

G

CHA 116

COMPANIES FORM No. 155(6)b

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

155(6)b

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

For official use

Company number

--	--	--	--

403968

Name of company

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

* CONCENTRIC LIMITED

* insert full name
of company* insert name(s) and
address(es) of all
the directors

~~x~~/We ~~of~~ RONALD HICKMAN OF REVELSTOKE, GREENHILL, WOMBOURNE, WOLVERHAMPTON,
WEST MIDLANDS WV5 0LD, ROGER FREDERICK MILES OF 21 OAKLANDS AVENUE,
HARBORNE, BIRMINGHAM B17 9TU AND JOHN TOWERS OF TALL TREES, BOURTON
ON DUNSMORE, RUGBY, WARWICKSHIRE CV23 9QZ

† delete as
appropriate

~~the sole director~~ [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) that of a recognised bank licensed 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§

This company is [the] ~~a~~ holding company of* CONCENTRIC PUMPS LIMITED

_____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____

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

Dibb Lupton Alsop
Windsor House
Temple Row
Birmingham
B2 5LF
DX: 13022 BIRMINGHAM
Ref: 88 0215568

For official Use
General Section

Post room

A29 *AGUADJ0* 554
COMPANIES HOUSE 03/02/99

~~The assistance is for the purpose of [that acquisition] ~~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: 54,561,950

ORDINARY SHARES OF 10 PENCE EACH

The assistance is to be given to: (note 2) CONCENTRIC GROUP PLC (FORMERLY NEW SUTTON PLC)
WHOSE REGISTERED OFFICE IS WINDSOR HOUSE, TEMPLE ROW, BIRMINGHAM, B2 5LF

The assistance will take the form of:

SEE ATTACHED SCHEDULE 1

~~The person who [has acquired] ~~will acquire~~† the shares is:~~

CONCENTRIC GROUP PLC (FORMERLY NEW SUTTON PLC)

† delete as
appropriate

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

SEE ATTACHED SCHEDULE 2

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 22nd JANUARY 19 99 AY

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)

(a) ~~1~~ 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)

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

~~(b) It is intended to commence the winding up of this company within 12 months of that date, and ~~to~~ we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.* (note 3)~~

And ~~1~~ 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 COLESHILL ROAD
SUTTON COLDFIELD
WEST MIDLANDS B75 7AZ
the 22nd day of JANUARY
one thousand nine hundred and NINETY NINE

Declarants to sign below

before me Anthony P. McLarney

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

ANTHONY P. McLARNEY
PRACTISING SOLICITOR
AUTHORISED TO ADMINISTER 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
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Concentric Limited

Company Number: 403968

(the "Company")

Schedule 1

This is the document Schedule 1 referred to in the Statutory Declaration dated 27th JANUARY 1999.

In this Statutory Declaration (including Schedules 1 and 2), the following expressions have the following meanings:

"Chargee" means RBS;

"Concentric Group" means Concentric Group PLC (formerly New Sutton PLC);

"Encumbrance" has the meaning given to that term in the Senior Facilities Agreement;

"Finance Documents" means:

- (a) the Senior Facilities Agreement;
- (b) the Ancillary Facilities Letter, the Fees Letter, the Loan Note Guarantee, the FX Contracts and the Hedge Documents (each as defined in the Senior Facilities Agreement); and
- (c) the Security Documents;

"Finance Parties" means the Agent, the Arranger, the Banks, the Fronting Bank, the Ancillary Facilities Bank, the Hedge Counterparty, RBS as party to FX Contracts and the Security Trustee (all as defined in the Senior Facilities Agreement) and includes any transferee, assignor or successor to any of the same;

"Guarantee" has the meaning given to such term in the Target Group Debenture;

"Guaranteed Party" means the Companies (as defined in the Target Group Debenture), Concentric Group and each Subsidiary (if any) of Concentric Group which, pursuant to the terms of the Senior Facilities Agreement or the Mezzanine Loan Agreement becomes a party to any Secured Documents;

"Inter Company Loan Agreement" means the Inter Company Loan Agreement to be entered into between, among others, Concentric Group as Borrower and the Company as Lender (as defined therein);

"Intercreditor Agreement" means the Intercreditor Agreement dated 3rd August 1998 between (1) Concentric Group as Parent (2) RBS and others as Senior Creditors (3) RBSM and others as Junior Creditors (4) RBS as Security Trustee (each as defined therein), regulating priorities, ranking, subordination and payment in relation to the Senior Facilities Agreement;

"Intercreditor Deed of Accession" means the deed of accession to the Intercreditor Agreement to

be entered into by, among others, the Company;

"Mezzanine Loan Agreement" means a facilities agreement dated 3rd August 1998 between (1) Concentric Group (2) RBSM as Arranger (3) the financial institutions referred to in Schedule 1 thereof and (4) RBSM as the Agent pursuant to which the Lenders (as defined therein) made available to Concentric Group as an Acquisition Loan (as defined therein) in the principal sum of £16,000,000 to be used for the Acquisition Purposes (as defined therein) (the "Mezzanine Facility");

