

# G

## 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

274611

Name of company

\* Shopacheck Financial Services Limited ("the Company")

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

I/We ~~John Edward Gordon Cran, Grant Clappison, Arthur Owen Ayre, Graham Ralph Dunn, Keith Ian Dunn, Michael Geoffrey Goulding, Michael John Loughman, Trevor McFarlane, Neil William Roberts, David Michael Berry and Ian Stanley Halder all of:-~~

Haltemprice Court

38 Springfield Way

Anlaby, HULL, HU10 6RR

† delete as appropriate

~~The sole director~~ [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 or licensed institution within the meaning of the Banking Act 1985~~  
~~(b) that of a person authorised under section 30(4) of the Insurance Companies Act 1982 to carry on~~  
~~insurance business in the United Kingdom~~  
xxxxxx

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the ~~company~~ [company's holding company] Compass Credit

Limited]†

The assistance is for the purpose of ~~that 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: 206,026 Deferred Shares of 50p each, 100 Ordinary Shares of 5p each and, 900 10% Cumulative Preference Shares £1 each in the capital of Compass Credit Limited ("the Shares")

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

Walker Morris  
Kings Court  
12 King Street  
LEEDS LS1 2HL  
(Our ref.: DAHM/HMO)

For official Use  
General Section

Post room



The assistance is to be given to: (note 2) Cattles plc of Haltemprice Court aforesaid

Please do not  
write in  
this margin

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

The assistance will take the form of:

See Appendix 1

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

Cattles plc aforesaid

† delete as  
appropriate

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

See Appendix 2

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

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

The date on which the assistance is to be given is 25 August 19 95

Please do not write in this margin

Please complete legibly, preferably in black type, or 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)[I/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 I/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 Ambleby Lanes  
Upon Hill in the County of  
Northumberland  
the 26th day of August  
one thousand nine hundred and nineteen

Declarants to sign below

before me Margaret E Astley  
A-Comissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Comissioner for Oaths.  
MARGARET E ASTLEY

*[Handwritten signatures and initials of declarants and the commissioner]*

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  
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies  
Companies House  
100-102 George Street  
Edinburgh  
EH2 3DJ

## **SCHEDULE 1**

### **Shopacheck Financial Services Limited**

Morville Credit Finance Limited

Personal Loans (Swansea) Limited

Arnold Barton Finance Limited

Provincial Lending Company Limited

Shopaplan Limited

R W Turner Limited

Teleplan Rentals Limited

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 24th August, 1995 in connection with the proposal that the Company should give financial assistance for the purchase of the whole of the issued share capital of Compass Credit Limited being the holding company 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 declarations.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declarations as to the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

A handwritten signature in cursive script, appearing to read 'Smailes Goldie & Co.', with a horizontal line drawn underneath it.

24th August, 1995  
Station Court,  
St. Stephen's Square,  
Hull,  
HU1 3XL.

Smailes, Goldie & Co.,  
Chartered Accountants  
Registered Auditors

# Smailes, Goldie & Co.

P.A. Robins  
T.C. Kirby  
G.H. McMillan  
J.C. Wilkinson  
I.R. Lamb  
J.M. Sharpley

*Chartered Accountants*

Station Court,  
St. Stephen's Square,  
Hull,  
HU1 3XL

Telephone: 01482 326916

Facsimile: 01482 215009

Our Ref.

Your Ref.

Date 24th August 1995

The Directors,  
Shopacheck Financial Services Limited,

Dear Sirs,

REPORT BY THE AUDITORS TO THE DIRECTORS OF SHOPACHECK FINANCIAL SERVICES LIMITED  
("the Company")

This report is given in connection with the proposed arrangement whereby the Company will give financial assistance for the acquisition of shares in its holding company, Compass Credit Limited, particulars of which are given in the attached copy of the statutory declaration made this day by the directors of the Company pursuant to section 155(6) of the Companies Act 1985 ("the Act").

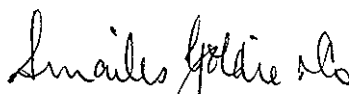
The purpose of this report is solely to assist the Company in considering whether the proposed arrangement is permitted under section 155(2) of the Act and it is not intended to be used, quoted or referred to for any other purpose.

