacement of, supplement to or variation of a Finance Document or any other document or security so that references to that Finance

Document in this Guarantee include each amendment, replacement, supplement and variation;

5.1.5 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any security or document, to the intent that each Guarantor's obligations under this Guarantee shall remain in full force and this Guarantee be construed accordingly, as if there were no such unenforceability, illegality or invalidity; and

5.1.6 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Borrower under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Guarantor's obligations under this Guarantee be construed as if there were no such circumstance.

## 6. WAIVER

Each Guarantor waives any right it may have of first requiring any Bank (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 that Guarantor under this Guarantee.

## 7. NON-COMPETITION

7.1 Until all sums owing by the Borrower under or in connection with the Finance Documents have been paid in full, no Guarantor shall, after a claim has been made or by virtue of any payment or performance by it under this Guarantee:-

7.1.1 be subrogated to any rights, security or monies held, received or receivable by any Bank (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of that Guarantor's liability under this Guarantee;

7.1.2 claim, rank, prove or vote as a creditor of the Borrower or its estate in competition with any Bank (or any trustee or agent on its behalf); or

7.1.3 receive, claim or have the benefit of any payment, distribution or security from or on account of the Borrower, or exercise any right of set-off as against the Borrower.

7.2 Each Guarantor shall hold in trust for and forthwith pay or transfer to the Agent for the Banks any payment or distribution or benefit of security received by it contrary to Clause 7.1.



## **8. APPROPRIATION**

Until any amounts which may be or become payable by the Borrower under or in connection with the Finance Documents have been irrevocably paid in full, each Bank (or any trustee or agent on its behalf) may:-

- 8.1.1 refrain from applying or enforcing any other monies, security or rights held or received by that Bank (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 no Guarantor shall be entitled to the benefit of the same; and
- 8.1.2 hold in a suspense account any monies received from any Guarantor or on account of any Guarantor's liability under this Guarantee, without liability to pay interest on those monies.

## **9. ADDITIONAL SECURITY**

This Guarantee shall be in addition to and shall not in any way be prejudiced by any collateral or other security now or hereafter held by any Bank or by any lien to which any Bank may be entitled.

## **10. PAYMENTS**

- 10.1 All payments to be made under this Guarantee by each Guarantor shall be made in sterling, in the funds and at the place at which the corresponding sums are payable by the Borrower under or in connection with the Finance Documents.
- 10.2 All payments by a Guarantor under this Guarantee shall be made without deduction, set-off or counterclaim and free and clear of and without deduction for or on account of any Taxes except to the extent that such Guarantor is compelled by law to make payment subject to any Taxes.
- 10.3 If any Tax or amounts in respect of Tax must be deducted or any deductions must be made, for any amounts payable or paid by a Guarantor, or paid or payable by the Agent to a Bank, under this Guarantee, such Guarantor shall pay such additional amounts as may be necessary to ensure that the relevant Bank receives a net amount equal to the full amount which would have been received had payment not been made subject to Tax.
- 10.4 All Taxes required by law to be deducted or withheld by a Guarantor for any amounts paid or payable under this Guarantee shall be paid by the relevant Guarantor when due and the Guarantor shall, within fifteen days of payment being made, deliver to the Agent for the relevant Bank evidence satisfactory to that Bank (including all relevant Tax receipts) the payment has been duly remitted to the appropriate authority.
- 10.5 If, otherwise than as a result of the introduction of, change in, or change in the interpretation, administration or application of, any law or regulation or any practice or concession of the U.K. Inland Revenue occurring after the date of this Agreement, a

Bank is not or ceases to be a Section 349 Bank, a Guarantor is not liable to pay to that Bank under this Clause 10 any amount in respect of Taxes levied or imposed by the U.K. or any taxing authority of or in the U.K. in excess of the amount it would have been obliged to pay if that Bank had not ceased to be a Section 349 Bank.

- 10.6 If a Guarantor pays any increased amount under Clauses 10.2 or 10.3 and any Bank effectively obtains a refund or tax credit against tax by reason of that payment, and if that Bank is able (in its sole opinion, which shall not be capable of being challenged) to identify that refund or credit is being attributable to that payment having regard to its other activities, then the Agent or such Bank (as the case may be) shall reimburse to that Guarantor such amount as it shall determine (any such determination being conclusive) to be the proportion of that refund or credit as will leave the Agent or the Bank (as the case may be) after that reimbursement in no better or worse position than it would have been in if that refund or credit had not been obtained. Nothing in this Agreement shall (a) interfere with the right of the Agent and each Bank to arrange its tax affairs in whatever manner it thinks fit and, in particular, neither the Agent nor any of the Banks shall be under any obligation to claim credit, relief, remission or repayment from or against its corporate profits or similar tax liability in respect of the amount of such deduction or withholding in priority to any other claims, relief, credits or deductions available to it, or (b) require the Agent or any Bank to disclose any information regarding its tax affairs or computations to any Guarantor.

## 11. EVIDENCE

A certificate of the Agent or any Bank, as the case may be, detailing the amount due from each Guarantor shall, in the absence of manifest error, be conclusive evidence of such amount.

## 12. REPRESENTATIONS AND WARRANTIES

Each Guarantor jointly and severally represents and warrants to each Bank that:

### 12.1 Status

- 12.1.1 It is a limited liability company, duly incorporated and validly existing under the laws of England or Scotland as the case may be; and
- 12.1.2 it has the power to own its property and assets and carry on its business as it is now being conducted.

### 12.2 Powers and authority

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Guarantee and the transactions contemplated by this Guarantee.

**12.3 Legal validity**

This Guarantee when executed in accordance with its terms will constitute its legal, valid and binding obligation enforceable in accordance with its terms and are in proper form for the enforcement thereof in England.

**12.4 Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, this Guarantee does not and will not:-

12.4.1 conflict with any law or regulation or judicial or official order; or

12.4.2 conflict with its constitutional documents; or

12.4.3 conflict with any document which is binding upon it or any of its assets in any material respect (in the reasonable opinion of the Majority Banks) nor result in the creation or imposition of any Security Interest on any of its assets.

**12.5 No default**

No event is outstanding which constitutes (or, with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition or any combination of the foregoing might constitute) a default under any material agreement, undertaking or instrument which is binding on it or any of its assets and which default would have a material adverse effect on the Borrower and its Subsidiaries taken as a whole or upon the ability of the Borrower to perform its obligations under the Loan Agreement or upon the ability of any Guarantor to perform its obligations under the Guarantee.

**12.6 Authorisations**

All authorisations and other requirements of governmental, judicial and public bodies and authorities required or desirable in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Guarantee have been obtained or effected (as appropriate) and are in full force and effect and all fees (if any) payable in connection therewith have been paid, there has been no default in the performance of any of the terms and conditions thereof and it has full authority to make all payments under this Guarantee to the Agent in accordance with Clause 10 (Payments) of this Guarantee.

