

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

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

For official use

Company number

1322200

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

Name of company

* Security Distribution Group Limited

* insert full name
of company

XWe See Attachment 1

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

† delete as appropriate

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

The business of the company is:

§ delete whichever
is inappropriate

[illegible]

(c) something other than the above§

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

~~XXXXXX~~ [company's holding company] The Gardiner Group Limited

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

The number and class of the shares acquired or to be acquired is: 110,527,309 Ordinary Shares of
£0.05 each

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

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

For official Use
General Section

Post room



LD4
COMPANIES HOUSE

0266
10/07/03

The assistance is to be given to: (note 2) Gardiner Group Europe Holding (UK) Limited (company number
4541361) of 65 Kingsway, London EC2B 6TD

Please do not
write in this
margin

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

The assistance will take the form of:

See Attachment 2

The person who ~~will acquire~~ will acquire the shares is:

† delete as
appropriate

Gardiner Group Europe Holding (UK) Limited

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

See Attachment 3

The amount of cash to be transferred to the person assisted is £ See Attachment 4

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 the date of this form

The assistance is to be given to: (note 2) Gardiner Group Europe Holding (UK) Limited (company number
4541361) of 65 Kingsway, London EC2B 6TD

Please do not
write in this
margin

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

The assistance will take the form of:

See Attachment 2

The person who ~~has acquired~~ (will acquire)† the shares is:

† delete as
appropriate

Gardiner Group Europe Holding (UK) Limited

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

See Attachment 3

The amount of cash to be transferred to the person assisted is £ See Attachment 4

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 the date of this form

Please do not
write in this
margin

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

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

☒ 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) ☒ 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 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 ☒ 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

Transpennine Trading Estate.
Rochdale

Declarants to sign below

52 ASHFIELD ROAD

A.P. C.M.

S.W. Somerville Smith

Day Month Year
on 3/10/01 6/01/03

before me

Caroline Tinsdale

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

SECURITY DISTRIBUTION GROUP LIMITED

Company Number 1322200

(the "Company")

Attachment 1 to Form 155(6)a

The directors of the Company:

Director

Address

Adrian Paul Connell

123 Doeford Close, Culcheth, Warrington, Cheshire, WA3
4DP

Hemant Trivedie

52 College Hill Road, Harrow Weald, Middlesex, HA3
7HE

David Dawson


6 Duxford Close, Headless Cross, Redditch,
Worcestershire, D97 5BW

Peter Joseph O'Toole

12 Aireburn Avenue, Keighley, West Yorkshire, BD2 6NH

James William Somerville Smith

3 Bollington Mill, Park Lane, Little Bollington, Cheshire,
WA14 4TG

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SECURITY DISTRIBUTION GROUP LIMITED

Company Number 1322200

Attachment 2 to Form 155(6)a

1.1 Guarantees

Guarantees and indemnities granted by the Company to:

- (a) the persons (the "**Senior Financiers**") providing Gardiner Group Europe Holding (UK) Limited ("**Newco**") and others with:
 - (i) senior term loan facilities of initially up to €45,000,000 and a multicurrency revolving credit facility of initially up to €15,000,000, pursuant to a senior facilities agreement dated 5 May 2003 as amended on or around the date of this form between, among others, Gardiner Group Europe (formerly known as Lisbonne Finance 3) ("**Topco**") and Natexis Banques Populaires (the "**Senior Agreement**"); and
 - (ii) interest rate hedging contracts and instruments (the "**Hedging Contracts**"); and
- (b) the persons (the "**Subordinated Financiers**") providing Topco with an underwriting facility in relation to the issue by Topco of initially up to €15,000,000 variable interest rate subordinated bonds due 2011, pursuant to an underwriting agreement dated 5 May 2003 as amended on or around the date of this form between, among others Topco and Natexis Banques Populaires (the "**Underwriting Agreement**").

The Senior Financiers and the Subordinated Financiers are together referred to as the "**Financiers**".

