

155 (6)b

G

Declaration by the directors  
of a holding company 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

For official use

Company number

4013968

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

Name of company

\* CONCENTRIC LIMITED

\* insert full name  
of company

We of

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

Roger Miles of 21 Oaklands Avenue, Harborne, B17 9TU;

Robert Mitchell of 54 Somerset Road, Edgbaston, Birmingham, B15 2PD;

John Towers of Tall Trees, Bourton on Dunsmore, Rugby, Warwickshire; and

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 or financial institution within the meaning of the Banking Act 1979~~

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

(c) something other than the above §

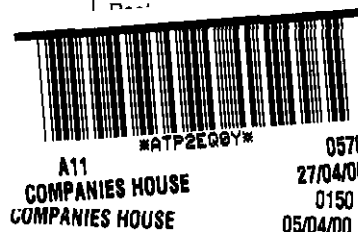
This company is [the] [a] holding company of \* Concentric Controls Limited  
(Company Number 671255) which is

proposing to give financial assistance in connection with the acquisition of shares in [this company]  
each relevant acquisition to the extent that it relates to shares in the Company

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

Wragge & Co  
55 Colmore Row  
Birmingham  
B3 2AS  
Ref: 1750956/dqh/#1816527

For official Use  
General Section



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

Ingleby (1268) Limited (Company number 3870489), Coleshill Road, Sutton Coldfield, West Midlands, B75 7AZ

See Clause 3 of the Summary

† delete as appropriate

See Clause<sup>2</sup> of the Summary

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



**FORM 155(a) and (b) FINANCIAL ASSISTANCE SUMMARY**

**1 Overview**

**1.1 Definitions**

For the purposes of sections 2 and 3 of the summary the following definitions shall have the following meanings:

**"Act"** means the Companies Act 1985 (as amended from time to time);

**"A CTA"** means the common terms agreement to be dated on or about the date of this Statutory Declaration to be entered into between A Newco and (subject to their accession) the A Group Targets (1) and The Royal Bank of Scotland PLC in its capacities as the Senior Arranger, the Senior Banks, the Ancillary Facilities Bank, the Hedge Counterparty and the Senior Agent (2) and RBS Mezzanine Limited in its capacities as the Mezzanine Arranger, the Mezzanine Lenders and the Mezzanine Agent (3) and The Royal Bank of Scotland PLC in its capacity as the Security Trustee (4) (the parties at (2), (3) and (4) being the **"A Finance Parties"**);

**"A Debenture"** means the composite guarantee and debenture to be dated on or about the date of this Statutory Declaration to be entered into pursuant to the De-Merger Framework Agreement; by A Newco and the A Group Targets (i) in favour of the A Security Trustee on behalf of the A Finance Parties as security (inter alia) for the A Facilities and (ii) in favour of the B Security Trustee on behalf of the B Finance Parties as security for the obligations of A Newco under the Residual Obligations Deed;

**"A Facilities"** means the financial facilities to be made available to A Newco and A Newco Group pursuant to the A Finance Documents which comprise in summary a £39,500,000 senior secured credit facility and a £10,000,000 mezzanine secured credit facility;

**"A Finance Documents"** means the A CTA, the A SFA and the A MFA;

**"A Group Targets"** means the Companies set out in Clause 5 and identified as such therein;

**"A MFA"** means the £10,000,000 mezzanine secured credit facility agreement to be dated on or about the date of this Statutory Declaration to be entered into between A Newco (1), and RBS Mezzanine Limited as the Mezzanine Arranger, the Mezzanine Lenders and the Mezzanine Agent (2);

**"A Newco"** means Ingleby (1267) Limited (No. 3870488);

**"A Newco Acquisition"** means the acquisition by A Newco of the entire issued share capitals of the A Group Targets pursuant to the Stage 2 Acquisition;

**"A Newco Group"** means A Newco and its subsidiaries after completion of the Stage 2 Acquisition;

**"A SFA"** means the £39,500,000 senior secured credit facilities agreement to be dated on or about the date of this Statutory Declaration to be entered into between A Newco (1), certain subsidiaries of A Newco as Working Capital Borrowers (2), and The Royal Bank of Scotland PLC as the Senior Arranger, the Senior Banks, the Ancillary Facilities Bank, the Hedge Counterparty and the Senior Agent;