**12.7 Limits**

The guaranteeing of the full amount available under the Finance Documents will not cause any limit on its powers or on the exercise of such powers by its officers (whether imposed by its memorandum and articles of association, any regulation or agreement or otherwise) to be exceeded.

**12.8 Accounts**

The most recent audited consolidated accounts of each Guarantor (which accounts have been prepared in accordance with generally accepted United Kingdom accounting principles and practices, consistently applied) fairly represent the financial condition of such Guarantor and the result of its operations for the period ended on the date to

which such accounts were prepared, and there has been no material adverse change in the financial condition of such Guarantor as shown in its audited consolidated accounts as at such last date.

**12.9 Tax Returns**

It has filed or caused to be filed all requisite Tax returns required to be filed in all jurisdictions in which it is situate or carries on business or is otherwise subject to Taxation and has paid all Taxes shown to be due and payable in such returns or on any assessments made against it (other than those being contested in good faith and against which adequate reserves have been maintained), and, to its knowledge, no claims are being asserted with respect to such Taxes which, if adversely determined, would have a material adverse effect on its ability to fulfil its obligations hereunder.

**12.10 Litigation**

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened, which might, if adversely determined, have a material adverse effect on its business or financial condition or its ability to perform its obligations under this Guarantee.

**12.11 Title to Properties**

It has valid leases or good and marketable title to substantially all its properties and assets, real and personal, which are reflected in the audited consolidated accounts referred to in Clause 12.8 (*Accounts*), subject to no Security Interest except as disclosed in such consolidated accounts or as otherwise already disclosed in writing to the Agent and except for Permitted Encumbrances.

**12.12 Time for making representations and warranties**

The representations and warranties set out in this Clause 12 are made by each Guarantor on the date of this Guarantee and other than those contained in Clause 12.5 (*No default*), 12.8 (*Accounts*), 12.9 (*Tax Returns*) and 12.10 (*Litigation*) are deemed to be repeated on the date of each Utilisation Request and on each Utilisation Date with reference to the facts and circumstances then existing.

**13. GENERAL UNDERTAKINGS**

**13.1 Duration**

So long as the Facility is available or any amount remains outstanding from the Borrower under the Loan Agreement each Guarantor undertakes jointly and severally with each Bank that each Guarantor will comply with the undertakings listed in Clauses 13.2 to 13.11.

**13.2 Information**

If requested by the Agent, furnish to the Agent in sufficient copies for all the Banks from time to time with reasonable promptness, any reports of any Guarantor in a form acceptable to the Banks and any other information regarding the business and financial condition of such Guarantor as the Agent may reasonably request.

**13.3 Notification of Default**

### 13.11 Negative Pledge

13.11.1 Each Guarantor undertakes that its obligations under this Guarantee constitute a direct, unconditional, unsecured, unsubordinated and general obligation of and will rank at least pari passu with all other present and future outstanding unsecured indebtedness issued, created or assumed by it.

13.11.2 Each Guarantor undertakes that it will not:

- (a) except for Permitted Encumbrances create, assume or permit to exist any Security Interest over any of its respective present or future revenues or assets unless at the same time and at all times thereafter all amounts which are or which may become due from the Guarantors hereunder (the "Amounts") are secured in a manner acceptable to the Majority Banks in such a way that (i) the value of the security given to the Banks (the "Collateral"), as determined by the Agent from time to time, expressed as a percentage of the Amounts shall never be less than the value of the security given to the holder(s) of such other Security Interest (the "Other Security"), as determined by the Agent from time to time, expressed as a percentage of the principal amount of the claims of the creditor(s) secured by the Other Security and (ii) the claims of the creditor(s) which are secured by the Other Security shall not, if they are creditor(s) of the Guarantor, rank in priority to the claims of the Banks under the Collateral; or
- (b) sell, transfer, lend or otherwise dispose of the whole or any part of its undertaking, properties or (except in the ordinary course of trading) assets, otherwise than if such sale, transfer, lease or disposal is within the limits provided in Clause 22.14 of the Loan Agreement.

### 14. NOTICES

#### 14.1 Giving of Notices

All notices or other communications to or upon the respective parties hereto under or in connection with this Guarantee shall be given in writing or by telex or facsimile. Any such notice will be deemed to be given as follows:

- 14.1.1 if in writing, when delivered;
- 14.1.2 if by telex, when despatched, but only if, at the time of transmission, the correct answerback appears at the start and at the end of the sender's copy of the notice; and
- 14.1.3 if by facsimile, when received.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

#### 14.2 Addresses for Notices

The address, telex number and facsimile number of each Guarantor and the Agent for all notices under or in connection with this Guarantee are:

14.2.1 if to the Agent: 1 Triton Square, London, NW1 3FN

Telex: 887716

Facsimile number: 0171 903 4148/4607

Attention: Dot O'Flaherty, Agency Department

14.2.2 if to the Guarantors: c/o Cattles plc, Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire.

Facsimile number: 01924 448324

Attention: Company Secretary

or at such other address as notified to the Agent by not less than five Business Days' notice.

#### 15. ASSIGNS

This Guarantee shall enure to the benefit of the successors and assigns of the Agent and each Bank.

#### 16. REDISTRIBUTION OF PAYMENTS AND SET-OFF

16.1 Each Guarantor agrees, that if, at any time the proportion which any Bank has under this Guarantee, received or recovered in respect of its portion of any sum due from any Guarantor to the Banks is greater (the amount of the excess being herein referred to as the "excess amount") than the proportion received or recovered by the Bank receiving or recovering the smallest proportion under the Guarantee then:

16.1.1 such Bank shall promptly notify the Agent;

16.1.2 such Bank shall pay to the Agent an amount equal to the excess amount;

16.1.3 the Agent shall treat such payment as if it were a payment by the Guarantor, on account of the sum owed to the Banks; and

16.1.4 as between each of the Guarantors and such Bank, the excess amount shall be treated as not having been paid.

Provided that if all or a portion of the relevant receipt or payment by or to such Bank is thereafter rescinded or must otherwise be restored to any of the Guarantors, the Bank shall repay to the Agent for the account of such Banks such amount as shall be necessary to ensure that all the Banks share rateably in the amount of the receipt or payment retained and the provisions of sub-clauses 16.1.3 and 16.1.4 shall apply only to the retained amount.

16.2 Each Guarantor hereby authorises each of the Banks (but without obligation on the part of any of them) in the event of any non-payment of any amounts when due under this Guarantee:-

16.2.1 to apply any credit balance (in whatever currency) standing upon any account of such Guarantor with any branch or office of such Bank in or towards satisfaction of any sum, whether principal, interest or otherwise, at any time due to such Bank under this Guarantee; and

16.2.2 in the name of each such Guarantor or of such Bank and at the expense of such Guarantor, to do all such acts, and to execute all such documents as may be required to effect such application.

