

CHFP025

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

155(6)b

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L	-	+	-	+	-	

05459713

* Tunstall Group Holdings Limited

X We, the persons named in Appendix A attached hereto, being

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

The business of this company is

[illegible]

(b) [REDACTED]

[illegible]

(c) something other than the above §

This company is [the] ~~(X)~~ holding company of* Tunstall Telecom Limited
(Registered No. 01332249) (the "Assisting Company") _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] | _____

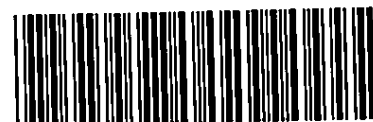
Presentor's name address and
reference (if any)

Dickson Minto W S
Royal London House
22-25 Finsbury Square
London EC2A 1DX

Tel 020 7628 4455
Ref TGHL-TTL1 xfd

For official Use
General Section

THURSDAY



A17RDYRB

A09

10/04/2008

349

COMPANIES HOUSE

Please do not
write in this
margin

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

The assistance is to be given to (note 2) DMWSL 590 Limited (Registered No. 6495661)
Royal London House, 22-25 Finsbury Square, London EC2A 1DX (the "Purchaser")

See Appendix C attached

† delete as appropriate

See Appendix D attached

The value of any asset to be transferred to the person assisted is £ N11

The date on which the assistance is to be given is See Appendix F attached

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

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

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

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

[illegible]

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~~

22/25 Finsbury Square, London

Day Month Year
on 03 04 2008

before me G. J. JENKINS
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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB**

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX A

- 1 Neil Duffy of 202 Cantley Lane, Doncaster, South Yorkshire DN4 6PA, and
- 2 James Peter Buckley of Barn House West Wold, off West Leys Road, Swanland
HU14 3PT

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX B

The number of shares which will be acquired is

- 800,000 A ordinary shares of £1 00 each,
- 131,589 B ordinary shares of £1 00 each; and
- 60,162,519 preference shares of £0 01 each.

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX C

All capitalised terms used in this Appendix C shall have the meanings given to them in Appendix G

The assistance will take the form of:

The execution, delivery and performance by the Assisting Company of its obligations under the following documents (and any documents relating thereto) to which the Assisting Company is to be a party, as the same may be amended, varied, supplemented or substituted from time to time

- (a) an accession agreement acceding to the terms of a guarantee and indemnity (the "**Senior Guarantee and Indemnity**") to be given under a senior facilities agreement dated 4 March 2008 (as amended or amended and restated from time to time) between DMWSL 591 Limited as Parent, the Original Borrower, the Original Guarantors, the Original Lender and The Royal Bank of Scotland PLC in its various capacities as Arranger, Facility Agent, Security Agent and Issuing Bank (the "**Senior Facilities Agreement**") pursuant to which each of the Guarantors will (i) guarantee the punctual performance by any Obligor (including the Purchaser) of all its obligations under the Finance Documents, which guarantee will extend to a guarantee by the Assisting Company of monies borrowed by any Obligor (including the Purchaser) for the purpose of acquiring the Target Shares and/or reducing or discharging the liabilities incurred by the Purchaser in order to acquire the Target Shares, and (ii) indemnify each Senior Finance Party immediately on demand against any cost, loss or liability suffered by that Senior Finance Party if any obligation guaranteed by it becomes unenforceable, invalid or illegal and incorporating accession (the "**Intercreditor Accession**") to an intercreditor deed dated 4 March 2008 and amended by a deed of amendment dated 19 March 2008 between DMWSL 591 Limited as Parent, the Original Borrowers and the Original Guarantors, the Intra-Group Creditors, the Investors, The Royal Bank of Scotland plc in its capacity as Facility Agent and Security Agent, The Royal Bank of Scotland plc as Mezzanine Facility Agent, the Hedge Counterparties and the Lenders (the "**Intercreditor Deed**"),
- (b) an accession agreement acceding to the terms of a guarantee and indemnity (the "**Mezzanine Guarantee and Indemnity**") to be given under an interim mezzanine facility agreement dated 4 March 2008 (as amended and restated on 18 March 2008 and as further amended or amended and restated from time to time) between DMWSL 591 Limited as Parent, the Original Borrower, the Original Guarantors, The Royal Bank of Scotland plc as Mandated Lead Mezzanine

