

Declaration in relation to assistance for the acquisition of shares

155(6)a

Please do not
write in this
margin

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

For official use

Company number

T	-	T	-	T	-
L	-	L	-	L	-

4316344

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

Name of company

* C.G.I.S. LITTLEHAMPTON LIMITED

* insert full name
of company

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

XWe 0 Mark N Steinberg of 11 Wadham Gardens, London NW3 3DN, Terence S. Cole of 10 Upper Berkeley Street, London W1H 7PE and Steven R. Collins of 70 Marlborough Place, St. John's Wood, London NW8 0PP.

† delete as appropriate

XXXXXXXXXXXXX [all the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

XX

(e) That no depository bank licensed institution on the meaning of the Banking Act 1979.

[illegible]

~~insurance business of the United States~~

(c) something other than the above§

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

~~XXXXXXXX~~ [company's holding company C.G.I.S. GROUP

Limited]†

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

The number and class of the shares acquired or to be acquired is: 12,300,000

ordinary shares of 25 pence each

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

Denton Wilde Sapte
1 Fleet Place
London
EC4M 7WS

DX:242 LONDON
LJL/AMB/5697562.1

For official Use
General Section

Post room



A49
COMPANIES HOUSE

0344
11/04/02

5697562

The assistance is to be given to: (note 2) See Section 1 of attached Schedule

Please
write
mar

Please
legi
in b
bold block
lettering

The assistance will take the form of:

See Section 2 of attached Schedule

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

† delete as
appropriate

See Section 1 of attached Schedule

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

See Section 3 of attached Schedule

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

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

The date on which the assistance is to be given is Within 8 weeks of this declaration

~~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)

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

(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)

* 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 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

Declarants to sign below

1 FLEET PLACE, LONDON,
EC4M 7WS.

Day Month Year

on

08 04 2002

before me

C. COPLAND

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on 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.
- 5 The address for companies registered in England and Wales or Wales is:-

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

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

SCHEDULE FOR FORM 155(6)a

C.G.I.S. LITTLEHAMPTON LIMITED (the Company)

1 The assistance will be given to:

- (a) City & General (Holdings) Limited, registered in England under number 4216142 whose registered office is at 48 Portland Place, London W1N 4AJ and Uberior Investments plc, registered in Scotland under number SC073998, whose registered office is at New Uberior House, 11 Earl Grey Street, Edinburgh EH3 9BN (together, the **Purchasers**); and
- (b) Law Debenture Trustees Limited, registered in England under number 625705, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX,

in connection with the acquisition of the shares in C.G.I.S. Group Limited (**C.G.I.S. Group**) by the Purchasers.

2 The assistance will take the form of:

- (a) a guarantee (the **Guarantee**) granted in favour of the Security Trustee in respect of C.G.I.S. Group and the obligations of each company which becomes a guarantor (each a **Guarantor**) (C.G.I.S. Group and the Guarantors together constituting the **Obligors**) upon and pursuant to the terms of a facility agreement dated 9 October 2001 and made between C.G.I.S. Group, the Lenders referred to therein and The Governor and Company of the Bank of Scotland in its various capacities as Arranger, Agent, Security Trustee and Lender (the **Facility Agreement**);
- (b) a second floating charge (the **Second Floating Charge**) granted in favour of the Security Trustee in respect of the obligations of C.G.I.S. Group under the Finance Documents; and
- (c) the execution, delivery and performance by the Company of its obligations under a supplemental trust deed (the **Nineteenth Supplemental Deed**) to be entered into between C.G.I.S. Group, each new charging subsidiary (each a **NCS**) as set out in column 1 of the table in Section 3(c)(i) of this Schedule (the **Table**), each existing nominee company as set out at column 2 of the Table, C.G.I.S. Dunstable Guarantee Limited, C.G.I.S. City Plaza Shares Limited and Law Debenture Trustees Limited **SUPPLEMENTAL** to a Trust Deed (the **Principal Deed**) dated 14 September 1994 constituting and securing £100,000,000 $9\frac{5}{8}$ per cent. First Mortgage Debenture Stock 2019 of C.G.I.S. Group (being the Original Stock), a First Supplemental Trust Deed dated 20 September 1994, a Second Supplemental Trust Deed (the **Second Supplemental Deed**) dated 14 October 1994 constituting and securing a further £45,999,570 $9\frac{5}{8}$ per cent. First Mortgage Debenture Stock 2019 of C.G.I.S. Group (being the New Stock) and all deeds supplemental thereto (together the **Existing Deeds**).