**"A Subordination Deed"** means the agreed form subordination deed to be entered into between, among others, A Newco, the Investors, the Managers and the Security Trustee;

**"B CTA"** means the common terms agreement to be dated on or about the date of this Statutory Declaration to be entered into between B Newco and (subject to their accession) the B Group Targets (1) and The Royal Bank of Scotland PLC in its capacities as the Senior Arranger, the Senior Banks, the Ancillary Facilities Bank, the Hedge Counterparty and the Senior Agent (2) RBS Mezzanine Limited as the Mezzanine Arranger, the Mezzanine Lenders and the Mezzanine Agent (3) and The Royal Bank of Scotland PLC as the Security Trustee (4) (the parties at (2), (3) and (4) being the **"B Finance Parties"**);

**"B Debenture"** means the composite guarantee and debenture to be dated on or about the date of this Statutory Declaration to be entered into pursuant to the De-Merger Framework Deed B Newco and the B Group Targets (i) in favour of the B Security Trustee on behalf of the B Finance Parties as security (inter alia) for the B Facilities and (ii) in favour of the A Security Trustee on behalf of the A Finance Parties as security for the obligations of B Newco under the Residual Obligations Deed;

**"B Facilities"** means the financial facilities to be made available to B Newco and B Newco Group pursuant to the B Finance Documents which comprise in summary a £20,600,000 senior secured credit facility and a £3,000,000 mezzanine secured credit facility;

**"B Finance Documents"** means the B CTA, the B SFA and the B MFA;

**"B Group Targets"** means the Companies set out in Clause 5 and identified as such therein;

**"B MFA"** means the £3,000,000 mezzanine secured credit facility agreement to be dated on or about the date of this Statutory Declaration to be entered into between B Newco (1) and RBS Mezzanine Limited as the Mezzanine Arranger, the Mezzanine Lenders and the Mezzanine Agent (2);

**"B Newco"** means Ingleby (1268) Limited (No. 3870489);

**"B Newco Acquisition"** means the acquisition by B Newco of the entire issued share capitals of the B Group Targets pursuant to the Stage 2 Acquisition;

**"B Newco Group"** means B Newco and its subsidiaries after completion of the Stage 2 Acquisition;

**"Bidco"** means Concentric Group plc (No.3576117);

**"B SFA"** means the £20,600,000 senior secured credit facilities agreement to be dated on or about the date of this Statutory Declaration to be entered into between B Newco (1), certain subsidiaries of B Newco as Working Capital Borrowers (2) and The Royal Bank of Scotland PLC as the Senior Arranger, the Senior Banks, the Fronting Bank, the Ancillary Facilities Bank, the Hedge Counterparty and the Senior Agent (3);

**"B Subordination Deed"** means the agreed form subordination deed to be entered into between, among others, B Newco, the Investors (as defined therein) and the Security Trustee;

**"CHNY Acquisition Agreement"** means the agreement dated 9<sup>th</sup> March 2000 and made between the Bidco (1) and Newco (2) pursuant to which Newco acquired the entire issued share capitals of Concentric Limited, Norton Aluminium Products Limited, Henley Foundries Limited and Yorkshire Moulds Limited and **"CHNY Acquisition"** shall be construed accordingly;

**"De-Merger Framework Deed"** means the agreement dated on or around the date of this Statutory Declaration made between Ingleby (1266) Limited (as Newco Transferor) (1) the Original Chargors (2) Ingleby (1267) Limited (as A Newco) (3) Ingleby (1268) Limited (as B Newco) (4) The Royal Bank of Scotland plc (as Senior Arranger in respect of the Existing Facilities and the A and B Facilities) (5) the Banks and Financial Institutions whose names are set out in Schedule 1 of the Existing Senior Facilities Agreement as the Senior Banks in respect of the Existing Facilities and the A and B Facilities (6) The Royal Bank of Scotland plc (as Fronting Bank in respect of the Existing A Facilities and the B Facilities) (7) The Royal Bank of Scotland plc as the Ancillaries Facilities Bank in respect of the Existing Facilities and the A and B Facilities (8) The Royal Bank of Scotland plc as Hedge Counterparty (9) The Royal Bank of Scotland as the Senior Agent in respect of the Existing Facilities and the A and B Facilities (10) RBS Mezzanine Limited as the Mezzanine Arranger in respect of the Existing Facilities and the A and B Facilities (11) the financial institutions whose names are set out in Schedule 1 of the Existing Mezzanine Facility Agreement as Mezzanine Lenders in respect of the Existing Facilities and the A and B Facilities (12) RBS Mezzanine Limited as the Mezzanine Agent in respect of the Existing Facilities and the A and B Facilities (13) The Royal Bank of Scotland plc as the Security Trustee (in respect of the Existing Facilities and the A and B Facilities) (14) the persons set out in Schedule 5 to that agreement as the Managers (15) and the persons set out in Schedule 6 of that agreement as the Investors (16) relating to the Restructuring as defined therein;

