

CHFP025

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

155(6)b

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

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

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

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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2352435

Name of company

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

* The Hamleys Group Limited (formerly Hamleys plc)

* insert full name
of company

I/We ☐ See Appendix 1

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

† delete as appropriate

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

§ delete whichever
is inappropriate

The business of this company is:

(a) ~~XXXXXX a person who has been authorised to act on behalf of the directors of the company~~
(b) ~~XXXXXX a person authorised to act on behalf of the insurance companies from 1982 to carry on~~
~~XXXXXX insurance business in the United Kingdom~~
(c) something other than the above§

This company is [the] ~~the~~ holding company of* Hamleys Financial Services Limited
_____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____]

XX

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

Allen & Overy
One New Change
London
EC4M 9QQ

Ref: AWJB/BRD/BK:1130510.1/
43893-00001

For official Use
General Section

Post room



A07 *AGO
COMPANIES HOUSE

0417
08/12/03

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

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: The entire issued share capital of

the company being 23,740,354 Ordinary Shares of 5⁵/₈ pence.

The assistance is to be given to: (note 2) Soldier Limited

(whose registered office is at 2 Foubert's Place, London, W1F 7PA)

The assistance will take the form of:

See Appendix 2

The person who [has acquired] ~~will acquire~~ ^{XXXXXX} the shares is:
Soldier Limited

† delete as appropriate

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

See Appendix 3

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is Nil

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

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

Please do not
write in this
margin

The date on which the assistance is to be given is See Appendix 4

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

☒ 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) ☒ 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)
- (b) ~~XXXXXX 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)~~

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

2 Foubert Place
London W1

Declarants to sign below

La Pau
John Watkins

Day Month Year

on

28	11	2003
----	----	------

before me

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

RICHARD SAVILLE
95 Gresham St
London EC2V 7NA

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

The Hamleys Group Limited
Company Number 2352435
(the "Company")

Appendix 1

List of Directors

The names and addresses of all the Directors of the Company are as follows:

Ian Robert Parker
1 Seymour Road
London W4 5ES

John Dudley Watkinson
Fir Tree Cottage
36 West Perry
Huntingdon
Cambridgeshire PE18 0BX

This is the Appendix 1 referred to in the Form 155(6)b declared by the Directors of the Company on 28th November, 2003.

The Hamleys Group Limited
Company Number 2352435
(the "Company")

Appendix 2

Form which assistance will take

In this Statutory Declaration (including the appendices) the following expressions have, unless otherwise defined, the following meanings:

"Accession Letter" means a document substantially in the form set out in Exhibit D to the Senior Facilities Agreement.

"Additional Sponsor Funds" means the amount of cash invested in Topco by the Sponsor pursuant to the terms of the Shareholder Undertaking, either by way of equity subscription or loan.

"Additional Borrower" means a company that becomes an Additional Borrower in accordance with clause 23 (*Matters concerning the Borrowers*) of the Senior Facilities Agreement.

"Ancillary Facilities Lender" means National Westminster Bank plc.

"Ancillary Facilities Letters" means each of the letters in the agreed form entered into, or to be entered into, between an Ancillary Facilities Lender and any Facility C Borrower setting out the fees payable, and the terms and conditions on and subject to which the ancillary facilities are made available by such Ancillary Facilities Lender, to such Facility C Borrower.

"Bidco" means Soldier Limited (company number 4672637), a company incorporated under the laws of England and Wales with its registered office at 2 Foubert's Place, London W1F 7PA.

"Borrower" means Bidco or an Additional Borrower, unless such an Additional Borrower has ceased to be a Borrower under the Senior Facilities Agreement.

"Chargors" means the Company, Hamleys of London, The Bear Factory Limited, Hamleys Financial Services Limited, Hamleys Bear Investment Limited and Hamleys Properties Limited, and **"Chargor"** means any one of them.