Such Bank will promptly notify such Guarantor and the Agent of any exercise by such Bank of the authority granted to such Bank by this Clause 16.2.

## 17. GOVERNING LAW

This Guarantee is governed by English law.

## 18. COUNTERPARTS

This Guarantee may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

AS WITNESS whereof this Guarantee has been entered into by the Guarantors on the date first written above.

For and on behalf of:

A.J. Blackmore Limited  
Amerol Limited  
Argent Commercial Services Limited  
Arnold Barton Finance Limited  
Barraclough and Bowden Limited  
Bell Financial Services Limited  
Cash Flow Services Limited  
Cattle's CIB Limited  
Cattle's Furnishing Company Limited  
Cattles Commercial Finance Limited  
Cattles Commercial Leasing Limited  
Cattle's Holdings Securities Limited  
Cattle's Insurance Services Limited  
Cattle's Properties Limited  
Charles Roberts (Fashions) Limited  
CL Finance Limited  
Compass Bradford Limited  
Compass Credit Limited

Compass District Limited  
 Compass L.&P. Limited  
 Compass Nicholson Limited  
 Compass Peoples Provident Limited  
 Compass Sunshine Limited  
 Credit Brokerage Limited  
 Creditsure Limited  
 E.J. Wordsworth Limited  
 Easy Purchase Services Limited  
 Ewbanks Mail Order Limited  
 Finance (Sheffield) Limited  
 G. Handy Limited  
 George N. Bell & Sons (Hull) Limited  
 Hibberts (Household Warehouse) Limited  
 Horne, Thompson & Co., Limited  
 James Hart Limited  
 J.H. Stobbs Limited  
 Kelchoice Limited  
 Lewis Debt Services Limited  
 Lewis Group Nominees Limited  
 Lewis Investigation Services Limited  
 L.M. Ewbank (Wholesalers) Limited  
 Magicmono Limited  
 Magicmono (Anlaby) Limited  
 Morville Credit Finance Limited  
 N.D.S.A. (Nottingham) Limited  
 Parkhill Travel Limited  
 Peel House (Burton) Limited  
 Personal Loans (Swansea) Limited  
 Premier Shopacheck Limited  
 Premier Trust & Savings Limited  
 Progressive Insurance Brokers Limited  
 Provincial Lending Company Limited  
 R.W. Turner, Limited  
 Rains (Nottingham) Limited  
 Recordpoint Limited  
 Reedham Factors Limited  
 Reedham Trade Finance Limited  
 Rowan House Nominees Limited  
 Rydale Finance (Commercial) Limited  
 Sabre Collections Limited  
 Scotia Bureau of Investigation Limited  
 Scottish Bureau of Investigation Limited  
 Serene Limited  
 Shopacard Limited



Shopacheck (Humberside) Limited  
Shopacheck (Lancashire) Limited  
Shopacheck (North East) Limited  
Shopacheck (Yorkshire) Limited  
Shopacheck Financial Services Limited  
Shopacheck Financial Services (North) Limited  
Shopacheck Limited  
Shopaplan Limited  
Southern Trust (Central) Financial Services Limited  
Southern Trust Financial Services Limited  
Spring Hill Drapers Limited  
Springfield Debt Collection Services Limited  
Standard Credit Services Limited  
Statusclaim Limited  
Supremeaccess Limited  
Teleplan Rentals Limited  
The Burton on Trent and District Trading Association Limited  
The Bury Traders' Supply Company Limited  
The Principle Clothing & Supply Company Limited  
The Equitable Clothing and General Supply Company Limited  
The Grimsby Supply Company Limited  
The Hull Clothing and Supply Company Limited  
The Lewis Group Limited  
The National Clothing & Supply Company Limited  
The Nottingham Universal Supply Company Limited  
The Progressive Supply Company, Limited  
The Universal Token and Supply Company Limited  
The White Distributing Co. Limited  
The White House (Derby) Limited  
Trafford Loan Company Limited  
Travelplan Limited  
Turners Furnishing Co. Ltd  
UK Debt Defaulters Register Limited  
Welcome Financial Services Limited  
Welcome Finance Limited  
Westernissue Limited

---

By:

Title: Director of each of the above Guarantors

---

Signature of Witness

---

Name of Witness

## APPENDIX

### 1. Place of Incorporation: England

A.J. Blackmore Limited  
Amerol Limited  
Argent Commercial Services Limited  
Arnold Barton Finance Limited  
Barraclough and Bowden Limited  
Bell Financial Services Limited  
Cash Flow Services Limited  
Cattle's CIB Limited  
Cattle's Furnishing Company Limited  
Cattles Commercial Finance Limited  
Cattles Commercial Leasing Limited  
Cattle's Holdings Securities Limited  
Cattle's Insurance Services Limited  
Cattle's Properties Limited  
Charles Roberts (Fashions) Limited  
CL Finance Limited  
Compass Bradford Limited  
Compass Credit Limited  
Compass District Limited  
Compass L.&P. Limited  
Compass Nicholson Limited  
Compass Peoples Provident Limited  
Compass Sunshine Limited  
Credit Brokerage Limited  
Creditsure Limited  
E.J. Wordsworth Limited  
Easy Purchase Services Limited  
Ewbanks Mail Order Limited  
Finance (Sheffield) Limited  
G. Handy Limited  
George N. Bell & Sons (Hull) Limited  
Hibberts (Household Warehouse) Limited  
Horne, Thompson & Co., Limited  
James Hart Limited  
J.H. Stobbs Limited  
Kellchoice Limited  
L.M. Ewbank (Wholesalers) Limited  
Magicmono Limited  
Magicmono (Anlaby) Limited  
Morville Credit Finance Limited  
N.D.S.A. (Nottingham) Limited

Parkhill Travel Limited  
 Peel House (Burton) Limited  
 Personal Loans (Swansea) Limited  
 Premier Shopacheck Limited  
 Premier Trust & Savings Limited  
 Progressive Insurance Brokers Limited  
 Provincial Lending Company Limited  
 R.W. Turner, Limited  
 Rains (Nottingham) Limited  
 Recordpoint Limited  
 Reedham Factors Limited  
 Reedham Trade Finance Limited  
 Rydale Finance (Commercial) Limited  
 Sabre Collections Limited  
 Serene Limited  
 Shopacard Limited  
 Shopacheck (Humberside) Limited  
 Shopacheck (Lancashire) Limited  
 Shopacheck (North East) Limited  
 Shopacheck (Yorkshire) Limited  
 Shopacheck Financial Services Limited  
 Shopacheck Limited  
 Shopaplan Limited  
 Southern Trust (Central) Financial Services Limited  
 Southern Trust Financial Services Limited  
 Spring Hill Drapers Limited  
 Springfield Debt Collection Services Limited  
 Standard Credit Services Limited  
 Statusclaim Limited  
 Supremeaccess Limited  
 Teleplan Rentals Limited  
 The Burton on Trent and District Trading Association Limited  
 The Bury Traders' Supply Company Limited  
 The Principle Clothing & Supply Company Limited  
 The Equitable Clothing and General Supply Company Limited  
 The Grimsby Supply Company Limited  
 The Hull Clothing and Supply Company Limited  
 The National Clothing & Supply Company Limited  
 The Nottingham Universal Supply Company Limited  
 The Progressive Supply Company, Limited  
 The Universal Token and Supply Company Limited  
 The White Distributing Co. Limited  
 The White House (Derby) Limited  
 Trafford Loan Company Limited  
 Travelplan Limited