We have examined the board memorandum dated 24th August, 1995 (a copy of which is attached, initialled for identification purposes) for which the directors are solely responsible and have enquired into the Company's state of affairs so far as necessary for us to review the basis for the board memorandum. We have not carried out an audit and accordingly express no opinion in this report on the state of the Company's affairs.

We confirm that, as at the close of business on 30th June 1995, the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.

We are not aware of anything to indicate that the opinion expressed in paragraph 2 of the board memorandum is unreasonable in all the circumstances.

Yours faithfully,



Chartered Accountants  
Registered Auditors

# SHOPACHECK FINANCIAL SERVICES LIMITED

## BOARD MEMORANDUM

Memorandum in connection with the proposed arrangement whereby the Company will give financial assistance for the acquisition of shares in its holding company, Compass Credit Limited particulars of which are given in the statutory declaration made by the directors this day pursuant to section 155(6) of the Companies Act 1985 ("the Act").

1. As at the close of business on 30 June 1995 the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.
2. From our knowledge of events since that date and of the likely course of the Company's business the directors have formed the opinion that the aggregate of the Company's assets will exceed the aggregate of its liabilities immediately before the proposed financial assistance is given and that the giving of such financial assistance will not reduce the net assets of the Company.



Signed on behalf of the Board

24 August 1995

## 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 £150,000,000 loan facility and the "Finance Documents" associated with it. 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 £150,000,000 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"

Final draft: 21.08.95

**Guarantee**

**Dated 25 August 1995**

To: The First National Bank of Chicago  
First Chicago House  
90 Long Acre  
London WC2E 9RB  
as Agent for the Banks defined below (the "Agent"), and to such Banks

**WHEREAS:**

- (A) By a facility agreement dated 25 August, 1995 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:

- (a) 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;
- (b) 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



- (c) 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):-
- (a) any time or waiver granted to, or composition with, the Borrower or any other person;
- (b) 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;

- (c) any legal limitation, disability, incapacity or dissolution of or change in the members or statutes of the borrower or any other person;
- (d) 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;
- (e) 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
- (f) 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:-

- (a) 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;
- (b) 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
- (c) 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:-

- (a) 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
- (b) 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:-

- (a) is not or ceases to be recognised by the Inland Revenue as a bank carrying on a bona fide banking business in the U.K. for the purpose of Section 349 of the Income and Corporation Taxes Act 1988; or
- (b) does not take any interest or acceptance commission received by it under this Agreement into account as a trading receipt of such a business,

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 so recognised by the Inland Revenue or, as the case may be, had taken such interest or acceptance commission into account as a trading receipt of such a business.

- 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

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of England; and
- (b) 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:-

- (a) conflict with any law or regulation or judicial or official order; or
- (b) conflict with its constitutional documents; or
- (c) 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 this 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, on each Utilisation Date and on the first day of each Interest Period with reference to the facts and circumstances then existing.



### 13. General Undertakings

#### 13.1 Duration

So long as the Facility is available or the Loan remains outstanding or any other sum is payable by 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 below.

#### 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

It shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of the same.

#### 13.4 Authorisations

It shall promptly:-

- (a) obtain, maintain, renew and comply with the terms of; and
- (b) supply certified copies to the Agent of,

any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, this Guarantee.

#### 13.5 Corporate Existence

It shall maintain its corporate existence and its rights to carry on its business and will acquire, maintain and renew all rights, contracts, powers, privileges, leases, lands sanctions and franchises necessary for the conduct of its business.

#### 13.6 Insurance

It shall effect and maintain such insurance over and in respect of its assets and business and in such manner and to such extent as is reasonable and customary for a business enterprise engaged in the same or a similar business and in the same or similar localities.

#### 13.7 Compliance

It will comply with the requirements of all applicable laws, rules, regulations, orders and decrees of any administrative or governmental authority or organisation, which are required

in connection with this Guarantee or non-compliance with which might reasonably be expected to adversely affect its creditworthiness or its ability to perform its obligations under this Guarantee or have a material adverse effect on its business, assets, condition or operations.

#### 13.8 Change of Business

It will not without the prior written consent of the Agent (such consent not to be unreasonably withheld) make any alteration to the nature or scope of its business as carried on at the date hereof which is a material alteration.

