

# Declaration in relation to assistance for the acquisition of shares.

Please do not write in this margin

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

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207655

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

Name of company

\* Linread Limited

\*Insert full name of company

†We†

Please see Appendix 1 attached

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

§ Delete as appropriate

DA

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

The business of the company is:

† Delete whichever is inappropriate

DA

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

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~ †

(c) something other than the above †

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

DA

in the ~~company~~ [company's holding company] §

†

DA

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

The number and class of the shares acquired or to be acquired is:

Please see Appendix 2 attached

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

Freshfields Bruckhaus Deringer  
65 Fleet Street  
London EC4Y 1HS  
DX 23 LONDON/CHANCERY  
LANE  
HMH18

For official use  
General Section

Post room



LD5  
COMPANIES HOUSE

0161  
18/11/00

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

McKechnie Paxton Holdings Limited, McKechnie Holdings (UK) Limited, McKechnie Aerospace Holdings Limited, McKechnie EP Holdings Limited, McKechnie Investment Holdings and BlueAzure Limited of Leighswood Road, Aldridge, Wallsall, WS9 8DS

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:

Please see Appendix 3 attached

The person who [has acquired][will acquire]\* the shares is:  
BlueAzure Limited

\*Delete as  
appropriate

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

Please see Appendix 4 attached

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

Nil

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

Nil

The date on which the assistance is to be given is 7 November 2000

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

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

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

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

DA

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 Loughswan Road  
Aldridge WS9 8DS

Declarants to sign below

Day Month Year  
on 

07	11	2000
----	----	------

before me

DA  
A ~~Commissioner for Oaths or Notary Public or Justice of the Peace~~ of 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 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

**LINREAD LIMITED**  
**Company number 207655**

Andrew J Walker of The Brownsend, Bromsberrow, Gloucestershire, HRT8 1RX

Stuart G Moberley of Old Berrow Hill Farm, Feckenham, Worcestershire, B96 6QL

Derry K W Hanratty of Skallards Orchard, Kings End Road, Powick, Worcestershire,  
WR2 4RF

Robert M Gibbon of Cornerways, Rookery Lane, Lowsonford, Warwickshire,  
B95 5ER

Peter D Shepherd of 10 Mirfield Road, Solihull, West Midlands B91 1JD

*D. Allen  
Smith*

**LINREAD LIMITED**  
**Company number 207655**

Number and class of shares acquired or to be acquired is 107,891,245 Ordinary Shares  
of 25 pence each in the capital of McKechnie Limited;

*D. Allen  
S. Smith*

**LINREAD LIMITED**  
**Company number 207655**

- (a) the £410,000,000 senior facility agreement entered into on 5 August 2000 between Mozart A Limited, Mozart SP Limited, Mozart MH Limited and Mozart EP Limited as Borrowers, the Guarantors (as defined therein), Morgan Stanley Senior Funding, Inc., Deutsche Bank AG, UBS Warburg as Joint Lead Arrangers, Morgan Stanley Senior Funding, Inc., Deutsche Bank AG London and UBS AG as Original Banks and Morgan Stanley Senior Funding, Inc. as Facility Agent and Security Agent, to be acceded to by way of accession deed (the *Accession Deed*) by the Company and others as a Guarantor (the *Senior Facility Agreement*);
- (b) the £40,000,000 senior subordinated facility agreement entered into on 5 April 2000 between Mozart A Limited, Mozart SP Limited, Mozart MH Limited and Mozart EP Limited as Borrowers, the Guarantors (as defined therein), Morgan Stanley Senior Funding, Inc., Deutsche Bank AG, UBS Warburg as Joint Lead Arrangers, Morgan Stanley Senior Funding, Inc., Deutsche Bank AG London and UBS AG as Original Banks and Morgan Stanley Senior Funding, Inc. as Facility Agent and Security Agent to be acceded to by way of accession deed (the *Senior Subordinated Accession Deed*) by the Company and others as a Guarantor (the *Senior Subordinated Facility Agreement*);
- (c) the debenture to be entered into on or about 7 November 2000 by the Company and others (as chargors) and Deutsche Bank AG London (as Security Agent for the Finance Parties as defined therein) (the *Debenture*);
- (d) the intercreditor deed dated 5 August 2000 between the Mozart Jersey Holdings No. 1 Limited, the Obligors, the Original Senior Subordinated Finance Parties, the Original Equity Investors (each as defined therein) and Morgan Stanley Senior Funding, Inc. as Senior Agent, Senior Subordinated Agent and Security Agent, to be acceded to way of accession deed (the *Intercreditor Accession Deed*) by the Company and others as Obligors (the *Intercreditor Deed*); and
- (e) the obligation to enter into intra-group loans to each of the Borrowers (as defined in the Senior Facility Agreement and the Senior Subordinated Facility Agreement), McKechnie Investment Holdings and BlueAzure Limited pursuant to six intra-group loan agreements between the Company, McKechnie Limited and others and (in each case by separate agreement) each of the Borrowers, McKechnie Investment Holdings and BlueAzure Limited to be dated on or about 7 November 2000 (the *Intra-Group Loan Agreements*).