Arranger, The Royal Bank of Scotland plc as Mezzanine Facility Agent and The Royal Bank of Scotland plc as Security Agent (the "**Mezzanine Facility Agreement**") pursuant to which each of the Guarantors will (i) guarantee the punctual performance by any Obligor (including the Purchaser) of all its obligations under the Mezzanine Finance Documents, which guarantee will extend to a guarantee by the Assisting Company of monies borrowed by any Obligor (including the Purchaser) for the purpose of acquiring the Target Shares and/or reducing or discharging the liabilities incurred by the Purchaser in order to acquire the Target Shares, and (ii) indemnify each Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Mezzanine Finance Party if any obligation guaranteed by it becomes unenforceable, invalid or illegal and incorporating the Intercreditor Accession,

- (c) a security accession deed (the "**Debenture Accession**") to a debenture dated 4 March 2008 between DMWSL 591 Limited, DMWSL 590 Limited and The Royal Bank of Scotland plc as Security Agent (the "**Debenture**") creating fixed and floating charges present and future over the property, assets and undertaking of the Assisting Company as security for the Indebtedness, and
- (d) a company intra-group loan agreement (the "**Whitewash Intra-Group Loan Agreement**") to be entered into between the Purchaser as borrower and the Assisting Company and certain other companies in the Group as lenders pursuant to which the Assisting Company will make available to the Purchaser a revolving credit facility to be used by the Purchaser, *inter alia*, in meeting its payment obligations under the Acquisition Documents and the Finance Documents and for other general corporate purposes of the Group

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX D

All capitalised terms used in this Appendix D shall have the meanings given to them in Appendix G

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

1. SENIOR GUARANTEE AND INDEMNITY

Under the terms of the Senior Guarantee and Indemnity, the Assisting Company irrevocably and unconditionally jointly and severally

- (a) guarantees to each Senior Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Senior Finance Documents,
- (b) undertakes with each Senior Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Senior Finance Document, the Assisting Company shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Senior Finance Party immediately on demand against any cost, loss or liability suffered by that Senior Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, the amount of the cost, loss or liability shall be equal to the amount which that Senior Finance Party would otherwise have been entitled to recover

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

Following an Event of Default which is continuing, a Senior Finance Party may set-off any matured obligation due and unpaid from an Obligor under the Senior Finance Documents (to the extent beneficially owned by that Senior Finance Party) against any matured obligation owed by that Senior Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Senior Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

Under the terms of the Intercreditor Accession, the Assisting Company (amongst other things)

- (a) will acknowledge and agree the ranking of the Debt and the Hedging Debt,
- (b) will covenant to pay to the Security Agent the Senior Debt and the Mezzanine Debt owed by it when the same falls due for payment; and
- (c) will not, and will procure that none of its Subsidiaries will, make, and no Intra-Group Creditor will receive, any payment or distribution of any kind whatsoever in respect or on account of the Intra-Group Debt and will not, and will procure that none of its Subsidiaries will, create or permit to subsist, and no Intra-Group Creditor will receive from any Group Company, any Security over any asset of any Group Company or give or permit to subsist any guarantee in respect of any part of the Intra-Group Debt, in each case without the prior consent of the Majority Senior Creditors (if on or before the Senior Discharge Date) and the Majority Mezzanine Lenders (if on or before the Mezzanine Discharge Date)

2. MEZZANINE GUARANTEE AND INDEMNITY

Under the terms of the Mezzanine Guarantee and Indemnity, the Assisting Company irrevocably and unconditionally jointly and severally

- (a) guarantees to each Mezzanine Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Mezzanine Finance Documents,
- (b) undertakes with each Mezzanine Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, the Assisting Company shall immediately on demand pay that amount as if it was the principal obligor, and
- (c) indemnifies each Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Mezzanine Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, the amount of the cost, loss or liability shall be equal to the amount which that Mezzanine Finance Party would otherwise have been entitled to recover

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

Following an Event of Default which is continuing, a Mezzanine Finance Party may set-off any matured obligation due from an Obligor under the Mezzanine Finance Documents (to the extent beneficially owned by that Mezzanine Finance Party) against any matured obligation owed by that Mezzanine Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in

different currencies, the Mezzanine Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

Under the terms of the Intercreditor Accession, the Assisting Company (amongst other things)

