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CHA 116

## COMPANIES FORM No. 155(6)b

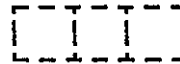
**Declaration by the directors  
of a holding company in  
relation to assistance for the  
acquisition of shares.****155(6)b**Please do not  
write in this  
marginPlease complete  
legibly, preferably  
in black type, or  
bold block letteringNote  
Please read the notes  
on page 3 before  
completing this form\*Insert full name  
of company†Insert name(s) and  
address(es) of all  
the directors

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

To the Registrar of Companies

For official use

Company number



2429682

Name of company

\* CLAREMONT GARMENTS LIMITED

x/Wet See Rider 1

§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 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\* D&H Cohen Limited  
(Registered No. SC023255) which is  
proposing to give financial assistance in connection with the acquisition of shares  
in [this company] [ ]

the holding company of this company ‡

Presentor's name, address and  
reference (if any):S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

Post room

A21 \*A1NMSWU2\* 513  
COMPANIES HOUSE 25/06/97

431/C5463.134/CF:137911.1

The assistance is for the purpose of ~~[that acquisition]~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

AB4  
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: 100 ordinary shares of £1 each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

AB4  
The person who [has acquired] ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as appropriate

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

See Rider 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 £ \_\_\_\_\_

Please do not  
write in this  
margin

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

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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)

\*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 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.

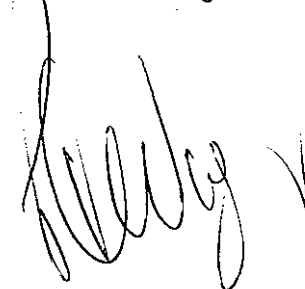
Declared at 23 Portman Close,  
London, W.1.

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety-seven

before me Anthony D. Miller

Declarants to sign below



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

**ANTHONY D. MILLER**  
A COMMISSIONER FOR OATHS

## NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 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.

**RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:



"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.

PRIVATE AND CONFIDENTIAL

The Directors  
Claremont Garments Limited  
1 Stephenson Road  
Peterlee  
Co Durham  
SR8 5AX

13 June 1997

CF/NHT/VEE

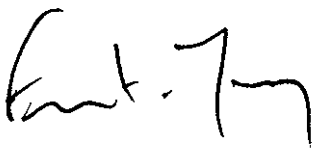
Dear Sirs

**REPORT OF THE AUDITORS TO THE DIRECTORS OF CLAREMONT GARMENTS LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of Claremont Garments Limited dated 13 June 1997 in connection with the proposed financial assistance to be given by Claremont Garments Limited, in connection with the purchase of all the issued share capital of J&J Fashions Limited and its subsidiary JR Textiles Limited (now renamed Claremont Garments Limited) by Claremont Garments (Holdings) plc. We have enquired into Claremont Garments Limited's state of affairs so far as necessary for us to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors of Claremont Garments Limited in the attached 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



Ernst & Young  
Registered Auditors

COMPANIES HOUSE 25/06/97

■ A list of partners' names is available for inspection at the above address, and at Becket House, 1 Lambeth Palace Road, London SE1 7EU, the partnership's principal place of business.

Authorised by The Institute of Chartered Accountants in England and Wales to carry on investment business.

The United Kingdom firm of Ernst & Young is a member of Ernst & Young International.



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**

Dmcf

Please do not  
write in this  
margin

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

To the Registrar of Companies

For official use

Company number

--	--	--	--

2429682

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

Name of company

\* CLAREMONT GARMENTS LIMITED

Note  
Please read the notes  
on page 3 before  
completing this form\*Insert full name  
of company

x/We† See Rider 1

†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 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\* D&H Cohen Limited

(Registered No. SC023255) \_\_\_\_\_ which is  
proposing to give financial assistance in connection with the acquisition of shares  
in [this company] [ \_\_\_\_\_ ]

\_\_\_\_\_ the holding company of this company.†

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

S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

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: 100 ordinary shares of £1  
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The assistance will take the form of:

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The person who [has acquired] ~~will acquire~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as  
appropriate

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

See Rider 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 £ \_\_\_\_\_

Please do not  
write in this  
margin

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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

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)

\*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 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 Peterlee in the  
County of Durham

the 13<sup>th</sup> day of June  
One thousand nine hundred and seventy seven.

before me [Signature]

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

[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
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*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

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    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to



pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.