**"Newco"** means Ingleby (1266) Limited (No. 3870486);

**"Newco Framework Deed"** means the agreement dated on or around the date of this Statutory Declaration made between Bidco (1) the Original Chargors (2)

Newco (3) The Royal Bank of Scotland plc (as the Senior Arranger) (4) the Banks and Financial Institutions named in Schedule 1 to the Senior Facilities Agreement referred to therein (5) The Royal Bank of Scotland plc (as Fronting Bank) (6) The Royal Bank of Scotland plc (as the Ancillary Facilities Bank) (7) The Royal Bank of Scotland plc as the Hedge Counterparty (8) the Royal Bank of Scotland plc (as the Senior Agent) (9) RBS Mezzanine Limited (as the Mezzanine Arranger) (10) the Financial Institutions named in Schedule 1 of the Mezzanine Loan Agreement referred to therein (11) RBS Mezzanine Limited as the Mezzanine Agent (12) The Royal Bank of Scotland plc as the Security Trustee (13) the persons set out Schedule 4 to the agreement and named as managers therein (14) and the persons set out in Schedule 5 therein and named as Investors (15) relating to the Restructuring as defined therein;

**"Newco Group"** means Newco and its subsidiaries;

**"Newco Parent Acquisition Agreement"** means the agreement dated 9<sup>th</sup> March 2000 made between Newco (1) and the shareholders of the Parent (referred to therein) (2) relating to the acquisition by Newco of the entire issued share capital of Bidco and **"Newco Parent Acquisition"** shall be construed accordingly;

**"the NHY Acquisition Agreement"** means the agreement dated 28<sup>th</sup> September 1999 and made between Original Target (1) and Bidco (2) pursuant to which Original Target sold the entire issued share capitals of Norton Aluminium Products Limited, Henley Foundries Limited and Yorkshire Moulds Limited to the Parent and **"NHY Acquisition"** shall be construed accordingly;

**"Newco"** means Ingleby (1266) Limited (no.3870486);

**"Newco Novated Liabilities"** shall have the meaning given in paragraph 2.2(a);

**"Original Acquisition"** means the acquisition by Bidco of the entire issued share capital of the Original Target pursuant to a take over offer under section 429 of the Act launched on or about 3 August 1999;

**"Original Acquisition Liabilities"** means all and any liability incurred by the Bidco in connection with the Original Acquisition;

**"Original Chargors"** means the Companies set out in Clause 4;

**"Original Senior Facilities Agreement"** means the £65,000,000 senior secured credit agreement dated 3<sup>rd</sup> August 1998 and made between (inter alia) Bidco(1) the Original Target and certain of its subsidiaries (2) and the Senior Banks (3)(as defined in the Newco Framework Deed) as supplemented and amended (inter alia) by the Newco Framework Deed;

**"Original Mezzanine Loan Agreement"** means the £16,000,000 mezzanine secured credit facility agreement dated 3<sup>rd</sup> August 1998 and made between Bidco (1) and (inter alia) the Mezzanine Lenders (as defined in the Newco Framework Deed) as novated and amended (inter alia) by the Newco Framework Deed;

**"Original Target"** means Concentric Limited (No.403968);

**"Relevant Acquisition"** means all or any of the Original Acquisition, the NHY Acquisition, the Newco Parent Acquisition, the CHNY Acquisition and the Stage 2 Acquisition;

**"Residual Obligations Deed"** means the Residual Obligations Deed to be dated on or about the date of this Statutory Declaration between the parties that are parties to the A CTA and the B CTA;

**"Stage 1 Restructuring"** means the debt and security restructuring contemplated by the Newco Framework Deed;

**"Stage 2 Acquisition"** means the A Newco Acquisition and/or (as the context requires) the B Newco Acquisition effected pursuant to the S110 Agreement;

**"Stage 2 Restructuring"** means the debt and security restructuring contemplated by the De-Merger Framework Deed;

**"subsidiary" and "subsidiaries"** shall have the meaning given in section 736 of the Act; and

**"Target Group Debenture"** means the guarantee and debenture dated 3<sup>rd</sup> August 1998 and made between, inter alia, Bidco (1) and the Security Trustee (2) as amended and supplemented by a Supplemental Debenture dated 22 January 1999 and made between, inter alia, Bidco (1), the Original Chargors (2) and the Security Trustee.