- (a) will acknowledge and agree the ranking of the Debt and the Hedging Debt,
- (b) will covenant to pay to the Security Agent the Senior Debt and the Mezzanine Debt owed by it when the same falls due for payment, and
- (c) will not, and will procure that none of its Subsidiaries will, make, and no Intra-Group Creditor will receive, any payment or distribution of any kind whatsoever in respect or on account of the Intra-Group Debt and will not, and will procure that none of its Subsidiaries will, create or permit to subsist, and no Intra-Group Creditor will receive from any Group Company, any Security over any asset of any Group Company or give or permit to subsist any guarantee in respect of any part of the Intra-Group Debt, in each case without the prior consent of the Majority Senior Creditors (if on or before the Senior Discharge Date) and the Majority Mezzanine Lenders (if on or before the Mezzanine Discharge Date)

3. DEBENTURE ACCESSION

Under the terms of the Debenture Accession

- (a) The Assisting Company as primary obligor covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Indebtedness when it falls due for payment,
- (b) The Assisting Company, as security for the payment of the Indebtedness, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest.
 - (1) by way of first legal mortgage all freehold and leasehold property (including the property specified in Schedule 2 of the Debenture) which is Material Property together with all buildings and fixtures (including trade fixtures) on that property,
 - (2) by way of first fixed charge
 - (i) all other interests (not charged under Clause 3 1(a) of the Debenture) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the

benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land,

- (ii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto,
 - (iii) all the Subsidiary Shares and Investments and all corresponding Distribution Rights,
 - (iv) all Book Debts and all rights and claims against third parties and against any security in respect of those Book Debts,
 - (v) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of those debts,
 - (vi) all monies standing to the credit of its accounts (including, for the avoidance of doubt, the Cash Collateral Accounts and the Collection Accounts) with any bank, financial institution or other person and all rights related to those accounts,
 - (vii) all its Intellectual Property,
 - (viii) the benefit of all consents and agreements held by it in connection with the use of any of its assets,
 - (ix) its goodwill and uncalled capital,
 - (x) if not effectively assigned by Clause 3.3 (Security Assignment) of the Debenture, all its rights and interests in (and claims under) the Assigned Agreements,
- (3) as further continuing security for the payment of the Indebtedness, the Assisting Company charges with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future assets not effectively charged by way of first fixed charge under Clause 3.1 (Fixed Charges) of the Debenture or assigned under Clause 3.3 (Security Assignment) of the Debenture
- (4) (i) as further security for the payment of the Indebtedness, the Assisting Company assigns absolutely with full title guarantee to the Security Agent all its rights, title and interest in the Assigned Agreements, provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Assisting Company re-assign the relevant rights, title and interest in the Assigned Agreements to the Assisting Company (or as it shall direct),

- (ii) until the occurrence of a Declared Default, but subject to Clause 8.8 (Assigned Agreements) of the Debenture, the Assisting Company may continue to deal with the counterparties to the relevant Assigned Agreements,
- (5) if
 - (i) a Declared Default has occurred, or
 - (ii) the Security Agent is of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy,

the Security Agent may, by notice to the Assisting Company, convert the floating charge created under the Debenture into a fixed charge as regards those assets which it specifies in the notice (which specified Floating Charge Assets shall be exclusively those assets which are the subject of the legal process or execution or which are in danger of seizure or in jeopardy), the Assisting Company shall promptly execute a fixed charge or legal assignment over those assets in the form which the Security Agent requires,

- (6) if the Assisting Company creates (or purports to create) any Security (except as permitted by the Senior Facilities Agreement and the Mezzanine Facility Agreement or with the prior consent of the Security Agent) on or over any Floating Charge Asset without the prior consent in writing of the Security Agent, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under the Debenture will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset,
- (7)
 - (i) there shall be excluded from the charge created by Clause 3.1 (Fixed Charges) of the Debenture and from the operation of Clause 5 (Further Assurance) of the Debenture any leasehold property held by the Assisting Company under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) the Assisting Company from creating any charge over its leasehold interest in that property (each an "Excluded Property") until the relevant condition or waiver has been satisfied or obtained,
 - (ii) for each Excluded Property, the Assisting Company undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of the Debenture and, in respect of each Excluded

Property which is a Material Property and which provides that the relevant third party will not unreasonably withhold its consent to charging, to use all reasonable endeavours to obtain that consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations;