"Pumps" means Concentric Pumps Limited;

"RBS" means The Royal Bank of Scotland plc;

"RBSM" means RBS Mezzanine Limited;

"Security Documents" has the meaning given to that term in the Senior Facilities Agreement;

"Secured Documents" means the Finance Documents and the Mezzanine Loan Agreement;

"Secured Parties" means:

- (a) the Finance Parties; and
- (b) the Mezzanine Parties (as defined in the Mezzanine Loan Agreement);

"Senior Facilities Agreement" means a facilities agreement dated 3rd August 1998 between (1) Concentric Group (2) the Company (formerly Concentric PLC) and others as Borrowers (3) - (8) RBS as Arranger, Banks, Fronting Bank, Ancillary Facilities Bank, Hedge Counterparty and Agent pursuant to which the Banks (as defined therein) made available:

- (a) a term loan (the "Refinancing Facility") in the maximum principal amount of £18,000,000 and to be made available to the Company and used by the Company primarily to assist the Company to repay the Relevant Liabilities (as defined therein) and, subject to that, any excess to be used for general working capital purposes;
- (b) a guarantee and term loan facility (the "Loan Note Facility") of up to £35,000,000 to be made available to Concentric Group:
 - (i) by way of guarantee of the obligations of Concentric Group in respect of principal on the Loan Notes (as defined therein); and
 - (ii) by way of cash advances in order to assist Concentric Group to meet its obligations in respect of redemptions of the principal amount of the Loan Notes;
- (c) an acquisition term loan (the "Acquisition Term Facility") in an amount equal to the aggregate of (i) £2,000,000 and (ii) any amounts of the Loan Note Facility transferred to the Acquisition Term Facility in accordance with clause 4.2(c)(i) and (iii) of the Senior Facilities Agreement;
- (d) an acquisition revolving facility (the "Acquisition Revolving Facility") for the Acquisition Purposes (as defined therein) of up to the aggregate of any amounts of the Loan Note Facility transferred to the Acquisition Revolving Facility in accordance with clause 4.2(c)(ii) of the

Senior Facilities Agreement;

- (e) a revolving working capital facility (the "Working Capital Facility") of up to £10,000,000 to be used by the Working Capital Borrowers (as defined therein) for the general working capital purposes of the Group (as defined therein);

(The Refinancing Facility, Loan Note Facility, Acquisition Term Facility, Acquisition Revolving Facility and Working Capital Facility together being referred to as the "Senior Facilities");

"**Subsidiary**" has the meaning given to that term in the Senior Facilities Agreement;

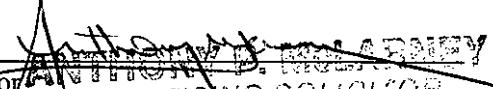
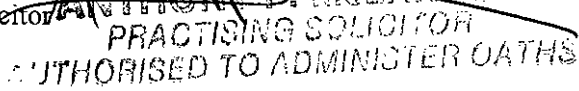
"**Supplemental Debenture**" means the supplemental debenture entered into between, among others, the Company as an obligor and RBS as Chargee, being supplemental to the Target Group Debenture;

"**Target Group Debenture**" means the composite guarantee and debenture dated 14th October 1998 and entered into by (1) the Company (2) the Original Charging Subsidiaries (as defined in the Senior Facilities Agreement) and (3) the Chargee.

The assistance will take the form of the execution, delivery and performance by the Company of:

- A the Supplemental Debenture under which the Company and Pumps, inter alia,
- (i) guarantee to the Chargee the payment of all monies and discharge of all obligations and liabilities due owing or incurred to the Secured Parties by them or by any other Guaranteed Party under or pursuant to the Secured Documents;
 - (ii) indemnify the Secured Parties in respect of any purported obligation or liability of any Guaranteed Party under or pursuant to the Secured Documents to the Secured Parties which is not or ceases to be valid or enforceable; and
 - (iii) create first fixed and floating charges and other security over all their assets in favour of the Chargee as security for the payment and discharge of its obligations under the Secured Documents including, without limitation, their guarantee of the Guaranteed Parties' obligations under the Secured Documents.
- B the Inter Company Loan Agreement under which the Company and Pumps would together with each of the other Lenders (as defined therein) make available to Concentric Group revolving credit facilities in the maximum aggregate principal amount of £75,000,000 to enable Concentric Group to discharge amounts outstanding by way of principal or interest under the Secured Documents or any agreements securing borrowings under the Secured Documents.
- C the Intercreditor Deed of Accession under which the Company and Pumps accede to the Intercreditor Agreement and acknowledge and agree to the regulating of priorities, ranking, subordination and payment in relation to the Senior Facilities Agreement and the Mezzanine Loan Agreement.