"Dutch Share Pledge" means the pledge dated 13th August, 2003 between (among others) Hamleys of London and the Security Trustee in relation to shares in Hamleys B.V. (a Dutch incorporated company).

"Dutch Supplemental Share Pledge" means the second pledge over shares in the agreed form between Hamleys of London and the Security Trustee in relation to shares in Hamleys B.V. (a Dutch incorporated company).

"Facility C Borrowers" means Bidco and those Target Group members who accede to the Senior Facilities Agreement in such capacity pursuant to clause 23.2 (*Additional Borrowers*) of the Senior Facilities Agreement.

"Fee Letter" means the letter dated 17th June, 2003 between the Senior Arranger and Bidco (or the Senior Agent and Bidco) setting out any of the fees referred to in Clause 10 (*Fees*) of the Senior Facilities Agreement.

"Financial Assistance Subsidiaries" means Hamleys of London, The Bear Factory Limited, Hamleys Bear Investment Limited, Hamleys Financial Services Limited and Hamleys Properties Limited.

The Hamleys Group Limited
Company Number 2352435
(the "**Company**")

"Group" means Topco and its subsidiaries and the Target Group.

"Hamleys BV" means Hamleys BV, a company with limited liability incorporated under the laws of The Netherlands with company number 34091160 and registered office at Aankumstpassage 42 (1118 AX) Luchthaven Schipol (Schipol Airport).

"Hamleys of London" means Hamleys of London Limited.

"Hedging Documents" means the documents evidencing the hedging agreements.

"Hedging Lender" means The Royal Bank of Scotland plc.

"Intercreditor Agreement" means the intercreditor and security trust agreement dated 17th June, 2003 between, among others, Topco, Bidco, the Senior Finance Parties, the Mezzanine Finance Parties and the Security Trustee.

"Intra-Group Funding Agreement" means the loan agreement in the agreed form between the Company and certain of its subsidiaries as lenders and Bidco as borrower.

"LNG Issuer" means The Royal Bank of Scotland plc.

"Mezzanine Agent" means Íslandsbanki hf.

"Mezzanine Arranger" means Íslandsbanki hf.

"Mezzanine Facility Agreement" means the £10,320,000 mezzanine facility agreement dated 17th June, 2003 between, among others, Topco, Bidco, Íslandsbanki hf. and The Royal Bank of Scotland plc.

"Mezzanine Fees Letter" means the letter dated 17th June, 2003 between the Mezzanine Arranger and Bidco (or the Mezzanine Agent and Bidco) and any other letter setting out any of the fees referred to in Clause 10 (*Fees*) of the Mezzanine Facilities Agreement.

"Mezzanine Finance Documents" means the Mezzanine Facility Agreement, any Hedging Documents, any Mezzanine Fees Letter, and the Security Documents and any other document designated as such by the Mezzanine Agent and Topco.

"Mezzanine Finance Parties" means the Mezzanine Agent, the Mezzanine Arranger, the Mezzanine Lender, the Hedging Lender and the Security Trustee.

"Mezzanine Lender" means Íslandsbanki hf.

"Obligors" means each of Topco, Bidco, any other Borrowers, the Security Providers, and any other person (other than a Senior Finance Party or a Mezzanine Finance Party) from time to time party to a Senior Finance Document or a Mezzanine Finance Document, and **"Obligor"** means any one of them.

"Party" means a party to the Senior Facilities Agreement and includes its successors in title, permitted assigns and permitted transferees.

"Pledgee" means The Royal Bank of Scotland plc.

The Hamleys Group Limited
Company Number 2352435
(the "**Company**")

"Secured Documents" means the Senior Finance Documents and the Mezzanine Finance Documents.

"Secured Obligations" means, in respect of a Chargor, all moneys, obligations and liabilities covenanted to be paid or discharged by such Chargor pursuant to Clause 2 of the Target Group Debenture (as supplemented by the Target Group Supplemental Debenture).