- (iii) forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent under Clause 3.1 (Fixed Charges) of the Debenture; if required by the Security Agent at any time following receipt of that waiver or consent, the Assisting Company will forthwith execute a valid legal mortgage in such form as the Security Agent shall reasonably require,
- (8)
 - (i) there shall be excluded from the charge created by Clause 3.1 (Fixed Charges) of the Debenture and from the operation of Clause 5 (Further Assurance) of the Debenture any Intellectual Property in which the Assisting Company has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) the Assisting Company from creating any charge over its interest in that Intellectual Property (each an "Excluded Intellectual Property Right") until the relevant condition or waiver has been satisfied or obtained,
 - (ii) for each Excluded Intellectual Property Right, the Assisting Company undertakes to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of the Debenture and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations,
 - (iii) forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property Right shall stand charged to the Security Agent under Clause 3.1 (Fixed Charges) of the Debenture, if required by the Security Agent, at any time following receipt of that waiver or consent, the Assisting Company will forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall reasonably require,
- (9) the security created by the Debenture is to be a continuing security notwithstanding any intermediate payment or

settlement of all or any part of the Indebtedness or any other matter or thing,

- (10) the security created by the Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent and/or any other Secured Party may now or after the date of the Debenture hold for any of the Indebtedness, and the security may be enforced against the Assisting Company without first having recourse to any other rights of the Security Agent or any other Secured Party,
- (c) (1) subject to clause 27 33(a) of the Senior Facilities Agreement, the Assisting Company shall promptly (and at its own expense) do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s))
 - (i) to perfect the Security created or intended to be created under or evidenced by the Debenture or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the Secured Parties provided by and pursuant to the Debenture or by law,
 - (ii) to confer on the Security Agent or on the Secured Parties Security over any property or assets of the Assisting Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Debenture,
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by the Debenture, and/or
 - (iv) use its reasonable endeavours to deal with and satisfy any requisitions raised by the Land Registry,
- (2) subject to clause 27 33(a) of the Senior Facilities Agreement, the Assisting Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Debenture, and
- (d) Any Secured Party may set-off any matured obligation due from the Assisting Company under the Finance Documents (to the extent beneficially owned by that Secured Party) against any matured

obligation owed by that Secured Party to the Assisting Company, regardless of the place of payment, booking branch or currency of either obligation if the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

4. WHITEWASH INTRA-GROUP LOAN AGREEMENT

Under the terms of the Whitewash Intra-Group Loan Agreement, the Assisting Company provides loan funds up to a maximum amount of £800,000,000 to the Purchaser to be used by the Purchaser, *inter alia*, in meeting its payment obligations under the Acquisition Documents and the Finance Documents and for other general corporate purposes of the Group

5. ASSISTING COMPANY'S OBLIGATIONS

The Assisting Company's obligations as described above continue in relation to the Finance Documents as they may be amended, modified, varied or restated from time to time

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX E

The amount of cash to be transferred to the person assisted is any amount to be transferred by the Assisting Company to the Purchaser pursuant to the Whitewash Intra-Group Loan Agreement, subject to a maximum of £800,000,000

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX F

The date on which the assistance is to be given is on a date not more than eight weeks from the date of this statutory declaration

**TUNSTALL GROUP HOLDINGS LIMITED
(REGISTERED NO. 05459713)**

**APPENDICES TO FORM 155(6)b
IN RESPECT OF TUNSTALL TELECOM LIMITED**

APPENDIX G

DEFINITIONS

In this Form 155(6)a and all its appendices, the following terms shall have the following meanings

"Accession Letter" means a document substantially in the form set out in Schedule 7 (Form of Accession Letter) to the Senior Facilities Agreement,

"Acquisition Documents" means the Acquisition Agreement (as defined in the Senior Facilities Agreement), and any other document designated as an **"Acquisition Document"** by the Facility Agent and the Parent,

"Additional Borrower" means a company which becomes a Borrower in accordance with Clause 30 (Changes to the Obligors) of the Senior Facilities Agreement,

"Additional Debt" means in relation to any liability:

- (a) any refinancing, novation, deferral or extension of that liability,
- (b) any further advance made under any agreement supplemental to, or by way of amendment of, any relevant agreement in respect of that liability, plus all related interest, fees and costs,
- (c) any claim for damages or restitution in respect of that liability,
- (d) any claim against any Obligor as a result of any recovery by an Obligor or any other person of a payment or discharge in respect of that liability on the grounds of preference or otherwise, and
- (e) any amounts (such as post-insolvency interest) which would otherwise be included in that liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings,