Finance Documents means:

- (i) the Facility Agreement;
- (ii) each Second Floating Charge granted by a Guarantor;

- (iii) each letter executed by a Guarantor upon it acceding to the terms of the Facility Agreement (each an **Accession Letter**);
- (iv) any letter or letters between C.G.I.S. Group and the Agent or Arranger in respect of any fees payable pursuant to the Facility Agreement;
- (v) the hedging agreement between C.G.I.S. Group and Bank of Scotland Treasury Services plc and the counter-indemnity by C.G.I.S. Group in favour of The Governor and Company of the Bank of Scotland;
- (vi) an intercreditor agreement between C.G.I.S. Group, the Agent and Security Trustee, Uberior Investments plc and City & General Holdings Limited; and
- (vii) any other document designated as such by the Agent and C.G.I.S. Group.

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

- (a) Under the terms of the Guarantee: the irrevocable, unconditional, joint and several:
 - (i) guarantee in favour of the Agent, each Lender and the Security Trustee (together the **Finance Parties**) of the punctual performance of each Obligor's obligations under the Finance Documents;
 - (ii) undertaking to each Finance Party to pay on demand (as if it was a principal obligor) any amount not paid by an Obligor when due under or in connection with any Finance Document;
 - (iii) indemnification of each Finance Party on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal.

Note that the Guarantee extends to the ultimate balance of all sums payable (including interest for late payment) by any Obligor under the Finance Documents which may be subject to amendment or replacement.

- (b) Under the Second Floating Charge:
 - (i) the Company covenants with the Security Trustee to pay or discharge the Secured Liabilities on the respective due dates in the manner provided in the Finance Documents. Default interest applies in respect of payments not made on the due date; and
 - (ii) the Secured Liabilities are all present and future sums, obligations and liabilities payable or owing by the Company to the Security Trustee and any of the Lenders or any Receiver appointed under the Second Floating Charge under the Finance Documents (and any supplement thereto) to which the Company is a party, whether such liabilities are actual, contingent, sole, joint and/or several or otherwise, and including without limitation all obligations to indemnify the Security Trustee and/or the Lenders and/or any Receiver.
- (c) Under the Nineteenth Supplemental Deed:
 - (i) the new charging subsidiaries and the existing nominee companies are:

New Charging Subsidiaries	Existing Nominee Companies
C.G.I.S. Littlehampton Limited Company No.: 4316344	C.G.I.S. Dunstable Shares 1 Limited Company No.: 4217405
Hawthorne Road Nominee (No.1) Limited Company No.: 4255820	C.G.I.S. Dunstable Shares 2 Limited Company No.: 4217395
Hawthorne Road Nominee (No.2) Limited Company No.: 4255818	
C.G.I.S. Vere Street Limited Company No.: 4316805	
Pearl (Vere Street) Limited Company No.: 3938406	

- (ii) the covenant by the Company with the Trustee that it shall observe and perform and be bound by all of the covenants, conditions, provisions and obligations on its part contained in these presents or which are expressed by these presents to be binding on Charging Subsidiaries or which C.G.I.S. Group is obliged to procure that each Charging Subsidiary will perform and observe under these presents as if such covenants, conditions, provisions and obligations were repeated therein;
- (iii) the acknowledgement and confirmation by the Company that the Trustee's and the Receiver's powers of enforcement and their other respective powers contained in these presents shall apply in respect of both the legal title and the beneficial interest in the Littlehampton Property and that the Trustee shall have the power at its absolute discretion (and, without limitation and for the avoidance of doubt, clause 40 of the Principal Deed shall apply in relation to the exercise of such discretion) to call for the legal title to the Littlehampton Property to be vested in the beneficial owner thereof or any other entity or to call for the legal title and the beneficial interest in the Littlehampton Property to be vested in the same entity, and to enforce the terms of these presents, and the security created thereunder, as if the legal title and the beneficial interest were held and owned by the same entity. Furthermore, the covenant by the Company that it shall at all times execute and do all such acts, assurances, consents, deeds and things as the Trustee may require in connection with any of the foregoing;
- (iv) the instruction and direction by the Company to each Hawthorne NC to charge the Littlehampton Property in favour of the Trustee on the terms of clause 3.2 of the Nineteenth Supplemental Deed and the consent to the creation of a first legal mortgage over the Littlehampton Property in favour of the Trustee on such terms;
- (v) the grant by the Company of a charge with full title guarantee in favour of the Trustee by way of fixed equitable charge with the payment to the Trustee of the principal of and interest on the Original Stock, the New Stock and all other moneys payable or to become payable under or pursuant to or secured or intended to be secured by these presents and so as to form part of the Specific Security all of its interest in the Littlehampton Property together with all buildings and erections and fixtures (including trade fixtures) and fittings and fixed plant and machinery for the time being thereon belonging to it and

