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COMPANIES FORM No. 155(6)a

**Declaration in relation to
assistance for the acquisition
of shares.****155(6)a**

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

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

To the Registrar of Companies

For official use

Company number



2906057

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

Name of company

* Opt-Tel Systems Management Limited

*Insert full name
of company

*/We† SEE ANNEXURE 1

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

§Delete as
appropriate

~~[the sole director]~~ [all the directors]§ of the above company do solemnly and sincerely declare that:

The business of the company is:

‡Delete whichever
is inappropriate

~~(a) that of a recognised bank licensed institution§ within the meaning of the Banking Act 1979†~~

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

(c) something other than the above‡

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

~~[company]~~ ~~[company's holding company]~~ OPT-TEL HOLDINGS

Limited‡

The assistance is for the purpose of [that acquisition] ^{and} [reducing or discharging a liability incurred for the purpose of that acquisition].§

The number and class of the shares acquired or to be acquired is: 145,600 Ordinary shares
of 10 pence in Opt-Tel Holdings Limited

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

Macfarlanes
10 Norwich Street
London
EC4A 1BD

DX: 138 Chancery Lane
RAL/554219/1016349.01

For official use
General Section



The assistance is to be given to: (note 2) _____
Opt-Tel Communications Holdings Limited (Company Number 3775172) of 49 Station
Road, Gerrards Cross, Buckinghamshire SL9 8ES

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

The assistance will take the form of:

SEE ANNEXURE 2

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

Opt-Tel Communications Holdings Limited (Company Number 3775172) of 49
Station Road, Gerrards Cross, Buckinghamshire SL9 8ES

*Delete as
appropriate

The principal terms on which assistance will be given are:

SEE ANNEXURE 3

The amount of cash to be transferred to the person assisted is £ N/A

The value of any asset to be transferred to the person assisted is £ ANNEXURE 4

The date on which the assistance is to be given is TODAY OR WITHIN 8 WKS OF TODAY 19 _____

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

Delete either (a) or
(b) as appropriate

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

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

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and X/We have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~[†] (note 3)

And ~~X~~/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835,

Declared at

Bladegiff Nasbray
20 Fimval Street
Lade

the 17th day of June

One thousand nine hundred and NINETY-NINE

before me

D. S. G. Gulad
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]
[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.

ANNEXURE 1

All the Directors of the Company are:

Name:	Address:
David Thomas Boyce	The Malthouse, Beach, South Gloucestershire, BS30 6NP
Graham Robert Bell	2 Leyton Cross Road, Wilmington, Kent DA2 7AP

ANNEXURE 2

Unless otherwise stated, words and expressions defined in Annexure 4 to this Form shall, when used in Annexure 2, Annexure 3 or Annexure 4 have the meanings given to them therein.

The financial assistance will take the form of the execution and delivery by the Company of a guarantee (the "Corporate Guarantee"), a debenture (the "Debenture"), a support agreement in respect of, inter alia, the Bank Facilities (the "Bank Support Agreement") and a support agreement in respect of the Loan (the "3i Support Agreement"). The Corporate Guarantee and the Debenture are each in favour of the Bank and the Bank Support Agreement and the 3i Support Agreement are each in favour of the Borrower. Pursuant to the Corporate Guarantee, the Company guarantees payment to the Bank of the Guaranteed Liabilities. Pursuant to the Debenture the Company covenants to pay and discharge the Secured Liabilities on demand in writing and creates legal mortgages, fixed and floating charges over all its assets and undertaking by way of security for the Secured Liabilities. The Guaranteed Liabilities include (without limitation) the Bank Facilities made available to the Borrower for the purpose of (among other things) enabling it to acquire the entire issued share capital of the Parent which is the holding company of the Company. The Secured Liabilities are all liabilities of the Company including the liabilities under the Corporate Guarantee. Pursuant to the Bank Support Agreement, the Company will lend money to the Borrower to enable it to make payment on time of all sums due or to become due from the Borrower to the Bank in respect of the Bank Facilities and all other monies due and owing by to the Bank. Pursuant to the 3i Support Agreement, the Company will lend money to the Borrower to enable it to make payment on time of all sums due or to become due from the Borrower to the 3i Investors under the Loan.