"Additional Guarantor" means a company which becomes a Guarantor in accordance with Clause 30 (Changes to the Obligors) of the Senior Facilities Agreement or the equivalent clause of the Mezzanine Facility Agreement,

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company,

"Ancillary Documents" means each document relating to or evidencing the terms of an Ancillary Facility,

"Ancillary Facility" means any ancillary facility made available by an Ancillary Lender in accordance with Clause 9 (Ancillary Facilities) of the Senior Facilities Agreement,

"Ancillary Lender" means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 9 (Ancillary Facilities) of the Senior Facilities Agreement,

"Arranger" means RBS,

"Assigned Agreements" means the Acquisition Documents, the Hedging Agreements, the Structural Intra Group Loans, (each as defined in the Senior Facilities Agreement and/or Mezzanine Facilities Agreement) and any other agreement designated as an Assigned Agreement by the Parent and the Security Agent,

"Book Debts" means all book and other debts arising in the ordinary course of trading,

"Borrower" means the Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with the Senior Facilities Agreement,

"Cash Collateral Account" has the meaning given to it in the Senior Facilities Agreement and the Mezzanine Facility Agreement;

"Charging Companies" means the Parent, the Purchaser, the Company, the Assisting Company and certain of the Company's other subsidiaries and each other company which grants security over its assets in favour of the Security Agent by executing a deed of accession to the Debenture and **"Charging Company"** means any one of them,

"Collection Accounts" means the accounts of the Charging Companies set out in Schedule 5 to the Debenture and/or such other accounts as the Assisting Company and the Security Agent shall agree or (following the occurrence of a Declared Default) as the Security Agent shall specify,

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 9 (Form of Compliance Certificate) to the Senior Facilities Agreement;

"Creditor Accession Deed" means a deed substantially in the form set out in Schedule 2 (Creditor Accession Deed) to the Intercreditor Deed,

"Debt" means the Senior Debt, the Mezzanine Debt, the Intra-Group Debt and the Investor Debt,

"Declared Default" means an Event of Default which has resulted in the Facility Agent validly exercising any of its rights under clause 28 19 (Acceleration) of the Senior Facilities Agreement or the Mezzanine Agent exercising any of its rights under clause 24 19 (Acceleration) of the Mezzanine Facility Agreement,

"Distribution Rights" means all dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise),

"Enforcement Action" means

- (a) any action to demand payment, declare prematurely due and payable or otherwise seek to accelerate payment of or place on demand all or any part of any Debt,
- (b) any action to recover all or any part of any Debt (whether in cash or in kind and including by exercising any right of set-off or combination of accounts),

- (c) any action to exercise or enforce any security right against sureties or any other rights under any other document or agreement in relation to (or given in support of) all or any part of any Debt (including under the Transaction Security Documents or under any guarantee granted under the Finance Documents);
- (d) any action to petition, apply or vote for, or take any other steps which may lead to, an Insolvency Event,
- (e) any action to commence or join any legal or arbitration proceedings against any Group Company in relation to all or any part of any Debt, and
- (f) in relation to any Hedging Debt (in addition to any action referred to in paragraphs (a) to (e) (inclusive) above), any termination or close out of any hedging transaction under any Hedging Agreement before its originally stated maturity (except that settlement netting of scheduled payments under any Hedging Agreement in accordance with the original terms of that Hedging Agreement shall not constitute Enforcement Action),

but will not include.

- (a) any such action to sue, bring or support proceedings against a Group Company if and to the extent necessary to prevent the relevant Creditor from losing the right to sue, bring or support those proceedings by reason of the expiry of any statutory limitation period, or
- (b) any such action which is necessary to preserve the validity and/or existence of a claim against a Group Company (which may otherwise be lost), including the registration of that claim before any court or governmental authority,

"Event of Default" means any event or circumstance specified as such in Clause 28 (Events of Default) of the Senior Facilities Agreement or the equivalent clause of the Mezzanine Facility Agreement (as applicable),

"Facility" means a Term Facility or the Revolving Facility,

"Facility A" means Facility A1 and Facility A2,

"Facility A1" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2 1(a)(i) (the Facilities) of the Senior Facilities Agreement,

"Facility A2" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2 1(a)(u) (The Facilities) of the Senior Facilities Agreement,

"Facility B" means Facility B1 and Facility B2,

"Facility B1" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2 1(a)(iii) of the Senior Facilities Agreement,

"Facility B2" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2 1(a)(iv) of the Senior Facilities Agreement,

