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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

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

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

To the Registrar of Companies

For official use

Company number

[] [] [] []

283556

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

Name of company

* T.M. Sutton Limited

*Insert full name
of company

*Wet See Appendix A attached

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

§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 licensed institution~~ § within the meaning of the Banking Act 1979 ‡

(b) ~~that of a person authorised under section 8 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~ ‡

(c) something other than the above ‡

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

~~company~~ [company's holding company] Mappin & Webb Holdings

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: See Appendix B attached

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

Dickson Minto W.S.
Royal London House
22/25 Finsbury Square
London
EC2A 1DS

tmsl1.lfd

For official use

General Section

Post room



KLO *KBDMNCRK* 2295
COMPANIES HOUSE 06/01/99

The assistance is to be given to: (note 2) DMWSL 241 Limited (Reg. No. 3622514)
having its registered office at 22/25 Finsbury Square, London EC2A 1DS
("Newco").

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

The assistance will take the form of:

See Appendix C attached

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

*Delete as
appropriate

Newco

The principal terms on which assistance will be given are:

See Appendix D attached

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 See Appendix E attached

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

†Delete either (a) or
(b) as appropriate

~~X~~/We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~X~~/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date† (note 3)

(b) ~~[It is intended to commence the winding-up of the company within 12 months of that date, and X/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 ~~X~~/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 100 New Bridge Street
London
EC4V 6JA

the 23rd day of December

One thousand nine hundred and ninety eight

before me KOler H. Cadogan

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

Declarants to sign below

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.

APPENDICES TO FORM 155(6)A

APPENDIX A

| NAME | ADDRESS |
|-------------------|---|
| Judith Pilkington | 10 Sovereign Mews Pearson Street London E2 8ER |
| Mark Fisher | 10 Chenies Chenies Village Rickmansworth Hertfordshire WD3 6EH |

APPENDIX B

| | |
|-----------|-------------------------------|
| 640,000 | Ordinary Shares of £0.50 each |
| 1,581,296 | 'A' Shares of £0.50 each |

APPENDIX C

The assistance will take the form of:

- (a) a guarantee and debenture (the "Guarantee and Debenture") in favour of BankBoston NA as Agent (the "Agent") pursuant to which the Company guarantees and indemnifies the Agent in relation to the Guaranteed Companies' Obligations (as defined therein) including borrowings incurred by DMWSL 241 Limited ("Newco") to acquire the shares of Mappin & Webb Holdings Limited and Watches of Switzerland Limited (together the "Targets") and grants fixed and floating charges, mortgages and assignments over all of its assets and undertakings in favour of the Agent as a continuing security for the payment and discharge of the Secured Obligations (as defined therein) including borrowings incurred by Newco for the purpose of acquiring the shares of the Targets;
- (b) a guarantee and debenture (the "Tranche B Guarantee and Debenture") in favour of the Agent pursuant to which the Company guarantees and indemnifies the Agent in relation to the Guaranteed Companies' Obligations (as defined therein) including borrowings incurred by Newco to acquire the shares of the Targets, and grants fixed and floating charges, mortgages and assignments over all of its assets and undertakings in favour of the Agent as a continuing security for the payment and discharge of the Secured Obligations (as defined therein) including borrowings incurred by Newco for the purpose of acquiring the shares of the Targets;
- (c) an inter-company funding agreement (the "Inter-company Funding Agreement") among (1) Newco; (2) Mappin & Webb Holdings Limited; (3) Watches of Switzerland Limited; (4) Mappin & Webb Limited; (5) Nathan & Co. (Birmingham) Limited; (6) E.A. Barker Limited; and (7) T.M. Sutton Limited ((2)-(7) being hereinafter referred to as the "Lenders") pursuant to which the Lenders will make available to the Company a revolving credit facility of up to £50,000,000 in aggregate to be used by Newco in, inter alia, meeting its interests, costs and payment obligations under the Loan Agreement, the Tranche B Loan Agreement, and costs and expenses associated with the acquisition by Newco of the shares of the Targets; and
- (d) a cash management master agreement (the "Cash Management Agreement") between BankBoston NA, Mappin & Webb Limited, the Company and others under which cash belonging to the Company may be loaned to Newco for the purpose of reducing or discharging borrowings incurred by Newco for the purpose of acquiring shares the shares of the Targets.