Turners Furnishing Co. Ltd  
Welcome Financial Services Limited  
Welcome Finance Limited  
Westernissue Limited

**2. Place of Incorporation: Scotland**

Lewis Debt Services Limited  
Lewis Group Nominees Limited  
Lewis Investigation Services Limited  
Rowan House Nominees Limited  
Scotia Bureau of Investigation Limited  
Scottish Bureau of Investigation Limited  
Shopacheck Financial Services (North) Limited  
The Lewis Group Limited  
UK Debt Defaulters Register Limited

**PricewaterhouseCoopers**  
Benson House  
33 Wellington Street  
Leeds LS1 4JP  
Telephone +44 (0) 113 289 4000  
Facsimile +44 (0) 113 289 4460  
Direct fax +44 (0) 113 289 4464

## **AUDITORS REPORT TO THE DIRECTORS OF SHOPACHECK FINANCIAL SERVICES LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

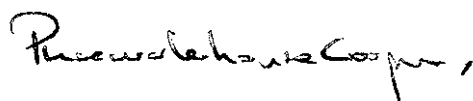
We have examined the attached statutory declarations of the directors dated 22 June 1999 in connection with the proposal that Provincial Lending Company Limited, ("the subsidiary") a subsidiary company of the Company, should give financial assistance for the purchase of the whole of the issued share capital of Compass Credit Limited.

### **Basis of Report**

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

### **Report**

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.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

22 June 1999

# G

CHA 116

## 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

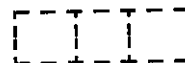
Please do not  
write in this  
marginPlease complete  
legibly, preferably  
in black type, or  
bold block lettering**Note**  
Please read the notes  
on page 3 before  
completing this form\*Insert full name  
of company†Insert name(s) and  
address(es) of all  
the directors§Delete as  
appropriate‡Delete whichever  
is inappropriate

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

To the Registrar of Companies

For official use

Company number



274611

Name of company

\* Shopacheck Financial Services Limited

x/We† John Edward Gordon Cran of Burn Croft, Burn Rd, Huddersfield HD2 2ED, Mark Collins of  
9 Wentworth Ave, Whirlowdale Park, Sheffield S11 9QX, Keith Dunn of 199 Station Rd,  
Shepley, Huddersfield HD8 8DU, Michael Geoffrey Goulding of 36 Church Rd, Molescroft,  
Beverley, HU17 7EN, Michael Loughman of 15 Donnington Rd, Montgomery Park, Manchester  
M26 3TT, Ian Halder of 63 Beech View, Cranswick, Driffield, YO25 9QQ, Paul Michael  
Kirby of 8 Glenview Close, Nab Wood, Shipley, BD18 4AZ, David William Sutherland of 1  
The Drive, Adel, Leeds LS16 6BG, Roger John Horrex of 6 Dene Rd, Cottingham HU16 5JP  
and Ian Stephen Cummine of 18 Stamford Rd, Oakham, Rutland, Leicestershire LE15 6JA

[the sole director] [all the directors]§ of the above company (hereinafter called 'this company') do  
solemnly and sincerely declare that:

The business of the company is:

- (a) ~~that of a (recognised bank) licensed institution§ within the meaning of the Banking Act 1979†~~  
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on~~  
~~insurance business in the United Kingdom‡~~  
(c) something other than the above‡

This company is [the] [a] holding company of\* R. W. Turner Limited  
("the Company") which is

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

in [this company] [ Compass Credit Limited ]  
the holding company of this company.‡

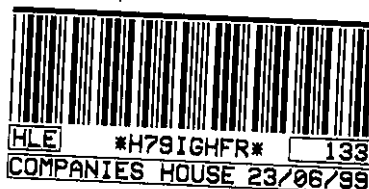
Presentor's name, address and  
reference (if any):

Walker Morris  
Kings Court  
12 King Street  
LEEDS  
LS1 2HL  
DX: 12051 Leeds 24  
Our Ref: MOO/TTB

For official use

General Section

Post room



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: 206,026 deferred shares of 50p each, 100 ordinary shares of 5p each and 900 10% cumulative preference shares of £1 each in the capital of Compass Credit Limited.

The assistance is to be given to: (note 2) Cattles plc of Kingston House, Centre 27

Business Park, Woodhead Road, Birstall, Batley, West Yorkshire WF17 9TD

The assistance will take the form of:

See Appendix 1

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

Cattles plc as above

†Delete as appropriate

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

See Appendix 2

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 £ Nil

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 19     

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

~~1/~~ 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) ~~1/~~ 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)

\*Delete either (a) or  
(b) as appropriate

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and 1/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 ~~1/~~ 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 Knippton House  
Centre 27 Busien Park  
Woodhead Road, Birstall  
the 22 day of June  
One thousand nine hundred and ninety nine  
before me D.C. Allen.

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

D.C. Allen.

Declarants to sign below

[Signature], McCollen

[Signature]

[Signature]

[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.

**BLACKS**  
SOLICITORS

Hanover House  
22, Clarendon Road  
Leeds LS2 9NZ  
DX Leeds  
Park Sq. 26416



## APPENDIX 1

The assistance will take the form of the entry into by the Company of and the assumption by the Company of obligations under a guarantee of all obligations of Cattles PLC, the holding company of the Company, under or in connection with a £60,000,000 loan facility and the "Finance Documents" associated with it, to the extent that the facilities made available thereunder may be utilised for the purpose of reducing or discharging liabilities previously incurred for the purpose of the acquisition of shares in the Company's holding company.

The terms on which the said loan facility is to be made available to Cattles plc and a definition of the term "Finance Documents" are set out in a facility agreement between Cattles plc (1) the First National Bank of Chicago as Arranger (2), the Banks as lenders (3) and the First National Bank of Chicago as Agent (4) (each as defined in the said Facility Agreement) ("the Loan Agreement").