1.2 Security

Fixed and floating charges granted by the Company over all its assets and undertaking present and future, including fixed charges over shares held by it in certain of its subsidiaries, by way of security for (inter alia) its obligations under the guarantees and indemnities referred to in paragraph 1.1. above.

1.3 Priority

Priority and subordination arrangements entered into by the Company with (among others) the Financiers pursuant to an intercreditor agreement dated 5 May 2003 as amended on or around the date of this form (the "**Intercreditor Agreement**") and a priority agreement to be entered into on or after the date of this form (the "**Priority Agreement**").

1.4 Upstream Loan Facility

An intra-group loan facility granted by the Company along with certain other members of the group of companies of which it is a member in favour of Newco and Topco pursuant to an intra-group loan agreement dated on or after the date of this form (the "**Upstream Loan Agreement**").

1.5 Covenants and Indemnities

Covenants and indemnities granted by the Company in favour of the Senior Financiers pursuant to the Senior Agreement.

Handwritten signatures and initials:
 [Signature]
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 [Signature]
 [Signature]

SECURITY DISTRIBUTION GROUP LIMITED

Company Number 1322200

Attachment 3 to Form 155(6)a

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

1.1 Guarantees

The guarantees and indemnities referred to in paragraph 1.1 of Attachment 2 are recorded in a guarantee agreement subject to French law to be entered into by the Company on or after the date of this form and pursuant to which the Company:

- (a) as principal obligor unconditionally and irrevocably guarantees as a *caution solidaire*, due and punctual payment of monies owing (and performance and discharge of obligations undertaken) by it and other members of the group of companies of which it is a member (each a "**Group Company**") to the Financiers under the Senior Agreement, the Underwriting Agreement, the Hedging Contracts and certain other related documents (together the "**Finance Documents**");
- (b) waives irrevocably and expressly its rights of discussion and division as specified in Article 2021 and 2026 of the French Code *civil* and its rights under Article 2032 of the French Code *civil* without any prejudice of its rights to produce its claim in respect of the guarantee it has given against any other Group Company in any insolvency proceeding provided for in the French Code de Commerce;
- (c) undertakes not to sue any other Group Company in case of an extension of the time period for payment given by any Financier without its agreement and in consequence waives its rights under Article 2039 of the French Code *civil*;
- (d) undertakes not to invoke any deadline, or any other measure that could be imposed on the creditors of any other Group Company in the context of any insolvency proceedings;
- (e) waives the right to initiate any action, recourse (including personal recourse provided for in Article 2028 of the French Code *civil*) or other right (including the right to stipulated or legal substitution) that it could have under the guarantee against any other Group Company; and
- (f) agrees that its guarantee obligations will not be affected by any alterations in relations between the Group Companies and the Financiers.

1.2 Security

The security referred to in paragraph 1.2 of Attachment 2 is to be created by the Company executing:

- (a) a debenture (the "**Debenture**") in favour of Natexis Banques Populaires as security agent (the "**Security Agent**") for the Senior Financiers. By entering into the Debenture, the Company will (amongst other things):
 - (i) as primary obligor, covenant with the Security Agent that it will pay or discharge all outstandings under the Senior Agreement, the Hedging Contracts and certain related documents (the "**Senior Finance Documents**");

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and

- (ii) as beneficial owner and with full title guarantee, charge in favour of the Security Agent all its assets and undertakings by way of fixed and/or floating charges by way of security for the payment, discharge and performance of such outstandings;
 - (iii) undertake to, at its own expense, execute, deliver and do all such assurances, acts and things as the Security Agent may reasonably require for perfecting or protecting the security intended to be created by the Debenture over the assets secured thereby; and
 - (iv) permit the Security Agent and each Senior Financier to set off any matured obligation due and payable by the Company to the Security Agent or the Senior Financiers under the Senior Finance Documents against any matured obligation owed by the Security Agent or such Senior Financier (as the case may be) to the Company, whether or not such obligations are due in different currencies; and
- (b) a share charge agreement subject to Irish law (the "**Irish Share Charge**") in favour of the Security Agent as security agent for the Financiers. By entering into the Irish Share Charge, the Company will (amongst other things):
- (i) as primary obligor, covenant with the Security Agent that it will pay or discharge all outstandings under the Finance Documents;
 - (ii) as beneficial owner and with full title guarantee, charge in favour of the Security Agent all the shares held by it in certain of its subsidiary companies incorporated in the Republic of Ireland, together with all rights relating to such shares including to dividends and voting rights, by way of security for the payment, discharge and performance of such outstandings; and
 - (iii) undertake to, at its own expense, execute, deliver and do all such assurances, acts and things as the Security Agent may reasonably require for perfecting or protecting the security intended to be created by the Irish Share Charge over the assets secured thereby.