APPENDIX D

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

1. the Company, with full title guarantee, charges to the Agent as agent and trustee for the Lenders by way of fixed charge (and as regards all those parts of the freehold and leasehold property in England and Wales vested in the Company by way of legal mortgage) as a continuing security for the payment and discharge of the Secured Obligations the following assets both present and future from time to time owned by the Company or in which the Company may from time to time have an interest:
 - 1.1 all freehold and leasehold property of the Company and all liens, charges, options, agreements, rights and interests in or over the land, or the proceeds of sale of land and all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land, together with all rights, easements and privileges appurtenant to or benefitting the same;
 - 1.2 all plant, machinery (other than that charged by Section 1.1 above), vehicles, computers and office and other equipment of the Company and the benefit of all contracts and warranties relating to the same;
 - 1.3 all stocks, shares, warrants, bonds and other securities of any kind whatsoever, whether marketable or otherwise, and all other interests (including, but not limited to loan capital) in any person including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing, offered, issued or deriving at any time by way of exchange, purchase, substitution, conversion, consolidation, sub-division, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;
 - 1.4 all book and other debts, the proceeds of the same, revenues and claims whether actual or contingent, whether arising under contracts or in any other manner whatsoever and whether originally owing to the Company (including, for the avoidance of doubt, but without prejudice to the generality of the foregoing, Book Debts, Receivables, Credit Card Receivables and Pawn Broking Loan Receivables, all as defined in the Loan Agreement) or purchased or otherwise acquired by it including, without limitation, the full benefit of all insurance policies and all proceeds of such insurance policies (not being personal

accident or health or disability policies taken out for the benefit of directors or employees to the extent that any proceeds of such policies are payable to directors, employees, or their dependants) and all things in action which may give rise to any debt, revenue or claim together with the full benefit of any Encumbrances and Collateral Instruments and any other rights relating to any Encumbrances and Collateral Instruments including, without limitation, reservations of proprietary rights of tracing and unpaid vendor's liens and associated rights;

- 1.5 all uncalled capital and the goodwill of the Company now or at any time hereafter in existence;
 - 1.6. all rights in and to the Intellectual Property Rights; and
 - 1.7 all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest).
2. The Company, with full title guarantee, hereby charges to the Agent as agent and trustee for the Lenders by way of first floating charge as a continuing security for the payment and discharge of the Secured Obligations.
- 2.1 its undertaking and all its other property, assets and rights whatsoever and wheresoever, both present and future, but excluding any property or assets from time to time or for the time being effectively charged to the Agent by way of fixed charge as agent and trustee for the Lenders pursuant to Section 1. above, including (without limitation) any immovable property of the Company in Scotland and any Charged Assets of the Company falling within any of the types set out in Sections 1.2 to 1.7 above; and
 - 2.2 all of its Inventory and all stock in trade used by it for the purpose of its business whatsoever and wheresoever both present and future.
3. In consideration of the Lenders entering into the Loan Documents (or any of them) and/or agreeing to provide the several credit facilities or other financial accommodation provided for in the Loan Documents the Company hereby guarantees to the Agent as agent and trustee for the Lenders:
- 3.1 the due and punctual performance and discharge of the Guaranteed Companies' Obligations;

- 3.2 without prejudice to the generality of the foregoing Section 3.1 that it shall on demand pay to the Agent, in the currency in which the same falls due for payment, the Guaranteed Companies' Obligations;

and the Company undertakes to indemnify the Agent and the Lenders in respect of any loss, costs, damages or expenses caused or occurring upon the failure by any of the Guaranteed Companies to duly and punctually perform and discharge the Guaranteed Obligations.

3. The Inter-company Funding Agreement, inter alia, provides loan funds to Newco by the Lenders for the use by Newco to discharge its obligations under the Loan Agreement and the Tranche B Loan Agreement.
4. The Cash Management Agreement provides that cash belonging to the Company may be loaned to Newco for the purposes of reducing or discharging borrowings incurred by Newco for the purpose of acquiring the Targets.

Definitions

Words and expressions used herein shall have the same meanings as is attributed to them under a loan agreement (the "Loan Agreement") dated on or around the date hereof made among (1) Newco; (2) Watches of Switzerland Limited; (3) Mappin & Webb Limited; (4) T.M. Sutton Limited; (5) BankBoston N.A.; (6) Burdale Financial Limited; and (7) BankBoston Retail Finance Inc.

(a)

APPENDIX E

on *24th December* 1998 (or such date as the Security Trustee may agree in writing provided that such later date shall not be more than 8 weeks from the date of this statutory declaration.)



PO Box 486
1 Puddle Dock
London EC4V 3PD
United Kingdom

The Directors
TM Sutton Limited
23 Albemarle Street
LONDON
W1X 4AS

23 December 1998

Dear Sirs

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

We have examined the attached statutory declaration of the directors dated 23 December 1998 in connection with the proposal that the company should give financial assistance for the purchase of 100% of the ordinary shares of its intermediate holding company, Mappin & Webb Holdings Limited. We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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

Yours faithfully

Registered Auditors

December 1998



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by the Institute of
Chartered Accountants in
England and Wales. The
principal place of

business is 8 Salisbury
Square, London EC4Y 8BB
where a list of partners'
names is open to inspection.