"Security Documents" means (i) the Topco/Bidco Debenture, (ii) the Target Group Debenture, (iii) (when executed) the Target Group Supplemental Debenture, (iv) the Subordination Deed, (v) the Intercreditor Agreement, (vi) (when executed) the Intra-Group Funding Agreement, (vii) the Shareholder Undertaking, (viii) the Dutch Share Pledge, (ix) (when executed) the Dutch Supplemental Share Pledge, (x) the Sponsor Account Charge and (xi) any other document (a) creating a Security Interest or (b) containing a guarantee, in either case executed by a member of the Group, any affiliate or a member of the Group, or any shareholder of a member of the Group, in respect of amounts owing to a Senior Finance Party or a Mezzanine Finance Party under a Senior Finance Document or a Mezzanine Finance Document respectively.

"Security Interest" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment, trust arrangement, transfer of title by way of security for the purpose of providing security, or other security interest of any kind securing any obligation of any person or any other agreement or arrangement having similar effect (including title transfer and/or retention arrangements having a similar effect) and includes any agreement to create any of the foregoing.

"Security Provider" means each person that is from time to time party to a Security Document pursuant to which it grants a Security Interest over all or substantially all of its assets.

"Security Trustee" means The Royal Bank of Scotland plc.

"Senior Agent" means The Royal Bank of Scotland plc.

"Senior Arranger" means The Royal Bank of Scotland plc.

"Senior Facilities Agreement" means the £33,950,000 senior facilities agreement dated 17th June, 2003 between, among others, Bidco and The Royal Bank of Scotland plc.

"Senior Finance Documents" means the Senior Facility Agreement, the Ancillary Facilities Letters, any Hedging Documents, any Fee Letter, any Accession Letter, the Security Documents and any other document designated as such by the Senior Agent and Topco.

"Senior Finance Parties" means the Senior Agent, the Senior Arranger, the Senior Lender, the LNG Issuer, the Ancillary Facilities Lender, the Hedging Lender and the Security Trustee.

"Senior Lender" means The Royal Bank of Scotland plc.

"Shareholder Undertaking" means the undertaking dated 13th August, 2003 between Baugur Group hf, the Sponsor, Topco, Bidco and the Security Trustee.

"Sponsor" means BG Holding ehf, a private limited company incorporated in Iceland with registration number 520603-4330, whose office is at Túngata 6, 101 Reykjavik, Iceland.

The Hamleys Group Limited
Company Number 2352435
(the "Company")

"Sponsor Account Charge" means the deed dated 13th August, 2003 between the Sponsor and the Security Trustee.

"Subordination Deed" means the subordination deed dated 17th June, 2003 between Topco, Bidco, Baugur Group hf, the Sponsor and the Security Trustee in respect of (among other things) the subordination of, inter alia, the Additional Sponsor Funds, the Bidco articles of association, the Topco articles of association and the Topco-Bidco Loan Agreement.

"Target Group" means the Company and its subsidiaries from time to time.

"Target Group Debenture" means the debenture dated 13th August, 2003 between the Company, certain of its subsidiaries and the Security Trustee, as amended on 2nd September, 2003.

"Target Group Supplemental Debenture" means the deed in the agreed form to be entered into by the Company, certain of its subsidiaries and the Security Trustee.

"Topco" means Corporal Limited (Company No. 4615349) of 2 Foubert's Place, London W1F 7PA.

"Topco/Bidco Debenture" means a debenture entered into by each of Topco and Bidco in favour of the Security Trustee.

"Topco/Bidco Loan Agreement" means the loan agreement between Topco as lender and Bidco as borrower dated 17th June, 2003.

The assistance will take the form of the execution, delivery and performance by Hamleys Financial Services Limited of:

- 1) the Target Group Supplemental Debenture whereby Hamleys Financial Services Limited will, among other things, (a) covenant and guarantee to the Security Trustee to pay all monies and discharge all obligations and liabilities due owing or incurred to the Senior Finance Parties and the Mezzanine Finance Parties by it or any other Obligor under or pursuant to the Secured Documents and (b) will provide Security Interests over its assets in favour of the Security Trustee; and
- 2) the Intra-Group Funding Agreement whereby Hamleys Financial Services Limited agrees to provide facilities to Bidco in order for Bidco to repay amounts that become due under the Senior Facilities Agreement and the Mezzanine Facility Agreement.