**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

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

--	--	--	--

2429682

Name of company

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

\* CLAREMONT GARMENTS LIMITED

\*Insert full name  
of company

x/Wet See Rider 1

Insert name(s) and  
address(es) of all  
the directorsDelete 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 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\* D&H Cohen Limited

(Registered No. SC023255)

which is

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

in [this company] [

the holding company of this company.]

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

S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

431/C5463.134/CF:137911.1

[A21]

COMPANIES HOUSE 25/06/91

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: 100 ordinary shares of £1  
each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

The person who [has acquired] ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as  
appropriate

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

See Rider 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 £ \_\_\_\_\_

Please do not  
write in this  
margin

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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

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)

\*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 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 23 Portman Close  
London, W.1.

Declarants to sign below

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety-seven

before me Anthony D. Miller

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

**ANTHONY D. MILLER**  
A COMMISSIONER FOR OATHS

## NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 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.

**RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is



described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.



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

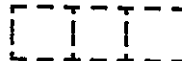
‡Delete whichever  
is inappropriate

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

To the Registrar of Companies

For official use

Company number



2429682

Name of company

\* CLAREMONT GARMENTS LIMITED

x/Wet See Rider 1

~~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\* D&amp;H Cohen Limited

(Registered No. SC023255)

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

in [this company] [

the holding company of this company.] ‡

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

S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

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: 100 ordinary shares of £1  
each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

The person who ~~has acquired~~ [will acquire]† the shares is:  
Claremont Garments (Holdings) plc

†Delete as  
appropriate

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

See Rider 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 £ \_\_\_\_\_

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

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)

\*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 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 23 Portman Close,  
London, W.1.

Declarants to sign below

N. J. P. / amille

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety-seven

before me Anthony D. Miller

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

**ANTHONY D. MILLER**  
A COMMISSIONER FOR OATHS

## NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 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.

**RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*



## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

1 Under the terms of the Debenture:

1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.

1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-

- (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.

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

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

To the Registrar of Companies

For official use

Company number

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

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

2429682

Name of company

\* CLAREMONT GARMENTS LIMITED

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

\*Insert full name  
of company

~~I/We~~ See Rider 1

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

~~§Delete as  
appropriate~~

~~I/We~~ ~~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 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 2 or 4 of the Insurance Companies Act 1982 to carry on~~  
~~insurance business in the United Kingdom †~~  
(c) something other than the above †

~~I/We~~ This company is [the] [a] holding company of\* D&H Cohen Limited

(Registered No. SC023255)

which is

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

in [this company] [ ]

~~the holding company of this company. †~~

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

S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

431/C5463.134/CF:137911.1

COMPANIES HOUSE 25/06/91

The assistance is for the purpose of ~~[that acquisition]~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

10/11  
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: 100 ordinary shares of £1 each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

AM  
The person who [has acquired] ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as appropriate

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

See Rider 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 £ \_\_\_\_\_

Please do not  
write in this  
margin

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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

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)

\*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 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 23 Portman Close,  
London, W.1.

the 13<sup>th</sup> day of June  
One thousand nine hundred and ninety-seven

before me Anthony D. Miller

Declarants to sign below

*[Signature]*

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

**ANTHONY D. MILLER**  
A COMMISSIONER FOR OATHS

**NOTES**

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 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.



**RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.



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**

DP

Please do not  
write in this  
margin

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

To the Registrar of Companies

For official use

Company number

--	--	--	--

2429682

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

Name of company

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

\* CLAREMONT GARMENTS LIMITED

\*Insert full name  
of company

x/We† See Rider 1

†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 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 2 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\* D&H Cohen Limited(Registered No. SC023255)

which is

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

in [this company] [

~~the holding company of this company.]‡~~Presentor's name, address and  
reference (if any):S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

431/C5463.134/CF:137911.1

COMPANIES HOUSE, 200, BROAD STREET, LONDON, EC1A 3FQ

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: 100 ordinary shares of £1  
each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

The person who [has acquired] ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

42

†Delete as  
appropriate

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

See Rider 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 £ \_\_\_\_\_



Please do not write in this margin

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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

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)

\*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 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 Peterlee in the  
County of Durham

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety seven

before me [Signature]

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

[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.

**RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.

**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

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

To the Registrar of Companies

For official use

Company number

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

--	--	--	--

2429682

Name of company

\* CLAREMONT GARMENTS LIMITED

Note  
Please read the notes  
on page 3 before  
completing this form\*Insert full name  
of company

x/We† See Rider 1

†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 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\* D&H Cohen Limited  
(Registered No. SCO23255) which is  
proposing to give financial assistance in connection with the acquisition of shares  
in [this company] [ the holding company of this company ]†

Presentor's name, address and  
reference (if any):S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section



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: 100 ordinary shares of £1 each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

The person who ~~[has acquired]~~ ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as appropriate

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

See Rider 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 £ \_\_\_\_\_

Please do not  
write in this  
margin

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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

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)

\*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 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 Peterlee in the  
County of Durham

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety seven

before me [Signature]

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

[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.

# **RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.





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

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

To the Registrar of Companies

For official use

Company number

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

--	--	--	--

2429682

Name of company

\* CLAREMONT GARMENTS LIMITED

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

\*Insert full name  
of company

x/We† See Rider 1

†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 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\* D&H Cohen Limited

(Registered No. SC023255) which is

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

in [this company] [ ]

~~the holding company of this company.†~~

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

S J Berwin & Co  
222 Grays Inn Road  
London  
WC1X 8HB

For official use

General Section

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: 100 ordinary shares of £1  
each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

The person who ~~[has acquired]~~ ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as  
appropriate

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

See Rider 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 £ \_\_\_\_\_

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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 Peterlee in the  
County of Durham

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety seven.

before me [Signature]

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

David Mason

## 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.

# **RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,

dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:



"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.



CHA 116

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

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

To the Registrar of Companies

For official use

Company number

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

Official use box with vertical lines

Company number box containing 2429682

Name of company

Company name box containing \* CLAREMONT GARMENTS LIMITED

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

\*insert full name of company

x/Wet See Rider 1

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

Multiple lines for director names and addresses

§Delete as appropriate

to 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 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 2 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\* D&H Cohen Limited (Registered No. SC023255) which is proposing to give financial assistance in connection with the acquisition of shares in [this company] [the holding company of this company]

Presentor's name, address and reference (if any): S J Berwin & Co 222 Grays Inn Road London WC1X 8HB

For official use General Section box

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: 100 ordinary shares of £1 each in Claremont Garments Limited

The assistance is to be given to: (note 2) Claremont Garments (Holdings) plc,  
Company No. 00320013, whose registered office is 1 Stephenson Road, Peterlee,  
County Durham SR8 5AX

The assistance will take the form of:

- (a) the execution and delivery of a debenture (the "Debenture") from D&H Cohen Limited in favour of Barclays Bank PLC for itself and as agent and trustee for NM Rothschild & Sons Limited and The Governor and Company of The Bank of Scotland;
- (b) the execution and delivery of a guarantee from D&H Cohen Limited in favour of NM Rothschild & Sons Limited (the "Rothschild Guarantee"); and
- (c) the execution and delivery of a guarantee from D&H Cohen Limited in favour of The Governor and Company of The Bank of Scotland (the "Bank of Scotland Guarantee")

