

CHFP025

155(6)b

639 London/City

Mk
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: SEE ATTACHMENT 2

The assistance is to be given to: (note 2) WM MORRISON SUPERMARKETS PLC

The assistance will take the form of:

SEE ATTACHMENT 3

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

WM MORRISON SUPERMARKETS PLC,

† delete as appropriate

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

SEE ATTACHMENT 4

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 19 MAY 2004 (or within 8 weeks of the date hereof)

MP

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

X We have formed the opinion, as regards this 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 this 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 this company within 12 months of that date, and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.~~* (note 3)

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

just

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

Declarants to sign below

Mumson, Hilmore House, Thornton Rd
Bradford

[Signature]

Day Month Year
on

1	9	0	5	2	0	0	4
---	---	---	---	---	---	---	---

before me Michael J. Crook

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

[Signature]

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

M.H.

STORES GROUP LIMITED
Company Number 1697262
Attachment 1 to Form 155(6)b
[BRADFORD]

Martin Ackroyd
6 High Meadows
Wilsden
Bradford
BD15 0HN

together with:

Robert Winston Stott
Hall Croft
5 Hall Drive
Bramhope
Leeds
LS16 9JF

who is making a declaration on the date hereof which together with this declaration is the statutory declaration required by Section 155(6)a of the Companies Act 1985.

NPL

STORES GROUP LIMITED
Company Number 1697262
Attachment 2 to Form 155(6)b

The capital of Safeway Limited ("**Safeway**") was, by virtue of a special resolution and with the sanction of an Order of the High Court of Justice dated 4 March 2004, reduced from £375,000,000 divided into 422,942,331 ordinary shares of 25 pence each and such number of A Ordinary Shares of $19\frac{7}{10}$ pence each, B Ordinary Shares of $5\frac{3}{10}$ pence each and Deferred Shares of $\frac{1}{10}$ pence each as eventuated after the application of the mix and match facility included within the Scheme of Arrangement dated 19 January 2004 (the "**Scheme**") to £105,735,582.75 divided into 422,942,331 ordinary shares of 25 pence each. Contingently on the Scheme becoming effective, by virtue of the said reduction of capital confirmed on 4 March 2004, which reduction of capital formed part of the Scheme sanctioned on 1 March 2004, and of the said special resolution, the capital of Safeway was then increased to its former amount of £375,000,000 divided into 1,500,000,000 ordinary shares of 25 pence each.

On the Scheme becoming effective on 8 March 2004, the credit arising as a result of the reduction of share capital referred to above was applied in paying up 1,077,057,669 ordinary shares in the capital of Safeway which were allotted and issued to Wm Morrison Supermarkets PLC (or its nominees).

Pursuant to an amendment to the articles of association of Safeway passed by special resolution of the members of Safeway at an extraordinary general meeting of Safeway held on 11 February 2004, if any shares in the capital of Safeway are issued to any person other than Wm Morrison Supermarkets PLC (or its nominees) at or after the hearing record time of the Scheme, the holder of such shares shall be obliged to transfer to Wm Morrison Supermarkets PLC (or its nominees) all such shares on the terms set out in such amended articles of association.

Options over an aggregate number of 1,714,102 ordinary shares in the capital of Safeway were exercised during March and April 2004 and accordingly, pursuant to the terms of the amended articles of association of Safeway, Wm Morrison Supermarkets PLC (or its nominees) acquired a further 1,714,102 ordinary shares in the capital of Safeway.

Therefore, in aggregate, Wm Morrison Supermarkets PLC (or its nominees) has been issued with or has acquired 1,078,771,771 ordinary shares in the capital of Safeway.

MFL.

STORES GROUP LIMITED
Company Number 1697262
Attachment 3 to Form 155(6)b

The financial assistance to be given by Safeway Stores Limited shall take the form of:

- (a) an accession agreement (the "**Accession Agreement**") relating to the provision of a guarantee, indemnity and a right of set-off and made between (1) ABN AMRO Bank N.V., London Branch as Facility Agent for and on behalf of the finance parties (the "**Finance Parties**") (2) Wm Morrison Supermarkets PLC and (3) Safeway Stores Limited under which Safeway Stores Limited will give:
 - (i) a guarantee and indemnity proposed to be granted by Safeway Stores Limited to the Finance Parties pursuant to the credit agreement dated 15 December 2003 (the "**Credit Agreement**"); and
 - (ii) a right of set-off proposed to be granted by Safeway Stores Limited to the Finance Parties pursuant to the Credit Agreement; and
- (b) an intra-group funding agreement to be entered into by Wm Morrison Supermarkets PLC, Safeway, the Company and Safeway Stores Limited (the "**Intra-Group Funding Agreement**") pursuant to which Safeway, the Company and Safeway Stores Limited will make available to Wm Morrison Supermarkets PLC a loan facility.

MPL.

STORES GROUP LIMITED
Company Number 1697262
Attachment 4 to Form 155(6)b

The principal terms on which the assistance will be given are set out below.