## APPENDIX 2

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

- 1 The Guarantee is to be executed by the Company and delivered to the First National Bank of Chicago as Agent and to the Banks (as each term is defined in the Loan Agreement) in consideration of the provision by the Banks (as so defined) to Cattles plc, the holding company of the Company, of a loan facility ("the Loan Facility") in the maximum aggregate principal sum of £60,000,000 for the general corporate purposes of Cattles plc and its subsidiaries, including the Company, which guarantee shall take substantially the same form as the document annexed to this declaration and marked "A".
- 2 Under the terms of the Guarantee the Company irrevocably, unconditionally, jointly and severally:
  - 2.1 as principal obligor guarantees to each Bank (as defined in the Loan Agreement) the prompt performance by Cattles plc of all of its obligations under the Finance Documents (as defined in the Loan Agreement) and payment of all due sums payable by Cattles plc under the Finance Documents (as so defined);
  - 2.2 undertakes with each Bank (as so defined) whenever Cattles plc does not pay any amounts when due under or in connection with any Finance Document (as so defined) that the Company shall forthwith on demand by the First National Bank of Chicago as Agent (as defined in the Loan Agreement) pay that amount as if the Company instead of Cattles plc were expressed to be the principal obligor together with interest on such amount at the rate payable by Cattles plc under the terms of the Loan Agreement from the date such amount becomes due until the date of actual payment by the Company;
  - 2.3 indemnifies each Bank (as so defined) on demand against any loss or liability suffered by it if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal.

A

## **GUARANTEE**

**Dated June, 1999**

To: The First National Bank of Chicago  
1 Triton Square  
London, NW1 3FN  
as Agent for the Banks defined below (the "Agent"), and to such Banks

### **WHEREAS:**

- (A) By a facility agreement of even date herewith made between Cattles plc (the "Borrower"), the several banks therein mentioned (the "Banks"), and the Agent (the "Loan Agreement") the Banks agreed to make available to the Borrower the Facility.
- (B) It is a condition precedent to the availability of the Facility that the Guarantors grant a guarantee of the Borrower's obligations under the Loan Agreement.

### **NOW THIS DEED WITNESSES as follows:-**

#### **1. DEFINITIONS**

Terms defined in the Loan Agreement shall have the same meaning in this Guarantee unless otherwise expressly defined.

#### **2. GUARANTEE**

- 2.1 In consideration of the Banks, and the Agent, at the request of each of the Guarantors, entering into the Loan Agreement with the Borrower and the Banks agreeing to advance moneys to the Borrower under the Loan Agreement, each Guarantor hereby irrevocably, unconditionally, jointly and severally:

- 2.1.1 as principal obligor, guarantees to each Bank prompt performance by the Borrower of all its obligations under the Finance Documents and payment of all due sums payable by the Borrower under the Finance Documents;
- 2.1.2 undertakes with each Bank whenever the Borrower does not pay any amounts when due under or in connection with any Finance Document, that Guarantor shall forthwith on demand by the Agent pay that amount as if that Guarantor instead of the Borrower were expressed to be the principal obligor together with interest on such amount at the rate payable by the Borrower under the terms of the Agreement from the date such amount becomes due until the date of actual payment by each Guarantor; and
- 2.1.3 indemnifies each Bank on demand against any loss or liability suffered by it if any obligation guaranteed by that Guarantor is or becomes unenforceable, invalid or illegal.

- 2.2 The liability of each of the Guarantors to make payments pursuant to, and comply with their obligations under, this Guarantee is joint and several and accordingly each of the Guarantors shall be fully liable irrespective of the validity, regularity or enforceability against any of the other Guarantors of the terms of this Guarantee and the liability of each Guarantor shall not be discharged, lessened, affected or impaired by any time or indulgence granted to any of the other Guarantors by the Agent or any Bank or any of them, by any of the other Guarantors losing its separate corporate entity or by any dealings or transactions between the Agent or any Bank or any of them and any of the other Guarantors.

3. **CONTINUING GUARANTEE**

This Guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

4. **REINSTATEMENT**

- 4.1 Where any discharge (whether in respect of the obligations of the Borrower or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of each Guarantor under this Guarantee shall continue as if the discharge or arrangement had not occurred.

- 4.2 Each Bank may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

5. **PRESERVATION OF GUARANTEE**

The obligations of each Guarantor will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Guarantee or prejudice or diminish those obligations in whole or in part, including without limitation (whether or not known to it or any Bank):-

- 5.1.1 any time or waiver granted to, or composition with, the Borrower or any other person;
- 5.1.2 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against or security over assets, of the Borrower or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 5.1.3 any legal limitation, disability, incapacity or dissolution of or change in the members or status of the borrower or any other person;
- 5.1.4 any amendment, replacement of, supplement to or variation of a Finance Document or any other document or security so that references to that Finance

Document in this Guarantee include each amendment, replacement, supplement and variation;

5.1.5 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any security or document, to the intent that each Guarantor's obligations under this Guarantee shall remain in full force and this Guarantee be construed accordingly, as if there were no such unenforceability, illegality or invalidity; and

5.1.6 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Borrower under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Guarantor's obligations under this Guarantee be construed as if there were no such circumstance.

## 6. WAIVER

Each Guarantor waives any right it may have of first requiring any Bank (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 that Guarantor under this Guarantee.

## 7. NON-COMPETITION

7.1 Until all sums owing by the Borrower under or in connection with the Finance Documents have been paid in full, no Guarantor shall, after a claim has been made or by virtue of any payment or performance by it under this Guarantee:-

7.1.1 be subrogated to any rights, security or monies held, received or receivable by any Bank (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of that Guarantor's liability under this Guarantee;

7.1.2 claim, rank, prove or vote as a creditor of the Borrower or its estate in competition with any Bank (or any trustee or agent on its behalf); or

7.1.3 receive, claim or have the benefit of any payment, distribution or security from or on account of the Borrower, or exercise any right of set-off as against the Borrower.

7.2 Each Guarantor shall hold in trust for and forthwith pay or transfer to the Agent for the Banks any payment or distribution or benefit of security received by it contrary to Clause 7.1.

## 8. APPROPRIATION

Until any amounts which may be or become payable by the Borrower under or in connection with the Finance Documents have been irrevocably paid in full, each Bank (or any trustee or agent on its behalf) may:-

- 8.1.1 refrain from applying or enforcing any other monies, security or rights held or received by that Bank (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 no Guarantor shall be entitled to the benefit of the same; and
- 8.1.2 hold in a suspense account any monies received from any Guarantor or on account of any Guarantor's liability under this Guarantee, without liability to pay interest on those monies.

## 9. ADDITIONAL SECURITY

This Guarantee shall be in addition to and shall not in any way be prejudiced by any collateral or other security now or hereafter held by any Bank or by any lien to which any Bank may be entitled.