## 1.2 Background

- (a) In order to effect the Original Acquisition, Bidco incurred liabilities under the Original Senior Facilities Agreement and the Original Mezzanine Loan Agreement.
- (b) The liabilities incurred by Bidco as stated in paragraph 1.2(a) above were incurred (inter alia) in connection with the Original Acquisition and form part of the Original Acquisition Liabilities.
- (c) The liabilities of Bidco pursuant to the Original Senior Facilities Agreement and the Original Mezzanine Loan Agreement are guaranteed by the Original Chargors (pursuant to procedures carried out under Sections 155-158 of the Act on 22 January 1999), and are secured (inter alia) by fixed and floating charges, all under the Target Group Debenture
- (d) On 28<sup>th</sup> September 1999 pursuant to the NHY Acquisition Agreement the Original Target sold the entire issued share capitals of Norton Aluminium Products Limited, Henley Foundries Limited and Yorkshire Moulds Limited to Bidco the consideration therefor being left outstanding on intercompany loan account and payable by Bidco to the Original Target ("**the NHY Acquisition Debt**")



- (e) On 9<sup>th</sup> March 2000 Newco acquired the entire issued share capital of Bidco pursuant to the Newco Parent Acquisition Agreement and Newco provided a guarantee and debenture to secure the same liabilities as are referred to at paragraph 1.2(a) above ("**the Newco Security**")
- (f) On 9th March 2000 pursuant to the CHNY Acquisition Agreement Bidco sold the entire issued share capitals of the Original Target, Norton Aluminium Products Limited, Henley Foundries Limited and Yorkshire Moulds Limited to Newco the consideration therefor being left outstanding on intercompany loan account and payable by Newco to Bidco ("**the CHNY Acquisition Debt**")
- (g) By a Novation Agreements to be dated on or about the date of this Statutory Declaration, certain borrowings of Original Target under the Original Finance Documents have been novated to Bidco ("**the Original Target Novated Debt**") and certain borrowings of Bidco under the Original Finance Documents ("**the Bidco Novated Debt**") have been novated to Newco. The novation of the Original Target Novated Debt has discharged Bidco's liability for the NHY Acquisition Debt and the novation to Newco of the Bidco Novated Debt has discharged Bidco's liability for the CHNY Acquisition Debt.

## 2 Stage I Financial Assistance

- 2.1 The financial assistance will take the form of the entry into by the Company and the Company's subsidiaries as appropriate of the Newco Framework Deed.
- 2.2 The description of that financial assistance is as follows:
  - (a) Pursuant to clause 3.1, clause 3.4 and clause 3.5 of the Newco Framework Deed all liabilities of Bidco under the Original Senior Facilities Agreement, the Original Mezzanine Facilities Agreement and the Hedging Agreement (as defined in the Newco Framework Deed) as amended by the Newco Framework Deed (together "**the Original Finance Documents**") forming part of the Original Acquisition Liabilities (and including the Bidco Novated Debt and the Original Target Novated Debt) are to be novated to Newco (the "**Newco Novated Liabilities**").
  - (b) The Target Group Debenture does not secure the Newco Novated Liabilities accordingly, pursuant to clause 3.6 of the Newco Framework Deed, Bidco and each of the Original Chargors agrees to amend the Target Group Debenture in order that Bidco and the Original Chargors will
    - (i) guarantee the obligations of Newco under the Original Finance Documents in respect (inter alia) of the Newco Novated Liabilities;
    - (ii) provide rights of set-off in favour of the Senior Finance Parties and the Mezzanine Finance Parties in respect of all liabilities of

Newco under the Original Finance Documents including the Newco Novated Liabilities;

(iii) (iii)

(iv) to provide security for those guarantee obligations by way of fixed and floating charges over their entire respective assets and undertakings pursuant to the Target Group Debenture (as revised by clause 3.6 of the Newco Framework Deed),

(together "**the New Security**").