This is the Schedule 1 referred to in Form 155(6)(b) declared by the directors of the Company on January 1999 before me:

Signed 
Solicitor 

Concentric Limited

Company Number: 403968

(the "Company")

Schedule 2

This is the document Schedule 2 referred to in the Statutory Declaration dated 22nd January 1999.

All capitalised terms in this Schedule 2 shall have the meanings given to them in Schedule 1.

The principal terms in which the financial assistance will be given

A By entering into the Supplemental Debenture, the Company and Pumps (subject to compliance with sections 151-158 of the Companies Act 1985), inter alia:

- 1 covenant to pay to the Chargee all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by them to the Secured Parties or any of them including, without limitation, all monies, obligations and liabilities due, owing or incurred under or pursuant to the Secured Documents (together with the Guaranteed Obligations (as defined below) and the obligations referred to in 3 and 4 below, the "Secured Obligations");
- 2 irrevocably and unconditionally guarantee:
 - (i) the due performance by each Guaranteed Party of all its obligations under or pursuant to the Secured Documents to which it is a party; and
 - (ii) the payment of all monies and discharge of all liabilities now or hereafter due, owing or incurred to the Secured Parties or any of them including, without limitation, all monies obligations and liabilities due, owing or incurred under or pursuant to the Secured Documents by each Guaranteed Party (except any obligations or liabilities of such Guaranteed Party or Subsidiary as guarantor for the company concerned);

in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such monies, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Secured Parties or any of them or purchased or otherwise acquired by any of them; denominated in sterling or in any other currency, or incurred on any banking account or in any other manner whatsoever (the "Guaranteed Obligations");

- 3 undertake that if, for any reason, any such person referred to in clause 2(i) above fails to discharge any obligation or liability or pay any such monies such company will immediately on demand by the Chargee discharge such obligation or liability or, as the case may be, pay such monies to the Chargee;
- 4 irrevocably and unconditionally agree that if any purported obligation or liability of

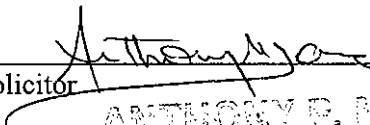
any Guaranteed Party which would have been the subject of its Guarantee had it been valid and enforceable is not or ceases to be valid or enforceable against such Guaranteed Party on any ground whatsoever whether or not known to the Secured Parties or any of them (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of such Guaranteed Party or any legal or other limitation, whether under the Limitation Acts or otherwise, any disability or incapacity or any change in the constitution of such Guaranteed Party) it shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and it were a principal debtor in respect thereof and the Company irrevocably and unconditionally agrees with the Chargee (as trustee for the other Secured Parties) to indemnify and keep indemnified the Secured Parties against any loss or liability arising from any failure of a Company to perform or discharge any such purported obligation or liability or from any invalidity or unenforceability of any of the same against a Company;

- 5 with full title guarantee as a continuing security for the payment and discharge of the Secured Obligations charge in favour of the Chargee all their assets and undertaking by way of fixed and floating charges by way of security for the same;
 - 6 will execute such further Encumbrances and assurances in favour or for the benefit of the Chargee and the other Secured Parties and do all such acts and things as the Chargee shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations or to perfect or protect the Chargee's security over the Charged Assets (as defined therein) or any part thereof or to facilitate the realisation of the same.
- B By executing the Inter Company Loan Agreement, the Company and Pumps (subject to compliance with sections 151-158 of the Companies Act 1985) will, together with each of the other Lenders (as defined therein) make available to Concentric Group revolving credit facilities of up to £75,000,000 to enable Concentric Group to discharge amounts outstanding by way of principal or interest under the Secured Documents or any agreement securing borrowings under the Secured Documents.
- C By executing the Intercreditor Deed of Accession and acceding to the Intercreditor Agreement, the Company and Pumps (subject to compliance with sections 151-158 of the Companies Act 1985) acknowledge and agree to the regulating of priorities, ranking, subordination and payment in relation to the Senior Facilities Agreement and the Mezzanine Loan Agreement.

This is the Schedule 2 referred to in Form 155(6)(b) declared by the directors of the Company on January 1999 before me:

Signed

Solicitor


ANTHONY P. MOLLOY
PRACTISING SOLICITOR
AUTHORISED TO ADMINISTER OATHS



AUDITORS' REPORT TO THE DIRECTORS OF CONCENTRIC LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors of Concentric Limited dated 22 January 1999 in connection with the proposal that Concentric Pumps Limited should give financial assistance for the purchase of the ordinary share capital of Concentric Limited.

Basis of Opinion

We have enquired into the state of Concentric Limited'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 is unreasonable in all the circumstances.

Deloitte & Touche

Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

Registered Auditors

22 January 1999