## 10. PAYMENTS

- 10.1 All payments to be made under this Guarantee by each Guarantor shall be made in sterling, in the funds and at the place at which the corresponding sums are payable by the Borrower under or in connection with the Finance Documents.
- 10.2 All payments by a Guarantor under this Guarantee shall be made without deduction, set-off or counterclaim and free and clear of and without deduction for or on account of any Taxes except to the extent that such Guarantor is compelled by law to make payment subject to any Taxes.
- 10.3 If any Tax or amounts in respect of Tax must be deducted or any deductions must be made, for any amounts payable or paid by a Guarantor, or paid or payable by the Agent to a Bank, under this Guarantee, such Guarantor shall pay such additional amounts as may be necessary to ensure that the relevant Bank receives a net amount equal to the full amount which would have been received had payment not been made subject to Tax.
- 10.4 All Taxes required by law to be deducted or withheld by a Guarantor for any amounts paid or payable under this Guarantee shall be paid by the relevant Guarantor when due and the Guarantor shall, within fifteen days of payment being made, deliver to the Agent for the relevant Bank evidence satisfactory to that Bank (including all relevant Tax receipts) the payment has been duly remitted to the appropriate authority.
- 10.5 If, otherwise than as a result of the introduction of, change in, or change in the interpretation, administration or application of, any law or regulation or any practice or concession of the U.K. Inland Revenue occurring after the date of this Agreement, a

Bank is not or ceases to be a Section 349 Bank, a Guarantor is not liable to pay to that Bank under this Clause 10 any amount in respect of Taxes levied or imposed by the U.K. or any taxing authority of or in the U.K. in excess of the amount it would have been obliged to pay if that Bank had not ceased to be a Section 349 Bank.

- 10.6 If a Guarantor pays any increased amount under Clauses 10.2 or 10.3 and any Bank effectively obtains a refund or tax credit against tax by reason of that payment, and if that Bank is able (in its sole opinion, which shall not be capable of being challenged) to identify that refund or credit is being attributable to that payment having regard to its other activities, then the Agent or such Bank (as the case may be) shall reimburse to that Guarantor such amount as it shall determine (any such determination being conclusive) to be the proportion of that refund or credit as will leave the Agent or the Bank (as the case may be) after that reimbursement in no better or worse position than it would have been in if that refund or credit had not been obtained. Nothing in this Agreement shall (a) interfere with the right of the Agent and each Bank to arrange its tax affairs in whatever manner it thinks fit and, in particular, neither the Agent nor any of the Banks shall be under any obligation to claim credit, relief, remission or repayment from or against its corporate profits or similar tax liability in respect of the amount of such deduction or withholding in priority to any other claims, relief, credits or deductions available to it, or (b) require the Agent or any Bank to disclose any information regarding its tax affairs or computations to any Guarantor.

## **11. EVIDENCE**

A certificate of the Agent or any Bank, as the case may be, detailing the amount due from each Guarantor shall, in the absence of manifest error, be conclusive evidence of such amount.

## **12. REPRESENTATIONS AND WARRANTIES**

Each Guarantor jointly and severally represents and warrants to each Bank that:

### **12.1 Status**

- 12.1.1 It is a limited liability company, duly incorporated and validly existing under the laws of England or Scotland as the case may be; and
- 12.1.2 it has the power to own its property and assets and carry on its business as it is now being conducted.

### **12.2 Powers and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Guarantee and the transactions contemplated by this Guarantee.

**12.3 Legal validity**

This Guarantee when executed in accordance with its terms will constitute its legal, valid and binding obligation enforceable in accordance with its terms and are in proper form for the enforcement thereof in England.

**12.4 Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, this Guarantee does not and will not:-

12.4.1 conflict with any law or regulation or judicial or official order; or

12.4.2 conflict with its constitutional documents; or

12.4.3 conflict with any document which is binding upon it or any of its assets in any material respect (in the reasonable opinion of the Majority Banks) nor result in the creation or imposition of any Security Interest on any of its assets.

**12.5 No default**

No event is outstanding which constitutes (or, with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition or any combination of the foregoing might constitute) a default under any material agreement, undertaking or instrument which is binding on it or any of its assets and which default would have a material adverse effect on the Borrower and its Subsidiaries taken as a whole or upon the ability of the Borrower to perform its obligations under the Loan Agreement or upon the ability of any Guarantor to perform its obligations under the Guarantee.

**12.6 Authorisations**

All authorisations and other requirements of governmental, judicial and public bodies and authorities required or desirable in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Guarantee have been obtained or effected (as appropriate) and are in full force and effect and all fees (if any) payable in connection therewith have been paid, there has been no default in the performance of any of the terms and conditions thereof and it has full authority to make all payments under this Guarantee to the Agent in accordance with Clause 10 (Payments) of this Guarantee.

**12.7 Limits**

The guaranteeing of the full amount available under the Finance Documents will not cause any limit on its powers or on the exercise of such powers by its officers (whether imposed by its memorandum and articles of association, any regulation or agreement or otherwise) to be exceeded.

**12.8 Accounts**

The most recent audited consolidated accounts of each Guarantor (which accounts have been prepared in accordance with generally accepted United Kingdom accounting principles and practices, consistently applied) fairly represent the financial condition of such Guarantor and the result of its operations for the period ended on the date to



which such accounts were prepared, and there has been no material adverse change in the financial condition of such Guarantor as shown in its audited consolidated accounts as at such last date.

**12.9 Tax Returns**

It has filed or caused to be filed all requisite Tax returns required to be filed in all jurisdictions in which it is situate or carries on business or is otherwise subject to Taxation and has paid all Taxes shown to be due and payable in such returns or on any assessments made against it (other than those being contested in good faith and against which adequate reserves have been maintained), and, to its knowledge, no claims are being asserted with respect to such Taxes which, if adversely determined, would have a material adverse effect on its ability to fulfil its obligations hereunder.

**12.10 Litigation**

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened, which might, if adversely determined, have a material adverse effect on its business or financial condition or its ability to perform its obligations under this Guarantee.

**12.11 Title to Properties**

It has valid leases or good and marketable title to substantially all its properties and assets, real and personal, which are reflected in the audited consolidated accounts referred to in Clause 12.8 (*Accounts*), subject to no Security Interest except as disclosed in such consolidated accounts or as otherwise already disclosed in writing to the Agent and except for Permitted Encumbrances.

**12.12 Time for making representations and warranties**

The representations and warranties set out in this Clause 12 are made by each Guarantor on the date of this Guarantee and other than those contained in Clause 12.5 (*No default*), 12.8 (*Accounts*), 12.9 (*Tax Returns*) and 12.10 (*Litigation*) are deemed to be repeated on the date of each Utilisation Request and on each Utilisation Date with reference to the facts and circumstances then existing.