(c) The provision of the New Security by the Original Chargors constitutes financial assistance by them:

(i) in connection with the Original Acquisition in that pursuant to section 151(2) of the Act the New Security is provided for the purpose of reducing or discharging the liability of Bidco in respect of the Original Acquisition Liabilities;

(ii) under section 151(2) of the Act in respect of the NHY Acquisition Agreement in that the provision of the New Security facilitates the novation to Newco of such amount payable pursuant to the Original Finance Documents (and forming part of the Newco Novated Liabilities) as equals the NHY Acquisition Debt and discharges Bidco's liability for the NHY Acquisition Debt and such novations could not have occurred without the Original Targets signing the Newco Framework Deed and providing the New Security;

(iii) under section 151(1) of the Act in respect of the Newco Parent Acquisition in that the provision of the New Security assists Newco in its acquisition of the Original Target Group by permitting it to discharge the Newco Parent Acquisition Debt by assumption of the Newco Novated Liabilities and under section 151(2) of the Act in respect of the Newco Parent Acquisition in that it facilitates (a) the reducing and discharging inter alia of the Newco Novated Liabilities incurred in connection with the Newco Parent Acquisition by assumption of the Newco Novated Liabilities and (b) discharges Newco's obligation under the Newco Framework Deed to procure provision of the New Security;

(iv) under section 151(2) of the Act in respect of the CNHY Acquisition in that provision of the New Security facilitates the novation to Newco of the Newco Novated Liabilities which novation reduces or discharges the liability of Newco to pay the CNHY Acquisition Debt.

### 3 Stage 2 Financial Assistance

3.1 The financial assistance will take the form of the entry into by the Company and the Company's subsidiaries as appropriate of such of the following documents as they are to be party to:

- (a) the De-Merger Framework Deed;
- (b) the A CTA (and/or documentation acceding thereto);
- (c) the A Guarantee and Debenture;
- (d) the A SFA (and/or documentation acceding thereto);
- (e) the A MFA;
- (f) the A Subordination Deed;
- (g) the A Warrant;
- (h) the B CTA (and/or documentation acceding thereto);
- (i) the B Guarantee and Debenture;
- (j) the B SFA (and/or documentation acceding thereto);
- (k) the B MAF;
- (l) the B Subordination Deed;
- (m) the B Warrant;
- (n) the Residual Obligations Deed; and
- (o) the A Intra Group Loan Agreement and the B Intra Group Loan Agreement.

3.2 A description of that financial assistance in relation to paragraph 3.1(a)-(n) above is as follows:

- (a) The Newco Novated Liabilities constitute, as described in paragraph 2 above, liabilities incurred for the purpose of reducing or discharging the Original Acquisition Liabilities and, pursuant to clause 4 of the De-Merger Framework Deed, the Newco Novated Liabilities are to be novated:
  - (i) as to an amount of £38,625,077 and US\$8,250,000, to A Newco ("**the A Novated Debt**", which shall be regulated by the A Finance Documents); and
  - (ii) as to an amount of £28,679,688 and US\$11,851,799, to B Newco ("**the B Novated Debt**", which shall be regulated by the B Finance Documents),

and accordingly the liabilities of A Newco under the A Facilities and B Newco under the B Facilities shall include the Original Acquisition Liabilities.