all improvements and additions thereto subject to and with the benefit of all the existing leases, underleases, tenancies, agreements for lease, rights, covenants and conditions affecting the same but otherwise free from encumbrances (save for any security already created in favour of the Trustee as security for the Stock);

- (vi) the grant by the Company of a charge with full title guarantee in favour of the Trustee by way of first fixed charge with the payment to the Trustee of the principal of and interest on the Original Stock, the New Stock and all other moneys payable or to become payable under or pursuant to or secured or intended to be secured by these presents all of its interest in the entire issued share capital of each Hawthorne NC (as well as any other shares in the capital of the Hawthorne NCs which may hereafter be registered in the name of, or be beneficially owned by, the Company and/or its respective nominee or trustee), together with all stock, shares, warrants, securities, rights, moneys and property (including the dividends, interest or income thereon or therefrom) accruing or acquired at any time and from time to time by way of redemption, purchase, bonus, preference, option or otherwise to or in respect of or derived from all or any of such shares or any derivatives thereof, including the proceeds of any sale of any of the shares (the entire issued share capital of the Hawthorne NCs and all such stock, shares, warrants, securities, rights, moneys and other property being referred to herein as the **Secured Shares**);
- (vii) the covenant by the Company with the Trustee that it will at all times deposit with the Trustee and permit the Trustee during the continuance of the security created by these presents to hold and retain all stock and share certificates and documents of title relating to the shares charged by it under the Nineteenth Supplemental Deed together with any other documents of title relating to the Secured Shares, transfers of the shares charged by it under the Nineteenth Supplemental Deed duly completed in favour of the Trustee or its nominees or otherwise as the Trustee may direct and all such other documents as the Trustee may from time to time require for perfecting its title to the Secured Shares and/or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser to the intent that the Trustee may at any time without notice present them for registration (in which event the Company shall procure such registration), and the Company further covenanting that:

it will not (without the prior written consent of the Trustee):

- (aa) create or permit to subsist any encumbrance whatsoever on or over the Secured Shares or any part thereof or interest therein (other than a second ranking floating charge created in favour of The Governor and Company of the Bank of Scotland);
- (bb) sell, transfer or otherwise dispose of the Secured Shares or any part thereof or interest therein or attempt or agree so to do;
- (cc) suffer or permit any Hawthorne NC to cancel, increase, create or issue or agree to issue or put under option or agree to put under option any share or loan capital or obligation now or hereafter convertible into share or loan capital of or in any Hawthorne NC of any class or call any uncalled capital;

- (dd) suffer or permit any Hawthorne NC to make any alteration to, grant any rights in relation to or otherwise re-organise or purchase or reduce the share capital or reserves of the Hawthorne NC in any way or enter into any composition or arrangement with its creditors or any class of creditors of the Hawthorne NC;
- (ee) convene any meeting with a view either to the alteration of any of the provisions of any Hawthorne NC's memorandum and articles of association or to passing a resolution that any Hawthorne NC be wound up; or
- (ff) suffer or permit any Hawthorne NC to permit any person other than the Company to be registered as holder of the Secured Shares or any part thereof; and

it will, if so requested by the Trustee, transfer all or any of the Secured Shares to the Trustee or to its nominees and all the Secured Shares shall then be held at the expense and risk of the Company;

- (viii) the grant by the Company of a charge with full title guarantee in favour of the Trustee by way of first ranking floating charge with the payment to the Trustee of the principal of and interest on the Original Stock, the New Stock and all other moneys payable or to become payable under or pursuant to or secured or intended to be secured by these presents and so as to form part of the Mortgaged Premises its undertaking and all its property, assets and rights, present and future, wheresoever situated (including any uncalled capital); and
- (ix) the acknowledgement, confirmation, declaration and agreement by the Company that all moneys to be received by virtue of any insurance on the Mortgaged Premises whether or not effected in accordance with these presents are assigned to the Trustee and such moneys are deemed to be part of the Specific Security and shall be paid to the Trustee and applied in accordance with sub-clause 16.2(o) or sub-clause 16.2(p) (as applicable) of the Principal Deed.