The person who [has acquired] ~~[will acquire]~~† the shares is:  
Claremont Garments (Holdings) plc

†Delete as appropriate

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

See Rider 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 £ \_\_\_\_\_

The date on which the assistance is to be given is \_\_\_\_\_ 19 \_\_\_\_\_

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

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)

\*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 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 Peterlee in the  
County of Durham

the 13<sup>th</sup> day of June

One thousand nine hundred and ninety seven

before me S. A. Wright

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

P. G. Sheldrick

## 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.

# **RIDER 1 TO STATUTORY DECLARATION OF CLAREMONT GARMENTS LIMITED**

ANTHONY PIERRE BOBROFF of 13 Batchworth Lane, Northwood, Middlesex HA6 3AT, MICHAEL JOSEPH MCWILLIAMS of Scotland Head House, Winlaton, Blaydon, Tyne and Wear NE21 6PL, DAVID PRICE of The Dower House Woodlands Hall, Knitsley, Consett, County Durham DH8 9HA, PAUL JOHN SHELDRIK of Rose Cottage, 18 Wynyard Road, Wolviston, Cleveland TS22 5LL, NICHOLAS IAN HAMILTON of Middlemare, Mare Hill, Pulborough, West Sussex RH20 2EA, DAVID MASON of 4 Durham Road, Sedgefield, Stockton on Tees, Cleveland TS20 3DW, DAVID MCGARVEY of 3 Loudwater Ridge, Loudwater, Rickmanworth, Hertfordshire WD2 4AR, KEVIN MICHAEL WEIR of High Bank Main Street, Houghton on the Hill, Leicester, Leicestershire LE7 9GD and PETER MICHAEL WIEGAND of Tentworth House, Tentworth Iping, Midhurst, West Sussex GU29 0PH

*Each of the above directors are swearing the Statutory Declarations simultaneously but separately as they are unable to be physically in the same place.*

## **RIDER 2 TO STATUTORY DECLARATION OF DIRECTORS OF CLAREMONT GARMENTS LIMITED IN RELATION TO ASSISTANCE FROM ITS SUBSIDIARY D&H COHEN LIMITED**

### **Introduction**

It is a condition precedent to certain new facilities being made available under the Finance Documents (defined below) by the Secured Parties to Claremont Garments (Holdings) Plc (and certain of its subsidiaries) that D&H Cohen (hereinafter the "Company") execute the Debenture, the Rothschild Guarantee and the Bank of Scotland Guarantee as security for the Parent's obligations to the Secured Parties.

"Finance Documents" means:

- (a) £1.3 million Facility Letter dated 4 November 1992 from The Governor and Company of The Bank of Scotland to the Parent together with a letter of addendum dated 10 April 1997 from The Governor and Company of The Bank of Scotland addressed to the Parent increasing the facilities to £13.3 million;
- (b) £9,833,333 Facility Letter from N M Rothschild & Sons Limited dated April 1997 to the Parent;
- (c) £5 million Overdraft Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent and those of its Subsidiaries named therein which include the Company; and
- (d) £25 million Facility Letter from Barclays Bank Plc dated 21 March 1997 to the Parent as amended by a Letter from Barclays Bank PLC dated 11 June 1997 to the Parent.

The principal terms on which the assistance will be given by D&H Cohen Limited (hereinafter the "Company") are:

- 1 Under the terms of the Debenture:
  - 1.1 The Company will on demand in writing made to the Company pay or discharge to Barclays Bank PLC (hereinafter for the purposes of this Clause 1 called "the Bank") for itself and as agent and trustee to N M Rothschild & Sons Limited and Bank of Scotland all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank N M Rothschild & Sons Limited or Bank of Scotland by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank, N M Rothschild & Sons Limited or Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank, N M Rothschild & Sons Limited or Bank of Scotland as well as after as before any demand made or judgment obtained under the Debenture.
  - 1.2 The Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged by the Company:-
    - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is

described in the the schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

- (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
- (d) by way of first charge all books debts and other debts now and from time to time due or owing to the Company;
- (e) by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be a liberty to create any mortgage or charge upon and so that no lien shall in any case or any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business.