"Facility C" means Facility C1 and Facility C2,

"Facility C1" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2 1(a)(v) of the Senior Facilities Agreement,

"Facility C2" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2 1(a)(vi) of the Senior Facilities Agreement,

"Facility Agent" means RBS,

"Fee Letter" means

- (a) the fee letter dated 4 March 2008 between the Arranger and the Parent (or the Facility Agent and the Parent or the Security Agent and the Parent) setting out any of the fees referred to in clause 17 (Fees) of the Senior Facilities Agreement, and
- (b) any other agreement setting out fees payable to a Senior Finance Party referred to in clause 17 4 (Fees Payable in respect of Letters of Credit) of the Senior Facilities Agreement or Clause 17 5 (Interest, Commitment Commission and Fees on Ancillary Facilities) of the Senior Facilities Agreement or under any other Senior Finance Document,

"Finance Documents" means the Senior Finance Documents and the Mezzanine Finance Documents,

"Finance Parties" means the Senior Finance Parties and the Mezzanine Finance Parties,

"Floating Charge Asset" means an asset charged under clause 3 2 (Floating Charge) of the Debenture;

"Group" means the Parent and each of its subsidiaries for the time being;

"Group Company" means a member of the Group,

"Guarantor" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 30 (Changes to the Obligors) of the Senior Facilities Agreement or the equivalent clause of the Mezzanine Facility Agreement,

"Hedge Counterparty" means a provider of hedging arrangements which has entered into those arrangements in accordance with clause 27 30 (Treasury Transactions) of the Senior Facilities Agreement and which has become a party to the Intercreditor Deed as a Hedge Counterparty in accordance with the provisions of the Intercreditor Deed. For the avoidance of doubt this expression includes any person who was, at the time of entry into those hedging arrangements, but is no longer, a Lender or an Affiliate of a Lender,

"Hedging Agreements" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by any Obligor and a Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to the Term Facilities and the Mezzanine Facility in accordance with the Hedging Letter delivered to the Agent under clause 4 1 (Initial conditions precedent) of the Senior Facilities Agreement,

"Hedging Debt" means all money and liabilities now or in the future due or owing to any Hedge Counterparty by any Obligor under or in connection with any Hedging Agreement in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety,

together with all accruing interest, all related losses and charges and all related Additional Debt,

"Hedging Letter" means a letter between the Facility Agent and the Parent in the agreed form dated 4 March (and executed by the Parent) describing the hedging arrangements to be entered into in respect of the interest rate liabilities of the Borrowers of the Term Facilities under the Senior Facilities Agreement and the Mezzanine Facility,

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary,

"Incremental Facility" has the meaning given to that term in the Senior Facilities Agreement,

"Incremental Facility Document" has the meaning given to that term in the Senior Facilities Agreement,

"Indebtedness" means all money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor under any Finance Document at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor and all losses incurred by any Secured Party in connection therewith except for any money or liability which, if it were so included, would cause the infringement of section 151 of the Companies Act 1985,

"Insolvency Event" means in relation to any Obligor and in respect of paragraphs (e) to (h) below, a German Obligor

- (a) any resolution is passed or order or filing is made for the winding up, dissolution, administration or reorganisation of that Obligor,
- (b) that Obligor assigns its assets for the benefit of its creditors generally or enters into any composition or arrangement with its creditors generally,
- (c) the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of that Obligor or any of its assets, or
- (d) any event occurs in any country or territory in which that Obligor is incorporated or carries on business or to the jurisdiction of whose courts it is subject which corresponds in that country or territory with any of the events mentioned in paragraphs (a) to (c) (inclusive) above,
- (e) that German Obligor is over-indebted "*uberschuldet*" within the meaning of section 19 InsO or unable to pay its debts as they fall due "*zahlungsunfähig*" within the meaning of section 17 InsO, suspends making payments on all or a material part of its debts or announces an intention to do so,
- (f) that German Obligor commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or, for any of the reasons set out in sections 17 to 19 InsO,
- (g) that German Obligor files for insolvency "*Antrag auf Eröffnung eines Insolvenzverfahrens*" or the board of directors or management "*Vorstand oder Geschäftsführung*" of any such German Obligor is required by law to file for insolvency, or

- (h) the competent court takes any of the actions set out in section 21 InsO or the competent court institutes or rejects (for reason of insufficiency of its funds to implement such proceedings) insolvency proceedings against any German Obligor or "*Eroffnung des Insolvenzverfahrens*",