**13. GENERAL UNDERTAKINGS**

**13.1 Duration**

So long as the Facility is available or any amount remains outstanding from the Borrower under the Loan Agreement each Guarantor undertakes jointly and severally with each Bank that each Guarantor will comply with the undertakings listed in Clauses 13.2 to 13.11.

**13.2 Information**

If requested by the Agent, furnish to the Agent in sufficient copies for all the Banks from time to time with reasonable promptness, any reports of any Guarantor in a form acceptable to the Banks and any other information regarding the business and financial condition of such Guarantor as the Agent may reasonably request.

**13.3 Notification of Default**

### 13.11 Negative Pledge

13.11.1 Each Guarantor undertakes that its obligations under this Guarantee constitute a direct, unconditional, unsecured, unsubordinated and general obligation of and will rank at least pari passu with all other present and future outstanding unsecured indebtedness issued, created or assumed by it.

13.11.2 Each Guarantor undertakes that it will not:

- (a) except for Permitted Encumbrances create, assume or permit to exist any Security Interest over any of its respective present or future revenues or assets unless at the same time and at all times thereafter all amounts which are or which may become due from the Guarantors hereunder (the "Amounts") are secured in a manner acceptable to the Majority Banks in such a way that (i) the value of the security given to the Banks (the "Collateral"), as determined by the Agent from time to time, expressed as a percentage of the Amounts shall never be less than the value of the security given to the holder(s) of such other Security Interest (the "Other Security"), as determined by the Agent from time to time, expressed as a percentage of the principal amount of the claims of the creditor(s) secured by the Other Security and (ii) the claims of the creditor(s) which are secured by the Other Security shall not, if they are creditor(s) of the Guarantor, rank in priority to the claims of the Banks under the Collateral; or
- (b) sell, transfer, lend or otherwise dispose of the whole or any part of its undertaking, properties or (except in the ordinary course of trading) assets, otherwise than if such sale, transfer, lease or disposal is within the limits provided in Clause 22.14 of the Loan Agreement.

### 14. NOTICES

#### 14.1 Giving of Notices

All notices or other communications to or upon the respective parties hereto under or in connection with this Guarantee shall be given in writing or by telex or facsimile. Any such notice will be deemed to be given as follows:

- 14.1.1 if in writing, when delivered;
- 14.1.2 if by telex, when despatched, but only if, at the time of transmission, the correct answerback appears at the start and at the end of the sender's copy of the notice; and
- 14.1.3 if by facsimile, when received.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

#### 14.2 Addresses for Notices

The address, telex number and facsimile number of each Guarantor and the Agent for all notices under or in connection with this Guarantee are:

14.2.1 if to the Agent: 1 Triton Square, London, NW1 3FN

Telex: 887716

Facsimile number: 0171 903 4148/4607

Attention: Dot O'Flaherty, Agency Department

14.2.2 if to the Guarantors: c/o Cattles plc, Kingston House, Centre 27 Business Park, Woodhead Road, Birstall, Batley, West Yorkshire.

Facsimile number: 01924 448324

Attention: Company Secretary

or at such other address as notified to the Agent by not less than five Business Days' notice.

#### 15. ASSIGNS

This Guarantee shall enure to the benefit of the successors and assigns of the Agent and each Bank.

#### 16. REDISTRIBUTION OF PAYMENTS AND SET-OFF

16.1 Each Guarantor agrees, that if, at any time the proportion which any Bank has under this Guarantee, received or recovered in respect of its portion of any sum due from any Guarantor to the Banks is greater (the amount of the excess being herein referred to as the "excess amount") than the proportion received or recovered by the Bank receiving or recovering the smallest proportion under the Guarantee then:

16.1.1 such Bank shall promptly notify the Agent;

16.1.2 such Bank shall pay to the Agent an amount equal to the excess amount;

16.1.3 the Agent shall treat such payment as if it were a payment by the Guarantor, on account of the sum owed to the Banks; and

16.1.4 as between each of the Guarantors and such Bank, the excess amount shall be treated as not having been paid.

Provided that if all or a portion of the relevant receipt or payment by or to such Bank is thereafter rescinded or must otherwise be restored to any of the Guarantors, the Bank shall repay to the Agent for the account of such Banks such amount as shall be necessary to ensure that all the Banks share rateably in the amount of the receipt or payment retained and the provisions of sub-clauses 16.1.3 and 16.1.4 shall apply only to the retained amount.

16.2 Each Guarantor hereby authorises each of the Banks (but without obligation on the part of any of them) in the event of any non-payment of any amounts when due under this Guarantee:-

16.2.1 to apply any credit balance (in whatever currency) standing upon any account of such Guarantor with any branch or office of such Bank in or towards satisfaction of any sum, whether principal, interest or otherwise, at any time due to such Bank under this Guarantee; and

16.2.2 in the name of each such Guarantor or of such Bank and at the expense of such Guarantor, to do all such acts, and to execute all such documents as may be required to effect such application.

Such Bank will promptly notify such Guarantor and the Agent of any exercise by such Bank of the authority granted to such Bank by this Clause 16.2.

## 17. GOVERNING LAW

This Guarantee is governed by English law.

## 18. COUNTERPARTS

This Guarantee may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

AS WITNESS whereof this Guarantee has been entered into by the Guarantors on the date first written above.

### For and on behalf of:

A.J. Blackmore Limited  
Amerol Limited  
Argent Commercial Services Limited  
Arnold Barton Finance Limited  
Barraclough and Bowden Limited  
Bell Financial Services Limited  
Cash Flow Services Limited  
Cattle's CIB Limited  
Cattle's Furnishing Company Limited  
Cattles Commercial Finance Limited  
Cattles Commercial Leasing Limited  
Cattle's Holdings Securities Limited  
Cattle's Insurance Services Limited  
Cattle's Properties Limited  
Charles Roberts (Fashions) Limited  
CL Finance Limited  
Compass Bradford Limited  
Compass Credit Limited

Compass District Limited  
Compass L.&P. Limited  
Compass Nicholson Limited  
Compass Peoples Provident Limited  
Compass Sunshine Limited  
Credit Brokerage Limited  
Creditsure Limited  
E.J. Wordsworth Limited  
Easy Purchase Services Limited  
Ewbanks Mail Order Limited  
Finance (Sheffield) Limited  
G. Handy Limited  
George N. Bell & Sons (Hull) Limited  
Hibberts (Household Warehouse) Limited  
Horne, Thompson & Co., Limited  
James Hart Limited  
J.H. Stobbs Limited  
Kelchoice Limited  
Lewis Debt Services Limited  
Lewis Group Nominees Limited  
Lewis Investigation Services Limited  
L.M. Ewbank (Wholesalers) Limited  
Magicmono Limited  
Magicmono (Anlaby) Limited  
Morville Credit Finance Limited  
N.D.S.A. (Nottingham) Limited  
Parkhill Travel Limited  
Peel House (Burton) Limited  
Personal Loans (Swansea) Limited  
Premier Shopacheck Limited  
Premier Trust & Savings Limited  
Progressive Insurance Brokers Limited  
Provincial Lending Company Limited  
R.W. Turner, Limited  
Rains (Nottingham) Limited  
Recordpoint Limited  
Reedham Factors Limited  
Reedham Trade Finance Limited  
Rowan House Nominees Limited  
Rydale Finance (Commercial) Limited  
Sabre Collections Limited  
Scotia Bureau of Investigation Limited  
Scottish Bureau of Investigation Limited  
Serene Limited  
Shopacard Limited