- (b) The incidents of financial assistance are:
- (i) the liabilities of A Newco under the A Facilities including liabilities in respect of the A Novated Debt and under the Residual Obligations Deed will be guaranteed by the A Group Targets and be secured pursuant to the A Debenture which (inter alia) creates fixed and floating charges over the entire assets and undertakings of each of the A Group Targets as security (inter alia) for such guarantee obligations;
  - (ii) the liabilities of B Newco under the B Facilities including liabilities incurred in respect of the B Novated Debt and under the Residual Obligations Deed will be guaranteed by the B Group Targets and be secured by the B Debenture which (inter alia) creates fixed and floating charges over the entire assets and undertakings of each of the B Group Targets as security (inter alia) for such guarantee obligations;
  - (iii) the liabilities of the A Group Targets to the A Finance Parties under the A Finance Documents are subject to rights of set-off in favour of the A Finance Parties which rights of set-off may discharge the A Novated Debt ("**the A Set Off Rights**");
  - (iv) the liabilities of the B Group Targets to the B Finance Parties under the B Finance Documents are subject to rights of set-off in favour of the B Finance Parties which rights of set-off may discharge the B Novated Debt ("**the B Set Off Rights**");
  - (v) the A Group Targets will guarantee, and agree to assume liability in respect of, the liabilities of B Newco Group pursuant to clause 3.3 of the Residual Obligations Deed (such liabilities to include the A Novated Debt) ("**the A ROD Liability**");
  - (vi) the B Group Targets will guarantee, and agree to assume liability in respect of, the liabilities of A Newco Group pursuant to clause 4 of the Residual Obligations Deed (such liabilities to include the A Novated Debt) ("**the B ROD Liability**");
  - (vii) the A Group Targets will execute in favour of the A Finance Parties a facility letter relating to provision of ancillary facilities containing inter alia guarantees and rights of set-off which guarantees and rights of set-off will inter alia cover the A Novated Debt ("**the A Ancillary Rights**");
  - (viii) the B Group Targets will execute in favour of the B Finance Parties a facility letter relating to provision of ancillary facilities containing inter alia guarantees and rights of set-off which

guarantees and rights of set-off will inter alia cover the B Novated Debt ("**the B Ancillary Rights**");

- (ix) under clause 14 of the A CTA the A Group Targets agree to rights of set-off in favour of the Finance Parties which will permit the Finance Parties to apply A Group Targets credit balances in satisfaction of liabilities of A Newco which liabilities include the A Novated Debt ("**the A CTA Set Off**"); and
  - (x) under clause 14 of the B CTA the B Group Targets agree to rights of set-off in favour of the Finance Parties which will permit the Finance Parties to apply B Group Targets credit balances in satisfaction of liabilities of B Newco which liabilities include the B Novated Debt ("**the B CTA Set Off**").
- (c) The provision by the A Group Targets of the A Debenture, the A Set Off Rights, the A ROD Liability, the A Ancillary Rights and the A CTA Set Off and all other actions and documents referred to above (together "**the A Security**") and the provision by the B Group Targets of the B Debenture, the B Set Off Rights, the B ROD Liability, the B Ancillary Rights, and the B CTA Set Off and all other actions and documents referred to above (together "**the B Security**") constitute financial assistance by the A Group Targets in respect of the A Security and the B Group Targets in respect of the B Security as follows:
- (i) in relation to the Original Acquisition in that pursuant to section 151(2) of the Act provision of the A Security and the B Security reduces and discharges the liability of Newco in respect of the Newco Novated Liabilities which had in turn reduced or discharged the liability of Bidco in respect of Original Acquisition Liabilities;
  - (ii) in relation to the Newco Parent Acquisition in that pursuant to section 151(2) of the Act provision of the A Security and the B Security facilitates the discharge of the Newco Security provided by Newco in connection with the Newco Parent Acquisition;
  - (iii) in relation to the Newco Parent Acquisition in that pursuant to section 151(2) of the Act the provision of the A Security and the B Security assists Newco in reducing or discharging (inter alia) the Newco Novated Liabilities (which include the A Novated Debt and the B Novated Debt);
  - (iv) under section 151(2) of the Act in respect of the CNHY Acquisition in that the provision of the A Security and the B Security facilitates the novation to Newco of the Newco Novated Liabilities and accordingly the discharge by Newco of the consideration due to Bidco in respect of the CNHY Acquisition satisfied (inter alia) by the assumption by Newco of the Newco Novated Liabilities; and

- (v) in respect of the A Newco Acquisition and the B Newco Acquisition under sections 151(1) and (2) of the Act in that the provision of the A Security and the B Security assist in connection with, and reduce and discharge the obligation of, A Newco and B Newco respectively to procure the provision of the A Security and the B Security and under section 151(1) of the Act in that provision of the A Security and the B Security assists A Newco and B Newco respectively in relation to the A Newco Acquisition and the B Newco Acquisition as it facilitates the assumption by A Newco of the A Novated Debt and by B Newco of the B Novated Debt being a condition of the A Newco Acquisition and the B Newco Acquisition respectively.