In this Schedule:

Charging Subsidiary means any Subsidiary which shall have charged in favour of the Trustee any of its assets under or pursuant to these presents or which shall have paid to the Trustee, so as to form part of the Specific Security, a sum of money and which shall not for the time being have ceased to be a Charging Subsidiary;

Further Stock means any further first mortgage debenture stock which may be created or issued by C.G.I.S. Group pursuant to the Principal Deed or, as the case may be, the amount thereof for the time being outstanding;

Hawthorne 1 means Hawthorne Road Nominee (No.1) Limited (Company No. 4255820) whose registered office is at 10 Upper Berkeley Street, London W1H 7PE;

Hawthorne 2 means Hawthorne Road Nominee (No.2) Limited (Company No. 4255818) whose registered office is at 10 Upper Berkeley Street, London W1H 7PE;

Hawthorne NCs means Hawthorne 1 and Hawthorne 2 and **Hawthorne NC** means either of them;

Littlehampton Property means the land being on the south side of Courtwick Lane, Lyminster registered with freehold title absolute at H.M. Land Registry under title number WSX185272;

Mortgaged Premises includes the Specific Security and the undertaking and all the property, assets and rights, present and future, wheresoever situated (including any uncalled capital) of any company which shall or ought pursuant to any provision of these presents to be the subject of a floating charge in favour of the Trustee as security for the Stock under or pursuant to these presents to the extent that the same shall not have been released pursuant to any provision of these presents;

New Stock means the £45,999,570 9 5/8 per cent. First Mortgage Debenture Stock 2019 of C.G.I.S. Group created by resolution of its Board of Directors passed on 13 October 1994 or, as the case may be, the amount thereof for the time being issued and outstanding;

Original Stock means the £100,000,000 9 5/8 per cent. First Mortgage Debenture Stock 2019 of C.G.I.S. Group created by resolution of its Board of Directors passed on 1 September 1994 or, as the case may be, the amount thereof for the time being issued and outstanding;

Receiver includes a receiver and manager and an administrative receiver;

Specific Security means all property, assets and money which at any time shall be or ought pursuant to any of the provisions of these presents to be held by or assured to or mortgaged or charged by way of first specific security in favour of the Trustee under or pursuant to these presents to the extent that the same shall not have been released pursuant to the provisions of these presents;

Stock means and includes the Original Stock, the New Stock and any Further Stock;

Subsidiary means a company (as defined by Section 735 of the Companies Act 1985) which is a subsidiary (as defined by Section 736 of the Companies Act 1985) for the time being of C.G.I.S. Group;

these presents means the Principal Deed and Schedules thereto, any deed expressed to be supplemental thereto and the Schedules (if any) thereto (including any deed constituting or securing any Further Stock), and any other deed or instrument conferring rights on the Trustee or to which it may be a party executed or entered into pursuant to the Principal Deed or any deed supplemental thereto; and

Trustee means Law Debenture Trustees Limited or other the trustee or trustees for the time being of these presents.



KPMG Audit Plc

38th Floor
1 Canada Square
Canary Wharf
London E14 5AG
United Kingdom

Tel +44 (0) 20 7311 1000
Fax +44 (0) 20 7311 4121
Telex 8811541 KPMGLO G
DX 38050 Blackfriars
E-mail andrew.marshall@kpmg.co.uk

The Directors
C.G.I.S. Littlehampton Limited
10 Upper Berkeley Street
London
W1H 7PE

Our ref agm/rf/592

Contact Andrew Marshall
020 7311 6456

08 April 2002

Dear Sirs

**Auditors' report to the directors of C.G.I.S. Littlehampton Limited ("the Company")
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated today in connection with the proposal that the Company should give financial assistance for the purchase of C.G.I.S. Group Limited's ordinary shares. We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

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

Yours faithfully

KPMG Audit Plc



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

KPMG Audit Plc is
registered to carry on audit
work by the Institute of
Chartered Accountants in

England and Wales.
Registered in England
No 3110745

Registered office
8 Salisbury Square
London EC4Y 8BB