"Intellectual Property" means any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and all other intellectual property rights and interests, whether registered or unregistered and the benefit of all applications and rights to use such assets of each Obligor,

"Intra-Group Creditor" means DMWSL 591 Limited, DMWSL 590 Limited and any other Group Company which has entered into an Obligor Accession Letter,

"Intra-Group Debt" means any money or liabilities now or in the future due or owing to one Group Company by another Group Company in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principle or surety, together with all accruing interest, all related costs, charges and expenses and all related Additional Debt,

"Investment" means any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (whether or not marketable) whether owned directly by or to the order of the Assisting Company or by any agent, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Subsidiary Shares),

"Investor Debt" means all money and liabilities now or in the future due, owing or incurred to any Investor by any Group Company under or in connection with any Investor Document (including any dividends or other distributions) in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all accruing interest, all related costs, charges and expenses and all related Additional Debt,

"Investor Documents" means the Constitutional Documents, the Subordinated Topco Loan Agreement, the Parent Buyer Loan Note Documents (as each such term is defined in the Senior Facilities Agreement) and any other document or agreement providing for the payment of any amount by any Group Company to an Investor,

"Investors" means ,

- (a) DMWSL 592 Limited, and
- (b) each party that enters into a Creditor Accession Deed as a New Investor (as defined in that Creditor Accession Deed),

"Issuing Bank" means RBS,

"Lender" means any Original Lender and any bank, financial institution, trust, fund or other entity which has become a party to the Senior Facilities Agreement in accordance with Clause 29 (Changes to the Lenders) of the Senior Facilities Agreement which in each case has not ceased to be a party to the Senior Facilities Agreement in accordance with the terms of the Senior Facilities Agreement,

"Majority Mezzanine Lenders" has the meaning given to it in the Mezzanine Facility Agreement,

"Majority Senior Creditors" means

- (a) prior to the date on which Enforcement Action is taken in respect of any Transaction Security Document, the Majority Senior Lenders, and
- (b) on or after the date on which Enforcement Action is taken in respect of any Transaction Security Document, a Senior Finance Party or Senior Finance Parties whose Senior Credit Participations aggregate more than 66²/₃ per cent of the total Senior Credit Participations,

"Majority Senior Lenders" has the meaning given to **"Majority Lenders"** in the Senior Facilities Agreement,

"Material Property" means any freehold property and any leasehold property from time to time owned by a Charging Company which has a market value of more than £250,000 or could reasonably be expected to yield annual rental payments exceeding £25,000 or which the Security Agent (acting reasonably) deems is of strategic or operational significance to the Group or any leasehold property with a lease term of 21 years or more,

"Mezzanine Debt" means all money and liabilities due or owing at present or in the future to any Mezzanine Finance Party by any Obligor under or in connection with any Mezzanine Finance Document (including any Mezzanine Incremental Facility Commitments as defined in the Mezzanine Facility Agreement) in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all accruing interest, all related losses and charges and all related Additional Debt,

"Mezzanine Discharge Date" means the first date on which all Mezzanine Debt has been fully discharged and all commitments of the Mezzanine Finance Parties to the Obligors have expired in accordance with the Mezzanine Finance Documents,

"Mezzanine Facility" means the mezzanine loan facility made available under the Mezzanine Facility Agreement,

"Mezzanine Facility Agent" has the meaning given to that term in the Mezzanine Facility Agreement,

"Mezzanine Finance Documents" means the Mezzanine Facility Agreement, any accession letter under the Mezzanine Facility Agreement, any Mezzanine Transaction Security Document, the Intercreditor Deed, any fee letters setting out any of the fees referred to in the Mezzanine Facility Agreement, any utilisation request or request relating to the selection of an interest period for a utilisation under the Mezzanine Facility Agreement and any other document designated as a **"Mezzanine Finance Document"** or **"Finance Document"** by the Parent and the mezzanine agent under the Mezzanine Facility Agreement,

"Mezzanine Finance Parties" means the Mezzanine Finance Parties as defined in the Mezzanine Facility Agreement,

"Mezzanine Transaction Security Documents" means the Security Documents as defined in the Mezzanine Facility Agreement and all other documents creating or evidencing Security for the benefit of any Mezzanine Finance Party in respect of the obligations of any Obligor under any Mezzanine Finance Document,