3.3 In respect of the financial assistance referred to at paragraph 3.1(o) above:

- (a) The A Group Targets will provide an upstream loan facility to A Newco pursuant to an agreement between the A Group Targets (as Lenders) (1) and A Newco (as borrower)(2) ("**the A Intra-Group Loan Agreement**") such loans to be used by A Newco to reduce or discharge inter alia the A Novated Debt. This is financial assistance under sections 151(2) of the Act in that it reduces and discharges the liability of A Newco to service the A Novated Debt the assumption of which was a condition of the A Newco Acquisition and the Stage 2 Restructuring.
- (b) The B Group Targets will provide an upstream loan facility to B Newco pursuant to an agreement between the B Group Targets (as Lenders)(1) and B Newco (as Borrower)(2) ("**the B Intra-Group Loan Agreement**") such loans to be used by B Newco to reduce or discharge inter alia the B Novated Debt. This is financial assistance under section 151(2) of the Act in that it reduces and discharges the liability of B Newco to service the B Novated Debt the assumption of which was a condition of the B Newco Acquisition and the Stage 2 Restructuring.
- (c) Pursuant to clause 7.2.6 of the A CTAA Newco agrees to procure provision of funding from the A Group Targets by way of upstream loan to A Newco such loans to be used to discharge inter alia the A Novated Debt ; the execution by the A Group Targets of the A Intra-Group Loan Agreement will discharge the liability of A Newco to procure this and will constitute financial assistance by the A Group Targets under section 151(2) of the Act.
- (d) Pursuant to clause 7.2.6 of the B CTA BNewco agrees to procure the provision of funding from the B Group Targets by way of upstream loan to B Newco such loans to be used to discharge inter alia the B Novated Debt; the execution by the B Group Targets of the B Intra-Group Loan Agreement will discharge the liability of B Newco to procure this and will constitute financial assistance by the B Group Targets under section 151(2) of the Act.

#### Clause 4

#### The Original Chargors

Name	Registered Number	Registered Office
Complete Parts Limited Sutton Coldfield West Midlands B75 7AZ	1909947	Coleshill Road
Concentric Controls Limited Aston Birmingham B5 7LH	671255	Priory Road
Concentric Overseas Limited Sutton Coldfield West Midlands B75 7AZ	1243259	Coleshill Road
Concentric Limited Sutton Coldfield West Midlands B75 7AZ	403968	Coleshill Road
Concentric Pumps Limited Tyburn Road Birmingham B24 8HW	671254	Gravelly Park
Delta Controls Limited Island Farm Avenue West Molesey Surrey KT8 2UZ	486464	Deltrol Works
Henley Foundries Limited Halesowen West Midlands B63 2SB	326063	Banners Lane
Norton Aluminium Products Limited Cannock Staffs	505253	Norton Canes
Truflo Air Movement Limited Tipton West Midlands D74 8UG	3404056	Station Street
Yorkshire Moulds Limited	437614	Armitage Road Brighouse West Yorkshire MD6 1QF

## Clause 5

### A and B Group Targets

#### A Group Targets

<u>Name</u>	<u>Registered</u>	<u>Registered Office</u>
Complete Parts Limited	1909947	Coleshill Road Sutton Coldfield West Midlands B75 7AZ
Concentric Overseas Limited	1243259	Coleshill Road Sutton Coldfield West Midlands B75 7AZ
Concentric Pumps Limited	671254	Gravelly Park Tyburn Road Birmingham B24 8HW
Truflo Air Movement Limited	3404056	Station Street Tipton West Midlands D74 8UG

#### Part B

#### B Group Targets

<u>Name</u>	<u>Registered Number</u>	<u>Registered Office</u>
Concentric Limited	4033968	Coleshill Road Sutton Coldfield West Midlands B75 2AZ
Concentric Controls Limited	671255	Priory Road Aston Birmingham B5 7LH
Delta Controls Limited	486464	Deltrol Works Island Farm Avenue West Molesey Surrey KT8 2UZ
Norton Aluminium Products Limited	505253	Norton Canes Cannock Staffs

223



Henley Foundries Limited

326063

Banners Lane  
Halesowen  
West Midlands  
B63 2SB

Yorkshire Moulds Limited

437614

Armitage Road  
Brighouse  
West Yorkshire  
MD6 1QF

MS

NW2

**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 (the 'Statutory Declaration') of the directors of Concentric Limited ('the Company') dated 24 March 2000 in connection with the proposal that the Company should give financial assistance as set out in Schedule's A and B of the Statutory Declaration.

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.

*Ernst & Young*

Ernst & Young  
Registered Auditor  
Birmingham  
24 March 2000