The Corporate Guarantee, Debenture and the Bank Support Agreement are to be executed and delivered pursuant to, inter alia, (i) the Senior Loan Agreement, pursuant to which the Bank will make available the Senior Term Loan Facilities, and (ii) the Junior Loan Agreement, pursuant to which the Bank will make available the Junior Term Loan Facilities. The Bank Facilities are both to be used by the Borrower towards financing the purchase price payable by it for the entire issued share capital of the Parent. The 3i Support Agreement is to be executed and delivered pursuant to the Investment Agreement pursuant to which the 3i Investors will make available the Loan to the Borrower which is to be used by the Borrower towards financing the purchase price payable by it for the entire issued share capital of the Parent.

ANNEXURE 3

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

1 **The Debenture**

Under the terms of the Debenture:-

- 1.1 The Company covenants with the Bank that it will on demand in writing pay or discharge the Secured Liabilities;
- 1.2 As a continuing security and with full title guarantee for the payment or discharge of the Secured Liabilities, the Company under the Debenture:-
 - 1.2.1 charged to the Bank, by way of legal mortgage all the freehold and leasehold property (including the property described in the Schedule to the Debenture) vested in the Company at the date of the Debenture whether or not title is registered at HM Land Registry together with all present and future buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;
 - 1.2.2 charged to the Bank, by way of fixed charge:-
 - 1.2.2.1 all future freehold and leasehold property belonging to the Company together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;
 - 1.2.2.2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property charged under the Debenture;
 - 1.2.2.3 all the Company's goodwill and uncalled capital for the time being;
 - 1.2.2.4 all present and future stocks, shares and other securities owned (at law or in equity) by the Company and all rights and interests accruing or offered at any time in relation to them, all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Company and the benefit of all rights and claims to which the Company is now or may be entitled under any contracts;
 - 1.2.2.5 all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights,

inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for the registration of any of them and other intellectual property rights held or to be held by the Company or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;

1.2.2.6 all present and future book debts and other debts and monetary claims of the Company whether payable at the date of the Debenture or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money save as referred to in paragraph 1.2.2.4 above;

1.2.2.7 all present and future plant and machinery not otherwise charged under the provisions described in paragraph 1.2 of this Annexure and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress); and

1.2.2.8 all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest);

1.2.3 charged to the Bank, by way of floating charge all the Assets not effectively otherwise charged under the provisions described in paragraph 1.2 of this Annexure including (without limitation) any immovable property of the Company in Scotland and any Assets in Scotland falling within any of the types mentioned in paragraph 1.2.2 above but so that the Company is prohibited from creating any fixed security or mortgage or any other floating charge over the Assets having priority over or ranking pari passu with the floating charge mentioned in this sub-paragraph (otherwise than in favour of the Bank) and the Company has no power without the consent of the Bank to part with or dispose of any part of those Assets except by way of sale in the ordinary course of business;

1.3 In the circumstances referred to in the following sub-paragraphs the Bank may at any time, by notice to the Company, immediately convert the floating charge created under the provisions described in paragraph 1.2.3 of this Annexure into a fixed charge over any Assets specified in that notice and the floating charge will, without notice from the Bank, automatically be converted with immediate effect into a fixed charge:-

1.3.1 in respect of any Assets which become subject to a fixed charge in favour of any other person or to a disposition otherwise than by way of sale in the ordinary course of the Company's business immediately upon such charge or disposition;