"Obligor" means a Borrower or a Guarantor,

"Obligor Accession Letter" means a document substantially in the form set out in schedule 7 (Form of Accession Letter) to the Senior Facilities Agreement or schedule 7 (Form of Accession Letter) to the Mezzanine Facility Agreement or in such other

form as the Facility Agent or the Mezzanine Facility Agent (as appropriate) may agree,

"Original Borrower" means the Purchaser,

"Original Guarantors" means the Parent and the Purchaser,

"Original Lender" means RBS,

"Parent" means DMWSL 591 Limited (Registered No. 06495673) whose registered office is at Royal London House, 22-25 Finsbury Square, London EC2A 1DX,

"RBS" means The Royal Bank of Scotland plc of 36 St Andrew Square, Edinburgh EH2 2YB,

"Receiver" means a receiver and manager or (if the Security Agent so specifies in the relevant appointment) receiver in each case appointed under the Debenture,

"Resignation Letter" means a letter substantially in the form set out in Schedule 8 (Form of Resignation Letter) to the Senior Facilities Agreement,

"Revolving Facility" has the meaning given to that term in the Senior Facilities Agreement,

"Secured Parties" means the Finance Parties,

"Security" means a mortgage, charge, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect,

"Security Agent" means RBS,

"Selection Notice" means a notice substantially in the form set out in Part 2 of Schedule 3 (Requests) of the Senior Facilities Agreement given in accordance with Clause 15 (Interest Periods) of the Senior Facilities Agreement in relation to the Facilities,

"Senior Credit Participation" means, in relation to a Senior Finance Party, the aggregate of

- (a) its Commitments (if any) (including for this purpose its Ancillary Commitment (if any) (as each such term is defined in the Senior Facilities Agreement)), and
- (b) its Hedging Exposure (if any) (as that term is defined in the Intercreditor Deed),

"Senior Debt" means all money and liabilities due or owing at present or in the future to any Senior Finance Party by any Obligor under or in connection with any Senior Finance Document (including any Incremental Facility Commitments as defined in the Senior Facilities Agreement) in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all accruing interest, all related losses and charges and all related Additional Debt,

"Senior Discharge Date" means the first date on which all Senior Debt has been fully discharged and all commitments of the Senior Finance Parties to the Obligors have expired in accordance with the Senior Finance Documents,

"Senior Finance Documents" means the Senior Facilities Agreement, any Accession Letter, any Ancillary Document, the Whitewash Intra-Group Loan Agreement, any

Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Deed, any Resignation Letter, any Selection Notice, any Transaction Security Document, the Syndication Letter, any Utilisation Request, any Incremental Facility Documents and any other document designated as a "**Senior Finance Document**" by the Parent and the Facility Agent,

"**Senior Finance Parties**" means the Facility Agent, the Arranger, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty and any Ancillary Lender,

"**Senior Transaction Security Documents**" means the Transaction Security Documents as defined in the Senior Facilities Agreement and all other documents creating or evidencing Security for the benefit of any Senior Finance Party in respect of the obligations of any Obligor under any Senior Finance Document,

"**Subsidiary Shares**" means all shares owned by the Assisting Company in any subsidiaries (within the meaning of section 736 of the Companies Act 1985) including those listed in Schedule 3 of the Debenture;

"**Syndication Letter**" has the meaning given to that term in the Senior Facilities Agreement,

"**Target**" means Tunstall Group Holdings Limited (Registered No 05459713),

"**Target Shares**" means all of the shares of Target,

"**Term Facility**" means Facility A, Facility B, Facility C and any Incremental Facility,

"**Transaction Security Documents**" means the Senior Transaction Security Documents and the Mezzanine Transaction Security Documents, and

"**Utilisation Request**" means a notice substantially in the relevant form set out in Part 1A or Part 1B (as the context requires) of Schedule 3 (Requests) to the Senior Facilities Agreement



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The Directors
Tunstall Group Holdings Limited
Whitley Lodge
Whitley Bridge
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DN14 0HR

Our ref pm/nh/ap TGHL for TTL

Contact Peter Meehan
0121 232 3362

3 April 2008

Dear Sirs

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

We have examined the attached statutory declaration of the directors dated 3 April 2008 in connection with the proposal that Tunstall Telecom Limited, of which this company is the ultimate holding company, should give financial assistance for the purchase of the entire issued share capital of this company

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

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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

Yours faithfully

KPMG LLP

KPMG LLP
Registered Auditor