This is the Appendix 2 referred to in the Form 155(6)b declared by the Directors of the Company on 28th November, 2003.

The Hamleys Group Limited
Company Number 2352435
(the "Company")

Appendix 3

Principal terms of the assistance given

All capitalised terms in this Appendix 3, unless the contrary intention appears, have the meanings given to them in Appendix 2.

By entering into the Target Group Supplemental Debenture, Hamleys Financial Services Limited will, amongst other things:

- 1) covenant that it will pay to the Security Trustee all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Senior Finance Parties and the Mezzanine Finance Parties or any of them including, without limitation, all moneys, obligations and liabilities due, owing or incurred under or pursuant to the Secured Documents;
- 2) irrevocably and unconditionally guarantee (a) the due performance by each other Obligor of all its obligations under or pursuant to the Secured Documents to which it is a party and (b) the payment of all moneys and discharge of all liabilities now or hereafter due, owing or incurred to the Senior Finance Parties and the Mezzanine Finance Parties or any of them including, without limitation, all moneys, obligations and liabilities due, owing or incurred under or pursuant to the Secured Documents by each Obligor;
- 3) irrevocably and unconditionally indemnify the Senior Finance Parties and the Mezzanine Finance Parties against any loss or liability arising from any failure of an Obligor to perform or discharge any purported obligation or liability or from any invalidity or unenforceability of any of the same against an Obligor;
- 4) as a continuing and further security for the discharge and payment of the Secured Obligations and with full title guarantee (a) charge to the Security Trustee by way of legal mortgage all freehold and leasehold property wheresoever situate now owned by the Company or in which the Company has an interest and (b) create fixed and floating charges (and other security) over all its other assets and undertakings (and all rights in respect thereof) in favour of the Security Trustee and in the manner described in clause 3 of the Target Group Debenture (subject to certain provisos); and
- 5) make certain representations to the Security Trustee.

By entering into the Intra-Group Funding Agreement, Hamleys Financial Services Limited will, amongst other things, agree to make advances to Bidco for the purposes of repaying amounts due under the Senior Facilities Agreement and the Mezzanine Facility Agreement (which amounts include moneys, obligations and liabilities incurred by Bidco for the purposes of the acquisition of the shares of the Company to which this Form relates).

This is the Appendix 3 referred to in the Form 155(6)b declared by the Directors of the Company on 28th November, 2003.

The Hamleys Group Limited
Company Number 2352435
(the "**Company**")

Appendix 4

Date on which assistance is to be given

On any date prior to eight weeks from the date of this Statutory Declaration.

This is the Appendix 4 referred to in the Form 155(6)b declared by the Directors of the Company on 28th November, 2003.



2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Tel +44 (0) 121 232 3332
Fax +44 (0) 121 232 3546
DX 709850 Birmingham 26

Private & confidential

The Directors
The Hamleys Group Limited
188-196 Regent Street
London
W1R 6BT

Our ref app/tsu/acm/aj/stat –
holding co

Contact Simon Purkess
0121 232 3033

28th November 2003

Dear Sirs

**Auditors' report to the directors of The Hamleys Group Limited ("the Company")
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 28th November 2003 in connection with the proposal that Hamleys Financial Services Limited, of which the Company is the holding company should enter into bank guarantees and provide security for acquisition debt assumed or to be assumed in relation to the acquisition of the entire issued share capital of The Hamleys Group Limited. 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
Registered Auditors



KPMG LLP
KPMG LLP, a UK limited liability partnership,
is a member of KPMG International,
a Swiss non operating association

Registered in England No OC301540
Registered office:
8 Salisbury Square,
London EC4Y 8BB