- 1.3.2 in respect of all the Assets charged under the provisions referred to in paragraph 1.2.3 of this Annexure and when the Company ceases to carry on business or to be a going concern; and
- 1.3.3 in respect of all Assets, on the making of an order for the compulsory winding-up of the Company or on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company or on the presentation of a petition for the making of an administration order in relation to the Company or on the presentation of an application for a warrant of execution, writ of fieri facias, garnishee order or charging order;
- 1.4 The provisions described in paragraph 1.3 of this Annexure do not apply to any Assets situated in Scotland.
- 1.5 The Company covenanted with the Bank that it will not without the previous written consent of the Bank:-
- 1.5.1 create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law), or encumbrance on any Asset charged under the Debenture; or
- 1.5.2 dispose of or part with possession in any way (except on the determination of any lease, tenancy or licence) or share occupation of an Asset; or
- 1.5.3 in any way dispose of the equity of redemption of any Asset or any interest in any such Asset;
- 1.6 The Company (at its own cost) will on demand in writing by the Bank execute and deliver in such form as the Bank may reasonably require:-
- 1.6.1 a legal mortgage of any freehold or leasehold property of the Company which is not effectively charged under the provisions described in paragraph 1.2.1 of this Annexure and of any freehold or leasehold property acquired by the Company after the date of the Debenture;
- 1.6.2 a standard security or other fixed security over the Company's heritable freehold, leasehold or other property;
- 1.6.3 a fixed charge or assignment in security of any Asset subject to a floating charge under the provisions described in paragraph 1.2.3 of this Annexure; and
- 1.6.4 a chattel mortgage over such chattels, plant and machinery as the Bank may specify;
- and the Company will do and concur in all such other acts or things as the Bank may deem necessary to vest in the Bank title to all or any of the Assets;
- 1.7 The Company will pay into its account with the Bank (or as the Bank may direct) all moneys which it receives in respect of any policies of insurance or assurance, fees, royalties, income or book or other debts or any other of the rights and claims charged to the Bank under the provisions described in paragraph 1.2.2 of this Annexure, and until such payment hold all moneys so received upon trust for the

Bank and will not without prior written consent from the Bank charge, factor, discount or assign any of those policies, fees, royalties, income, debts, rights or claims in favour of any other person or purport to do so;

- 1.8 The security described in this Annexure will be a continuing security for the Secured Liabilities notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or other matter or thing whatsoever and will be without prejudice and in addition to any other right remedy or security of whatever sort which the Bank may hold at any time for the Secured Liabilities or any other obligation whatsoever and will not be affected by any release, reassignment or discharge of such other right remedy or security;
- 1.9 The Company will:-
 - 1.9.1 deliver to the Bank copies of its trading and profit and loss account and audited balance sheet in respect of each financial year (and also that of the Company's holding company (if any) and each of its subsidiaries) as soon as the same become available and in any event no later than three months (or such longer period as the Bank may agree in writing) after the end of each financial year and also from time to time such other financial statements and information as the Bank may reasonably require;
 - 1.9.2 promptly notify the Bank of its acquisition of any heritable, freehold or leasehold property;
 - 1.9.3 not without the previous written consent of the Bank redeem or purchase any of its own shares or issue any redeemable shares or create and issue any loan stock; and
 - 1.9.4 comply in all material respects with the terms of all applicable laws, including common law, statute and subordinate legislation, European Community Regulations and Directives and judgments and decisions of any court or authority competent to make such judgment or decision compliance with which is mandatory for the Company including without limitation all environmental laws, legislation relating to public health, town and country planning, control and handling of hazardous substances or wastes, fire precautions and health and safety at work;
- 1.10 The Company covenanted with the Bank that it will:-
 - 1.10.1 keep the Assets in good and substantial repair and in good working order and condition and maintain all insurances in the name of the Company as are normally maintained by prudent companies carrying on similar businesses and in particular will insure and keep insured those of its Assets as are insurable with a reputable insurance company previously approved by the Bank in writing with the interest of the Bank noted upon the policy or at the option of the Bank in the joint names of the Company and the Bank against loss or damage by fire and all such other risks (and the Company will ensure that the policy contains such provisions for the protection of the Bank as the Bank may from time to time require) and in such amounts as are customarily insured against in relation to assets of such nature by prudent companies carrying on comparable businesses (having regard to the nature of the Company's business) with that of the Company at least to the full replacement value for the time being with adequate provision to cover other losses;