Shopacheck (Humberside) Limited  
Shopacheck (Lancashire) Limited  
Shopacheck (North East) Limited  
Shopacheck (Yorkshire) Limited  
Shopacheck Financial Services Limited  
Shopacheck Financial Services (North) Limited  
Shopacheck Limited  
Shopaplan Limited  
Southern Trust (Central) Financial Services Limited  
Southern Trust Financial Services Limited  
Spring Hill Drapers Limited  
Springfield Debt Collection Services Limited  
Standard Credit Services Limited  
Statusclaim Limited  
Supremeaccess Limited  
Teleplan Rentals Limited  
The Burton on Trent and District Trading Association Limited  
The Bury Traders' Supply Company Limited  
The Principle Clothing & Supply Company Limited  
The Equitable Clothing and General Supply Company Limited  
The Grimsby Supply Company Limited  
The Hull Clothing and Supply Company Limited  
The Lewis Group Limited  
The National Clothing & Supply Company Limited  
The Nottingham Universal Supply Company Limited  
The Progressive Supply Company, Limited  
The Universal Token and Supply Company Limited  
The White Distributing Co. Limited  
The White House (Derby) Limited  
Trafford Loan Company Limited  
Travelplan Limited  
Turners Furnishing Co. Ltd  
UK Debt Defaulters Register Limited  
Welcome Financial Services Limited  
Welcome Finance Limited  
Westernissue Limited

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By:

Title: Director of each of the above Guarantors

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Signature of Witness

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Name of Witness

## APPENDIX

### 1. Place of Incorporation: England

A.J. Blackmore Limited  
Amerol Limited  
Argent Commercial Services Limited  
Arnold Barton Finance Limited  
Barracrough and Bowden Limited  
Bell Financial Services Limited  
Cash Flow Services Limited  
Cattle's CIB Limited  
Cattle's Furnishing Company Limited  
Cattles Commercial Finance Limited  
Cattles Commercial Leasing Limited  
Cattle's Holdings Securities Limited  
Cattle's Insurance Services Limited  
Cattle's Properties Limited  
Charles Roberts (Fashions) Limited  
CL Finance Limited  
Compass Bradford Limited  
Compass Credit Limited  
Compass District Limited  
Compass L.&P. Limited  
Compass Nicholson Limited  
Compass Peoples Provident Limited  
Compass Sunshine Limited  
Credit Brokerage Limited  
Creditsure Limited  
E.J. Wordsworth Limited  
Easy Purchase Services Limited  
Ewbanks Mail Order Limited  
Finance (Sheffield) Limited  
G. Handy Limited  
George N. Bell & Sons (Hull) Limited  
Hibberts (Household Warehouse) Limited  
Horne, Thompson & Co., Limited  
James Hart Limited  
J.H. Stobbs Limited  
Kellchoice Limited  
L.M. Ewbank (Wholesalers) Limited  
Magicmono Limited  
Magicmono (Anlaby) Limited  
Morville Credit Finance Limited  
N.D.S.A. (Nottingham) Limited

Parkhill Travel Limited  
 Peel House (Burton) Limited  
 Personal Loans (Swansea) Limited  
 Premier Shopacheck Limited  
 Premier Trust & Savings Limited  
 Progressive Insurance Brokers Limited  
 Provincial Lending Company Limited  
 R.W. Turner, Limited  
 Rains (Nottingham) Limited  
 Recordpoint Limited  
 Reedham Factors Limited  
 Reedham Trade Finance Limited  
 Rydale Finance (Commercial) Limited  
 Sabre Collections Limited  
 Serene Limited  
 Shopacard Limited  
 Shopacheck (Humberside) Limited  
 Shopacheck (Lancashire) Limited  
 Shopacheck (North East) Limited  
 Shopacheck (Yorkshire) Limited  
 Shopacheck Financial Services Limited  
 Shopacheck Limited  
 Shopaplan Limited  
 Southern Trust (Central) Financial Services Limited  
 Southern Trust Financial Services Limited  
 Spring Hill Drapers Limited  
 Springfield Debt Collection Services Limited  
 Standard Credit Services Limited  
 Statusclaim Limited  
 Supremeaccess Limited  
 Teleplan Rentals Limited  
 The Burton on Trent and District Trading Association Limited  
 The Bury Traders' Supply Company Limited  
 The Principle Clothing & Supply Company Limited  
 The Equitable Clothing and General Supply Company Limited  
 The Grimsby Supply Company Limited  
 The Hull Clothing and Supply Company Limited  
 The National Clothing & Supply Company Limited  
 The Nottingham Universal Supply Company Limited  
 The Progressive Supply Company, Limited  
 The Universal Token and Supply Company Limited  
 The White Distributing Co. Limited  
 The White House (Derby) Limited  
 Trafford Loan Company Limited  
 Travelplan Limited



Turners Furnishing Co. Ltd  
Welcome Financial Services Limited  
Welcome Finance Limited  
Westernissue Limited

**2. Place of Incorporation: Scotland**

Lewis Debt Services Limited  
Lewis Group Nominees Limited  
Lewis Investigation Services Limited  
Rowan House Nominees Limited  
Scotia Bureau of Investigation Limited  
Scottish Bureau of Investigation Limited  
Shopacheck Financial Services (North) Limited  
The Lewis Group Limited  
UK Debt Defaulters Register Limited

PricewaterhouseCoopers  
Benson House  
33 Wellington Street  
Leeds LS1 4JP  
Telephone +44 (0) 113 289 4000  
Facsimile +44 (0) 113 289 4460  
Direct fax +44 (0) 113 289 4464

**AUDITORS REPORT TO THE DIRECTORS OF SHOPACHECK FINANCIAL SERVICES LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

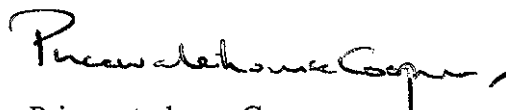
We have examined the attached statutory declarations of the directors dated 22 June 1999 in connection with the proposal that RW Turner Limited, ("the subsidiary") a subsidiary company of the Company, should give financial assistance for the purchase of the whole of the issued share capital of Compass Credit Limited.

**Basis of Report**

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

**Report**

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.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

22 June 1999