Any debentures mortgages or charges created after execution of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgage deposit with the Bank and the Bank during the continuance of the Debenture shall be entitled to hold all deeds and documents of title relating to the Company's freehold and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date hereof and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities hereby secured such legal mortgage to be in such form as the Bank may require.

2. Under the terms of the Rothschild Guarantee:

2.1 In consideration of N.M. Rothschild & Sons Limited (hereinafter for the purposes of this Clause 2 the "Bank") making banking facilities or other accommodation available to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 2 the "Principal") the Company as Guarantor irrevocably and unconditionally:-

- (a) guarantees to the Bank, as principal obligor, the due and punctual payment by the Principal of all money and liabilities, owing or incurred to the Bank by the Principal howsoever arising whether actual or contingent, solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred by the Bank in connection therewith (the "Indebtedness") as and when they become due; and
- (b) undertakes to indemnify the Bank against all losses, damages, costs and expenses incurred by the Bank arising from any failure by the Principal to

pay the sums comprised in the Indebtedness or to meet its obligations to the Bank as and when they fall due, including all amounts the Bank may from time to time require to compensate it for its internal management costs and other costs and expenses incurred by it in relation to the enforcement of the Guarantee.

- 2.2 The Guarantor will pay interest on all sums due hereunder from the date that the Bank demands payment from the Guarantor until actual payment of such sums (as well after as before any judgement) at the rate of 3 per cent per annum above the Bank's base lending rate from time to time, compounded with monthly rests.
- 2.3 Continuing Securities
  - 2.3.1 The Guarantee is to be a continuing security extending to the ultimate balance of the Indebtedness and will remain in full force and effect notwithstanding any intermediate payment, settlement of account, giving of notice of determination by the Guarantor or any other thing whatsoever.
  - 2.3.2 The Guarantee is in addition, and without prejudice, to any other guarantee, security or right which the Bank may have in respect of the Indebtedness and the Guarantee may be enforced against the Guarantor without the Bank first having recourse to any other guarantee, security or right available to it.
- 2.4 The Guarantee constitutes the primary obligations of the Guarantor. The Bank will not be obliged to make any demand on the Principal before enforcing its rights against the Guarantor and the Guarantor's liability under the Guarantee will not be affected by anything which would not affect its liability if it were the sole principal debtor in respect of the Indebtedness.
- 2.5 The Bank shall have a lien on all property of the Guarantor held by the Bank (whether for safe custody or otherwise) in respect of the Guarantor's liabilities under the Guarantee.
- 3. Under the terms of the Bank of Scotland Guarantee (hereinafter for the purposes of this Clause 3, the "Guarantee"):
  - 3.1 In consideration of The Governor and Company of the Bank of Scotland (the "Bank of Scotland") granting time, credit, banking facilities or accommodation to Claremont Garments (Holdings) plc (hereinafter for the purpose of this Clause 3 the "Principal"), the Company as Guarantor under the Guarantee irrevocably and unconditionally guarantees the payment or discharge of and will on demand in writing pay or discharge the Obligations (and defined below) to the Bank.
  - 3.2 The Guarantee and the rights of set-off set forth therein shall be a continuing security to Bank of Scotland, notwithstanding any intermediate payment to Bank of Scotland, settlement of account or other matter whatsoever, until the expiration of three months after receipt by the Bank of Scotland of written notice from the Company to determine the Guarantee and upon such expiration the liability thereunder of the Guarantor shall crystallise and the Company shall remain liable for the amount recoverable at the date of such expiration (including the continuing liability of the Company for unascertained or contingent liabilities comprised in the Obligations at such date).
  - 3.3 Before enforcing the Guarantee, Bank of Scotland shall not be obliged to take any action or obtain any judgment, nor make or file any claim in the bankruptcy,



dissolution or winding up of the Principal, nor enforce any other security held by it for any of the obligations. Bank of Scotland need not advise the Company of its dealings with the Principal or of any default by the Principal of which Bank of Scotland may have knowledge.