- 1.10.2 pay all premiums and other moneys necessary for effecting and maintaining such insurances in force on the dates upon which such moneys are to be paid under the insurance policy and will on demand produce to the Bank proof that all such payments have been properly made together with the policy or policies of insurance;
- 1.10.3 If the Company fails to keep any of the Assets in good and substantial repair and in good working order and condition or does not take out and maintain such insurances as set out above or prove to the Bank that the premiums and other moneys have been paid then the Bank may as it thinks fit repair and keep in repair the Assets or any of them (with liberty for that purpose by itself or its agents to enter upon the freehold and leasehold property of the Company) or take out or renew any such insurance in any sum and on terms which the Bank may think fit;
- 1.10.4 the Bank will be entitled to be paid the proceeds of any such policy of insurance (other than in respect of employers' or public liability) and the Company will promptly irrevocably instruct any insurer of a policy to pay the proceeds of it to the Bank and undertakes to the Bank to repeat that instruction if the Bank requires
- 1.10.5 all moneys received in any insurance policy (unless paid in terms of paragraph 1.10.4 of this Annexure) will as the Bank requires, be applied either in making good the loss or damage in respect of which the money is received or in or towards discharge of the Secured Liabilities.
- 1.10.6 permit any authorised representative of the Bank at all reasonable times to enter upon any part of the freehold and leasehold property of the Company and of any other property where the Company may be carrying out any contract or other work and to inspect the Company's books of account and other books and documents and those of its subsidiaries;

2 The Corporate Guarantee

Under the terms of the Corporate Guarantee:-

- 2.1 In consideration of the Bank granting time, credit and banking facilities to the Principal, the Guarantor unconditionally guaranteed the payment or discharge of the Guaranteed Liabilities and shall on demand in writing pay or discharge them to the Bank;
- 2.2 The Guarantor's liability under the Corporate Guarantee shall not be discharged or affected by anything that would not have discharged or affected it if the Guarantor had been a principal debtor instead of a guarantor;
- 2.3 The Corporate Guarantee and the rights of set-off contained therein are a continuing security and shall extend to cover the ultimate balance due at any time to the Bank from the Principal;
- 2.4 The Corporate Guarantee shall be in addition to and shall not affect or be affected by or merge with any other judgment, security, right or remedy obtained or held by the Bank at any time for the discharge and performance of the Guaranteed Liabilities;

- 2.5 On demand made by the Bank at any time, the Guarantor shall secure the performance of its obligations under the Corporate Guarantee by depositing with the Bank such amount, up to the maximum amount of the Guaranteed Liabilities, as the Bank may specify;
- 2.6 The Bank shall have a lien on all securities or other property deeds and documents of the Guarantor which it holds from time to time;
- 2.7 The Guarantor shall, on demand by the Bank execute whatever documents the Bank may require to perfect its security;
- 2.8 If the Corporate Guarantee is determined or a demand is made by the Bank, then the Bank may open a new account or accounts in the Principal's name. If the Bank does not in fact open the account in these circumstances, it shall nevertheless be treated as if it had done so at the time the determination or demand, and from that time all payments made to the Bank shall be credited or be treated as having been credited to the new account and shall not reduce the amount of the Guaranteed Liabilities;
- 2.9 The Bank may at any time credit to a separate or suspense account for a period determined by it any money received from any person under or by virtue of the Corporate Guarantee. If it does so, the Bank need not apply any of that money towards the Guaranteed Liabilities and shall remain entitled to claim the Guaranteed Liabilities in full from the Principal;
- 2.10 The Bank may at any time, without prior notice to the Guarantor before or after any demand has been made under the Corporate Guarantee:-
- 2.10.1 exercise a right of set-off or a retention in respect of all moneys at any time standing to the credit of the Guarantor's account(s) (of whatever nature and/or currency) against payment of all money at any time owing from the Guarantor to the Bank on any account(s), and funds held following the exercise of the right of set-off may be held as security for the Guaranteed Liabilities;
- 2.10.2 apply all money at the date of the Corporate Guarantee or at any time standing to the credit of the Guarantor's account(s) to a separate suspense account(s);
- 2.10.3 apply all money so held in settlement of the Guaranteed Liabilities;
- 2.10.4 refuse payment of any cheque, bill or other document where such payment would reduce the aggregate credit balances of the Guarantor below the amount of the Guaranteed Liabilities; and
- 2.10.5 debit any account of the Guarantor with any money then due and payable by the Guarantor to the Bank under the Corporate Guarantee;
- 2.11 If the Bank exercises any right of set-off in respect of any liability of the Guarantor and that liability or any part of it is in a different currency from any credit balance against which the Bank seeks to set it off, the Bank may use the currency of the credit balance to purchase an amount in the currency of the liability at the prevailing spot rate of exchange and to pay out of the credit balance

all costs, charges and expenses incurred by the Bank in connection with that purchase.