1.3 **Priority**

The priority and subordination arrangements referred to in paragraph 1.3 of Attachment 2 will be entered into by the Company executing:

- (a) an accession letter dated on or after the date of this form and so becoming a party to the Intercreditor Agreement. Pursuant to the Intercreditor Agreement the Company will (amongst other things) agree that it will not, except in certain permitted circumstances, make any payments to or give security or other financial support to certain of the Financiers as described in the Intercreditor Agreement; and
- (b) the Priority Agreement, pursuant to which the Company will (amongst other things) enter into certain priority and ranking arrangements in relation to the security granted by the Company and the other Group Companies in favour of the Financiers.

1.4 **Upstream Loan**

By executing the Upstream Loan Agreement referred to in paragraph 1.4 of Attachment 2, the Company, together with certain other Group Companies, will make available to Topco and Newco a revolving loan facility of up to €75,000,000 in aggregate plus interest to be used by Topco and Newco to make payments when due to (among others) the Financiers, but on the basis that the Company will only be obliged to make advances under the Upstream Loan Agreement if, inter alia, it has the cash

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resources and the Company is not in liquidation or administration or the subject of a creditor's voluntary arrangement.

1.5 Covenants and Indemnities under the Senior Agreement

The covenants and other obligations referred to in paragraph 1.5 of Attachment 2 will be entered into by the Company executing an accession letter dated on or after this form and so becoming a party to the Senior Agreement. Pursuant to the Senior Agreement the Company will:

- (a) give certain covenants and other obligations in favour of the Senior Financiers under which it will agree (among other things) not to make certain disposals in or incur financial indebtedness except as permitted by the terms of the Senior Agreement;
- (b) permit each Senior Financier to set off any matured obligation due and payable by the Company to the Senior Financier under the Finance Documents against any matured obligation owed by such Senior Financier to the Company, whether or not such obligations are due in different currencies; and
- (c) agree to indemnify the Senior Financiers for certain losses or liabilities suffered by any of them as a result of (amongst other things) any obligation owed to them under the Senior Finance Documents not being paid or performed on its due date.

1.6 Amendments

The 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.

G.
APC
H.T.
Jesse

SECURITY DISTRIBUTION GROUP LIMITED

Company Number 1322200

Attachment 4 to Form 155(6)a

The amount of cash to be transferred to the person assisted is all amounts lent from time to time by the Company under the Upstream Loan Agreement up to a maximum principal amount of €75,000,000 plus interest.

GP.
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6/0

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
Telephone +44 (0) 20 7583 5000
Facsimile +44 (0) 20 7822 4652

The Directors
Security Distribution Group Limited
25-27 Transpennine Trading Estate
Rochdale
OL11 2PX

30 June 2003

Dear Sirs

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

We have examined the attached statutory declaration of the directors of Security Distribution Group Limited ("the Company") dated 30 June 2003 in connection with the proposal that the Company should give financial assistance for the purchase of 110,527,309 of the ordinary shares of 5p each in the Company's holding company, The Gardiner Group Limited.

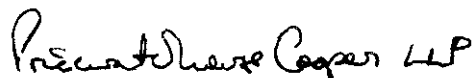
Basis of opinion

We have enquired into the state of the Company's affairs in order 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 LLP
Chartered Accountants and Registered Auditors