- 3.4 On demand made by Bank of Scotland at any time the Company shall secure the performance of its obligations under the Guarantee by depositing with Bank of Scotland or another bank or corporation nominated by Bank of Scotland such a sum as Bank of Scotland shall require.
- 3.5 In addition to any general lien or similar right to which Bank of Scotland may be entitled by law Bank of Scotland shall have, and may at any time and from time to time without prior notice to the Company exercise a right of set-off or retention in respect of all monies standing to the credit of the Company's account(s) with Bank of Scotland of whatsoever nature and in whatever currency against payment of all monies that may become owing from the Company to Bank of Scotland on any account(s) or in any manner whatsoever including its liability under the Guarantee and whether actually or contingently, alone or jointly with any other(s) and whether as principal or surety or cautioner and in whatever name, style or form together with interest, discount, commission and all other charges and expenses; the Bank may at any time and from time to time in such manner and to such extent as it sees fit and without prior notice to the Guarantor:-
- (a) apply all monies standing to the credit of the Company's said account(s) to a separate suspense account(s); and/or
  - (b) apply all monies standing to the credit of the Company's said account(s) and/or suspense account(s) in reduction or extinction of all monies (or any of them in such proportions as Bank of Scotland sees fit) that be owing from the Guarantor to Bank of Scotland; and/or
  - (c) refuse payment of any cheque, bill or other document the payment of which to the debit of any Company's account would reduce the total of credit balances held on behalf of the Company below the amount owing to the Bank for the time being by the Principal whether actually or contingently; and/or
  - (d) debit any account(s) of the Company with any monies then due and payable by the Company to Bank of Scotland pursuant to the terms of the Guarantee.

In respect of the Company's liability under the Guarantee, Bank of Scotland shall have a lien on all securities or other property of the Company held by the Bank whether for safe custody or otherwise.

- 3.6 When the Guarantee is executed by or on behalf of two or more parties as Guarantor the liability of each of them to the Bank shall be joint and several, every agreement and undertaking on their part shall take effect accordingly and all references to the Guarantor shall (where the context admits) take effect as references to any of such parties. The Bank may release or discharge any of such parties from their obligations under the Guarantee or accept any composition from or make any arrangements with any of such parties without releasing or discharging the other or others or otherwise prejudicially or affecting the Bank's rights and remedies against the other or others.

For the purpose of this Clause 3 the following term shall have the following meaning:

"Obligations" means all monies and liabilities which shall for the time being and from time to time be due or incurred by the Principal to Bank of Scotland whatsoever whether actually or contingently and whether incurred solely, severally or jointly with any other person and whether as principal or surety or cautioner and whether on account of monies advanced, bills of exchange, promissory notes, guarantees, indemnities and including interest, discount, commission and other charges or expenses which Bank of Scotland may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Principal's account together with:-

- (i) such further sums for interest (whether or not the same shall have been compounded), commission and banking charges accruing to Bank of Scotland from the Principal before or after the date of demand or the expiration of the said notice, as the case may be, and not debited to the Principal's account at such date, (and so that as against the Company interest shall be deemed to be a liability of the Principal hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Principal),
- (ii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by Bank of Scotland from the Principal,
- (iii) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by Bank of Scotland in perfecting or in or about the recovery of attempted recovery of the monies due to Bank of Scotland under the Guarantee, and interest on the foregoing day by day from demand under the Guarantee until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Principal (whether before or after judgment) as calculated and compounded in accordance with the practice of Bank of Scotland from time to time.