- 2.12 Any settlement, discharge or release granted by the Bank to the Guarantor shall be conditional upon no security or payment to the Bank by the Principal or any other person (including without limitation any other Guarantor) or any other transaction with any such person being terminated, avoided or reduced by virtue of any applicable law relating to liquidation, administration or receivership for the time being in force. If that happens, the Bank shall be entitled to recover from the Guarantor to the full extent of the Corporate Guarantee as if the release had not been given;
- 2.13 Where any security is held by the Bank for the liability of the Guarantor under the Corporate Guarantee, the Bank will be entitled to retain that security for such period as the Bank in its absolute discretion shall determine after repayment in full of the Guaranteed Liabilities. If within that period a petition is presented or any resolution is passed for the winding-up or administration of the Principal (or any Guarantor) the Bank may retain its security for as long as it requires in respect of any liability of the Guarantor under the Corporate Guarantee;
- 2.14 The Guarantee shall continue to bind the Guarantor notwithstanding any reconstruction of the Bank, the Principal or Guarantor or any amalgamation which may be effected by the Bank, the Principal or Guarantor with any other person.
- 2.15 The Corporate Guarantee shall be a continuing security for the Bank until 3 months after receipt by it of written notice from the Guarantor to determine the Corporate Guarantee. On expiry of that notice period, the liability of the Guarantor shall be fixed and the Guarantor shall remain liable for the amount recoverable from the Principal at that date (including unascertained or contingent liabilities);
- 2.16 The liability of the Guarantor under the Corporate Guarantee shall not be reduced, discharged or mitigated by:-
- 2.16.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Bank may have now or in the future from or against the Principal or any other person in respect of any of the Guaranteed Liabilities;
- 2.16.2 any act or omission by the Bank or any other person in taking up, perfecting or enforcing any security or guarantee from or against the Principal or any other person or the invalidity or unenforceability of any such security or guarantee;
- 2.16.3 any termination, amendment, variation, novation or supplement of or to any document relating to the Guaranteed Liabilities or any exercise by the Bank at its absolute discretion of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Principal;
- 2.16.4 any grant of time, indulgence, waiver or concession to the Principal or any other person;

- 2.16.5 the administration, insolvency, bankruptcy, liquidation, winding-up, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and style of the Principal or any Guarantor;
- 2.16.6 invalidity, illegality, unenforceability, irregularity or frustration of the Guaranteed Liabilities or the obligations of any Guarantor;
- 2.16.7 any claim or enforcement of the payment from the Principal; or
- 2.16.8 any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal instead of a guarantor or by anything done or omitted by any person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish any of the Guarantor's liabilities under the Corporate Guarantee.
- 2.17 The Corporate Guarantee shall apply to the ultimate balance of the Guaranteed Liabilities and until that balance has been discharged in full the Guarantor shall not be entitled to share in any security held or money received by the Bank on account of the Guaranteed Liabilities;
- 2.18 Until the Guaranteed Liabilities are discharged in full, the Guarantor waives all of its rights of subrogation;
- 2.19 In the following events, the Secured Liabilities shall be deemed outstanding until actually met in full:-
- 2.19.1 the winding-up, liquidation, administration or dissolution of the Principal;
- 2.19.2 the enforcement of any security held by the Bank; or
- 2.19.3 the appointment of a receiver or administrative receiver over all or any part of the Principal's undertaking or assets;
- the Guaranteed Liabilities shall be deemed outstanding until actually met in full. The Bank will be entitled to claim in the Principal's winding up, administration or receivership for the full amount of the Guaranteed Liabilities and to retain the whole of the dividends to the exclusion of any rights of the Guarantor in competition with the Bank until a claim by the Bank is satisfied in full.
- 2.20 The Guarantor shall not without the prior written consent of the Bank take any steps to enforce any right or claim against the Principal for any money paid by the Guarantor to the Bank under the Corporate Guarantee or to prove in the Principal's liquidation for the same or receive any payment, guarantee, indemnity or security for any rights the Guarantor may have against the Principal which do not arise from the giving of the Corporate Guarantee. If a Guarantor acts in contravention of the provisions referred to in paragraphs 2.16 to 2.18 (inclusive) of this Annexure any benefit received by the Guarantor as a result of contravention shall (without prejudice to any other rights the Bank may have against the Guarantor in respect of that breach) be held in trust for the Bank as the continuing security for the Guaranteed Liabilities.