#### 13.9 Subsidiary

It will notify the Agent forthwith upon ceasing to be a Subsidiary of the Borrower.

#### 13.10 Mergers and Acquisitions

It will not enter into any acquisition, merger or consolidation into or with or acquire all or substantially all of the assets of any company, firm or joint venture provided that this paragraph shall not apply to any acquisition, merger or consolidation where it is the surviving entity.

#### 13.11 Negative Pledge

- (a) 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.
- (b) Each Guarantor undertakes that it will not:
  - (i) 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

- (ii) 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 then if such sale, transfer, lease or disposal is within the limits provided in Clause 23.14 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:

- (a) if in writing, when delivered;
- (b) 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
- (c) 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:

- (i) if to the Agent: First Chicago House, 90 Long Acre, London, WC2E 9RB

Telex number: 887716  
Facsimile number: 0171-438-4148  
Attention: Dot O'Flaherty, Agency Department

- (ii) if to the Guarantors: c/o Cattles plc, Haltemprice Court, 38 Springfield Way, Anlaby, Hull, HU10 6RR

Telex number: 592705  
Facsimile number: 01482 568 082  
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 heréin 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:

- (i) such Bank shall promptly notify the Agent;
- (ii) such Bank shall pay to the Agent an amount equal to the excess amount;
- (iii) 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
- (iv) 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 paragraphs (iii) and (iv) above 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:-

- (i) 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
- (ii) 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 Ltd  
Arnold Barton Finance Ltd  
Barraclough & Bowden Ltd  
Bell Financial Services Ltd  
Cattle's CIB Limited  
Cattle's Furnishing Company Limited  
Cattle's Holdings Finance Limited  
Cattle's Holdings Leasing Limited  
Cattle's Holdings Securities Limited  
Cattle's Insurance Services Ltd  
Cattle's Properties Limited  
Charles Roberts (Fashions) Limited  
Compass Bradford Ltd  
Compass Credit Ltd  
Compass District Ltd  
Compass L&P Ltd  
Compass Nicholson Ltd  
Compass Peoples Provident Ltd  
Compass Sunshine Ltd  
Credit Brokerage Limited  
E.J. Wordsworth Limited  
Easy Purchase Services Limited  
Ewbanks Mail Order Limited  
Finance (Sheffield) Limited  
G. Handy Limited  
George N. Bell & Sons (Hull) Ltd  
Hibberts (Household Warehouse) Limited  
Horne, Thompson & Co., Limited  
J.H. Stobbs, Limited  
Kellchoice Ltd  
L.M. Ewbank (Wholesalers) Limited  
Magicmono Ltd  
Magicmono (Anlaby) Limited

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

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

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By: Grant Clappison  
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 Ltd  
Arnold Barton Finance Ltd  
Barraclough & Bowden Ltd  
Bell Financial Services Ltd  
Cattle's CIB Limited  
Cattle's Furnishing Company Limited  
Cattle's Holdings Finance Limited  
Cattle's Holdings Leasing Limited  
Cattle's Holdings Securities Limited  
Cattle's Insurance Services Ltd  
Cattle's Properties Limited  
Charles Roberts (Fashions) Limited  
Compass Bradford Ltd  
Compass Credit Ltd  
Compass District Ltd  
Compass L&P Ltd  
Compass Nicholson Ltd  
Compass Peoples Provident Ltd  
Compass Sunshine Ltd  
Credit Brokerage Limited  
E.J. Wordsworth Limited  
Easy Purchase Services Limited  
Ewbanks Mail Order Limited  
Finance (Sheffield) Limited  
G. Handy Limited  
George N. Bell & Sons (Hull) Ltd  
Hibberts (Household Warehouse) Limited  
Horne, Thompson & Co., Limited  
J.H. Stohbs, Limited  
Kelchoice Ltd  
L.M. Ewbank (Wholesalers) Limited  
Magicmono Ltd  
Magicmono (Anlaby) Limited  
Morville Credit Finance Ltd  
N.D.S.A. (Nottingham) Limited  
Parkhill Travel Limited  
Peelhouse (Burton) Limited  
Personal Loans (Swansea) Limited  
Premier Shopacheck Limited



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

1. Place of Incorporation: Scotland

Shopacheck Financial Services (North) Limited

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EHS0155.34