Guarantee and indemnity

The guarantee and indemnity are recorded in clause 16 of the Credit Agreement and are to be entered into by Safeway Stores Limited pursuant to the Accession Agreement. Safeway Stores Limited jointly and severally with certain other members of the group of companies of which it is a member (the "**Additional Guarantors**"):

- (a) guarantees to each of the Finance Parties punctual performance by each Borrower (as defined in the Credit Agreement) of all its payment obligations under the Finance Documents (as defined in the Credit Agreement);
- (b) undertakes with each of the Finance Parties that, whenever a Borrower does not pay any amount when due under any Finance Document, it must immediately on demand by ABN AMRO Bank N.V., London Branch as Facilities Agent pay that amount as if it were the principal obligor; and
- (c) indemnifies each of the Finance Parties immediately on demand against any loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal; the amount of the loss or liability under this indemnity will be equal to the amount the Finance Parties would otherwise have been entitled to recover.

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

Set-Off

The right of set-off is recorded in clause 31 of the Credit Agreement. Safeway Stores Limited agrees that a Finance Party may set off any matured obligation owed to it by Safeway Stores Limited under the Finance Documents against any obligation (whether or not matured) owed by that Finance Party to Safeway Stores Limited.

Intra-Group Funding Agreement

By executing the Intra-Group Funding Agreement referred to in Attachment 3, Safeway, the Company and Safeway Stores Limited will make available to Wm Morrison Supermarkets PLC a £750,000,000 loan facility to be used by Wm Morrison Supermarkets PLC, among other things, to meet its payment obligations to ABN AMRO Bank N.V. under the Credit Agreement, but on the basis that any of Safeway, the Company and Safeway Stores Limited will only be obliged to make advances under the Intra-Group Funding Agreement if, among other things, it has the cash resources and Wm Morrison Supermarkets PLC is not in liquidation or administration or subject to a creditors' voluntary arrangement.

Safeway Stores Limited's obligations as described above continue in relation to the Finance Documents as they may be amended, modified, varied or re-stated from time to time.

CHFP025

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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

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

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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1697262

Name of company

* STORES GROUP LIMITED

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

* insert full name
of company

~~X~~We ø SEE ATTACHMENT 1

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

† delete as appropriate

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

§ delete whichever
is inappropriate

The business of this company is:

(a) that of a person who has received a licence from the Insurance Commission to carry on insurance business in the United Kingdom

(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] ☒ holding company of* SAFEGWAY STORES LIMITED
_____ which is
proposing to give financial assistance in connection with the acquisition of shares
in ~~XXXXXXX~~ SAFEGWAY LIMITED
_____ the holding company of this company. It

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

Ashurst
Broadwalk House, 5 Appold Street,
London, EC2A 2HA

For official Use
General Section

Post room

The assistance is for the purpose of ~~XXXXXX~~ [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: SEE ATTACHMENT 2

The assistance is to be given to: (note 2) WM MORRISON SUPERMARKETS PLC

The assistance will take the form of:

SEE ATTACHMENT 3

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

WM MORRISON SUPERMARKETS PLC,

† delete as appropriate

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

SEE ATTACHMENT 4

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 19 MAY 2004 (or within 8 weeks of the date hereof)

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

X We have formed the opinion, as regards this 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 this 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 this company, within 12 months of that date, and I/we have formed the opinion that this 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 Safeway Plc, 6 Millington Road Declarants to sign below
Hayes, Middlesex, UB3 4AY

on

Day	Month	Year
19	05	2004

before me Harinder Mattoo of MTG Solicitors

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

61 Cadogan Lane
Hayes, UB3 3EE

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.
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- 5 The address for companies registered in England and Wales or Wales is:-

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Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

lwj

STORES GROUP LIMITED
Company Number 1697262
Attachment 1 to Form 155(6)b
[HAYES]

Robert Winston Stott
Hall Croft
5 Hall Drive
Bramhope
Leeds
LS16 9JF

together with:

Martin Ackroyd
6 High Meadows
Wilsden
Bradford
BD15 0HN

who is making a declaration on the date hereof which together with this declaration is the statutory declaration required by Section 155(6)a of the Companies Act 1985.

lwr

STORES GROUP LIMITED
Company Number 1697262
Attachment 2 to Form 155(6)b

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hwy

STORES GROUP LIMITED
Company Number 1697262
Attachment 3 to Form 155(6)b

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 - (ii) a right of set-off proposed to be granted by Safeway Stores Limited to the Finance Parties pursuant to the Credit Agreement; and
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lw

STORES GROUP LIMITED
Company Number 1697262
Attachment 4 to Form 155(6)b

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Safeway Stores Limited's obligations as described above continue in relation to the Finance Documents as they may be amended, modified, varied or re-stated from time to time.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Tel +44 (0) 113 231 3062
Fax +44 (0) 113 231 3655
DX 72440 Leeds 55

Private & confidential

The Directors
Stores Group Limited
6 Millington Road
Hayes
Middlesex
UB3 4AY

Our ref sw/sef/005

19 May 2004

Dear Sirs

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

We have examined the attached statutory declaration of the directors dated 19 May 2004 in connection with the proposal that Safeway Stores Limited, of which this company is a holding company, should give financial assistance for the purchase of 1,078,771,771 of the ordinary shares of Safeway Limited, this company's holding company.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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

KPMG Audit Plc
Registered Auditor



KPMG Audit Plc, a company
incorporated under the UK Companies
Acts, is a member of KPMG International,
a Swiss non operating association

Registered in England No 3110745
Registered office
8 Salisbury Square
London EC4Y 8BB