2.21 All payments to be made by the Guarantor under the Corporate Guarantee shall be made without set-off or counterclaim and free from any deduction or withholding for taxation or like charges. If any deduction or withholding is required by law the Guarantor shall pay to the Bank the additional amount necessary to ensure that the Bank receives full payment as if there had been no deduction or withholding.

2.22 When the Corporate Guarantee is executed for two or more parties as Guarantor the liability of each of them to the Bank is joint and several.

3 The Bank Support Agreement

Under the terms of the Bank Support Agreement:-

3.1 If requested by the Borrower, the Subsidiaries shall forthwith lend to the Borrower such sums as the Borrower considers necessary to allow it to make payment on time of all sums due or to become due by the Borrower to the Bank in respect of the Bank Facilities and the Working Capital Facility (as defined in the Bank Support Agreement) and all other moneys due or owing by the Borrower to the Bank;

3.2 If the Borrower shall make default in payment of any sum due to the Bank in respect of the Bank Facilities and the Working Capital Facility (as defined in the Bank Support Agreement) or any other sum due or owing by the Borrower to the Bank, the Subsidiaries shall forthwith lend to the Borrower such sums as will allow the Borrower to remedy such default;

3.3 Unless otherwise agreed between the Borrower and the Subsidiaries all loans made by the Subsidiaries to the Borrower pursuant to the Bank Support Agreement shall be interest free and unsecured and repayable on demand provided always that while the Bank Facilities and the Working Capital Facility (as defined in the Bank Support Agreement) remain outstanding the Borrower and the Subsidiaries shall not without the previous written consent of the Bank demand repayment of or create any security over the assets of the Borrower for any money lent by the Subsidiaries pursuant to the Bank Support Agreement.

3.4 The Subsidiaries shall have no obligation to make any loan pursuant to the Bank Support Agreement if the making of such a loan is contrary to law or could result in any criminal or civil liability for any officer of the relevant Subsidiary proposing to make the loan.

4 The 3i Support Agreement

4.1 If requested by the Borrower, the Subsidiaries shall forthwith lend to the Borrower such sums as the Borrower considers necessary to allow it to make payment on time of all sums due or to become due by the Borrower to the 3i Investors in respect of the Loan and all other moneys due or owing by the Borrower to the 3i Investors;

4.2 If the Borrower shall make default in payment of any sum due to the 3i Investors in respect of the Loan or any other sum due or owing by the Borrower to the 3i

Investors, the Subsidiaries shall forthwith lend to the Borrower such sums as will allow the Borrower to remedy such default;

4.3 Unless otherwise agreed between the Borrower and the Subsidiaries all loans made by the Subsidiaries to the Borrower pursuant to the 3i Support Agreement shall be interest free and unsecured and repayable on demand provided always that while the Loan remains outstanding the Borrower and the Subsidiaries shall not without the previous written consent of the 3i Investors demand repayment of or create any security over the assets of the Borrower for any money lent by the Subsidiaries pursuant to the 3i Support Agreement.

4.4 The Subsidiaries shall have no obligation to make any loan pursuant to the 3i Support Agreement if the making of such a loan is contrary to law or could result in any criminal or civil liability for any officer of the relevant Subsidiary proposing to make the loan.

ANNEXURE 4

Up to a maximum of £30,350,000 plus interest, costs, charges and repayment compensation which may become due under the Security Documents.