**LINREAD LIMITED**  
**Company number 207655**  
**(the Company)**

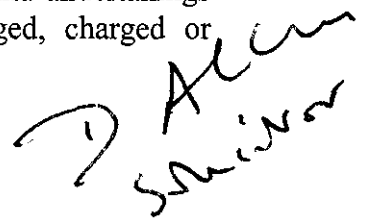
1. Under the terms each of the Senior Facility and Senior Subordinated Facility Agreement, the Company is to irrevocably and unconditionally.

- (a) guarantee to each Senior Finance Party and each Senior Subordinated Finance Party as a principal obligor the performance by each other Obligor of all its obligations under the Senior Finance Documents and the Senior Subordinated Finance Documents respectively and the payment when due by each other Obligor of all sums payable under the Senior Finance Documents and the Senior Subordinated Finance Documents respectively;
- (b) undertake with each Senior Finance Party and each Senior Subordinated Finance Party that if any of the Obligors fails to pay any of the indebtedness referred to in paragraph (a) above on its due date it shall pay that sum on demand; and
- (c) indemnify each Senior Finance Party and each Senior Subordinated Finance Party on demand against all losses, damages, costs and expenses incurred by such Senior Finance Party and each Senior Subordinated Finance Party arising as a result of any obligation of any Obligor under the Senior Finance Documents and the Senior Subordinated Finance Documents being or becoming unenforceable, invalid or illegal.

Defined terms used in the above paragraph are as defined in the Senior Facility Agreement.

2. Under the terms of the Debenture, the Company:

- (a) as security for the payment of all Liabilities (as defined in the Debenture), charges in favour of the Security Agent (for the benefit of itself and the other Finance Parties as defined therein) with full title guarantee all its assets and undertakings, both present and future, from time to time owned by the Company or (to the extent of its legal and beneficial interest therein) in which the Company is from time to time interested;
- (b) as a further security for the payment of the Liabilities, charges with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Finance Parties) by way of first floating charge all its assets and undertakings both present and future not otherwise effectively mortgaged, charged or assigned by way of security; and



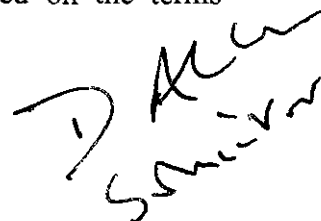
- (c) as a further security for the payment of the Liabilities, assigns by way of security to the Security Agent (for the benefit of itself and the other Finance Parties) all rights, title, interests and benefits present and future of the Company in, under or in respect of the Relevant Documents.

Defined terms used in the above paragraph are as defined in the Debenture.

3. The Intercreditor Deed sets out the priorities for the repayment of the Priority Senior Debt, the Senior Debt and the Senior Subordinated Debt, the Investor Debt and the Intra-Group Debt (each as defined in the Intercreditor Deed). The order of priority for repayment is as follows: firstly the Priority Senior Debt, secondly the Senior Subordinated Debt, thirdly the remainder of the Senior Debt, fourthly the Investor Debt and fifthly the Intra-Group Debt.

Defined terms in the above paragraph are as defined in the Intercreditor Deed.

4. Pursuant to the Intra-Group Loan Agreements, where any of the Borrowers (as defined in the Senior Facility Agreement and Senior Subordinated Facility Agreement), McKechnie Investment Holdings or BlueAzure Limited requires cash to service or repay debt incurred in financing the acquisition of McKechnie plc and to the extent that any of the Borrowers, McKechnie Investment Holdings or BlueAzure Limited considers that the most appropriate source of cash is surplus cash within the Company and that the most efficient way of obtaining that cash is via an intra-group loan between the Company and the Borrowers, McKechnie Investment Holdings or BlueAzure Limited, the Company will be obliged, on demand to make a loan to the Borrowers, McKechnie Investment Holdings or BlueAzure Limited on the terms detailed therein.

A handwritten signature in dark ink, appearing to read 'D. McKechnie', is located in the lower right quadrant of the page. The signature is written in a cursive, somewhat stylized font.





**ARTHUR ANDERSEN**

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

We have examined the attached statutory declaration of the directors of the Company dated 7 November 2000 in connection with the proposal that the Company should give financial assistance for the purpose of reducing or discharging the liability incurred in relation to the acquisition of 100% of the shares in its holding company, McKechnie Limited.

**Respective responsibilities of directors and auditors**

The Company's directors are responsible for the statutory declaration in accordance with applicable United Kingdom law. It is our responsibility as established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance, to review the bases for the declaration, based on our enquiries into the state of the Company's affairs, and to provide a report to the directors.

**Basis of opinion**

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

**Opinion**

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

*Arthur Andersen*

**Arthur Andersen  
Chartered Accountants**

1 Surrey Street  
London  
WC2R 2PS

7 November 2000