Definitions

"3i Investors"	means 3i Group plc, 3i Parallel Ventures LP and 3i UKIP II LP;
"Assets"	means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company;
"Bank"	means The Governor and Company of the Bank of Scotland and its successors and assignees;
"Bank Facilities"	means the Junior Term Loan Facilities and the Senior Term Loan Facilities;
"Borrower"	means Opt-Tel Communications Holdings Limited;
"Guaranteed Liabilities"	<p>means all or any monies and liabilities which shall for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner by each Principal to the Bank, whether actually or contingently, and whether incurred solely severally or jointly and whether on account of money advanced, bills of exchange, promissory notes, guarantees, indemnities or otherwise, including interest, discount, commission and other lawful charges or expenses which the Bank may in the course of its business charge or incur (including for any advances made by the Bank during the three months after receipt by the Bank of written notice from the Guarantor to determine the Corporate Guarantee or in relation to any other liability of the Principal, together with:-</p> <ol style="list-style-type: none">(1) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by the Bank from the Principal;(2) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by the Bank perfecting or in or about the recovery or attempted recovery of money due to the Bank under the Corporate Guarantee; and(3) interest calculated and accruing daily from demand in accordance with the

usual rates and practice of the Bank on (1) and (2) above.

"Guarantor"	means the Company (and each other company whose name is listed in Schedule 2 of the Corporate Guarantee) and where any such company is also a Principal the liability under the Corporate Guarantee of such party as Guarantor shall have effect only in relation to the moneys and liabilities due or incurred to the Bank by the other party or parties comprising the Principal;
"including"	shall not be construed as limiting the generality of the words preceding it;
"Investment Agreement"	means the agreement between the Borrower, the Promoters (as defined therein), the Non-Executive Directors (as defined therein), the 3i Investors and 3i plc in relation to their investment in the Borrower;
"Junior Loan Agreement"	means the facility letter between the Bank as lender and the Borrower as borrower in relation to the Junior Term Loan Facilities;
"Junior Term Loan Facilities"	means the term loan facility of £2,900,000 to be made available to the Borrower under the Junior Loan Agreement;
"Loan"	means a loan of £12,350,000 made to the Borrower by the 3i Investors pursuant to the Investment Agreement;
"Parent"	means Opt-Tel Holdings Limited;
"Principal"	means each company (other than a Principal released from the Guaranteed Liabilities by the Bank in writing) whose name is listed in paragraph (1) of Schedule 1 of the Corporate Guarantee or who is or becomes a Principal by granting a guarantee in favour of the Bank on account of the Secured Liabilities. Where more than one company is comprised in the term "Principal" reference to the Principal shall (where the context admits) mean each and every such company and, where by any agreement with the Principal and the Bank any person assumes all or any part of the liability of the Principal to the Bank in substitution for the Principal, the Guarantor's liability under the Guarantee shall not be discharged, reduced or affected, but the Guarantee shall take effect as if the expression

	“Principal” included such person;
“Secured Liabilities”	means all monies and liabilities of the Company which will for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Bank by the Company, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not the Bank shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which the Bank may in the course of its business charge or incur in respect of any of those matters or for keeping the Company’s account, and so that interest shall be computed and compounded according to the Bank’s usual rates and practice as well after as before any demand made or decree obtained under the Debenture;
“Security Documents”	means together the Debenture, the Corporate Guarantee, the Bank Support Agreement and the 3i Support Agreement;
“Senior Loan Agreement”	means the facility letter between the Bank as lender and the Borrower as borrower in relation to the Senior Term Loan Facilities;
“Senior Term Loan Facilities”	means the term loan facility of £11,600,000 to be made available to the Borrower under the Senior Loan Agreement.
“Subsidiaries”	Opt-Tel Holdings Limited, Opt-Tel Limited, Opt-Tel Systems Management Limited, Opt-Tel Communications Limited, and Opt-Tel Technology Limited;

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Private and Confidential

The Directors
Opt-Tel Systems Management Limited
49 Station Road
Gerrards Cross
Buckinghamshire
SL9 8ES

17 June 1999

Our Ref: WJM/kg/H:/529.doc

Dear Sirs

Auditors' report to the directors of Opt-Tel Systems Management Limited pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Opt-Tel Systems Management Limited ('the Company') dated 17 June 1999 in connection with the proposal that the Company should give financial assistance for the purchase of 145,600 of the ordinary shares of 10p each in the share capital of the Company's holding company, Opt-Tel Holdings Limited.

Basis of opinion

We have enquired into the state of the Company's affairs so far as necessary for us to review the bases for the statutory declaration.

Opinion

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

Yours faithfully


PricewaterhouseCoopers