

CHFP025

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 lettering**

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

For official use

Company number

03827839

Name of company

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

* Harrington Consumer Products Limited

* insert full name
of company

XWe 8 Martyn Cuthbert Bishop, Corner Farm, Leverstock Green, Hemel
Hemstead, Hertfordshire, HP3 8LA

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

Anthony John Orvis, New House, Manor Farm Lane, Essendene, Stamford,
Lincolnshire, PE9 4LA

† 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:

[illegible]

(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1938 to carry on

[illegible]

(c) something other than the above§

This company is ~~not~~ [a] holding company of* Sundora Foods Limited

which is

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

in ~~XXXXXXXXXXXX~~ JLI Group Limited

the holding company of this company.]t

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

SJ Berwin
222 Gray's Inn Road
London
WC1X 8XF
DX255 London

For official Use
General Section



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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: 38,993,996 ordinary shares of 20 pence each

The assistance is to be given to: (note 2) Harrington Food Group Limited (the "Parent")
Marsh Lane, Boston, Lincolnshire, PE21 7SJ

The assistance will take the form of:

See attached Rider A to this Form

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

† delete as appropriate

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

See attached Rider B to this Form

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 £ See attached Rider C to this Form.

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

Within 8 weeks of the date her eof

~~X~~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) ~~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) It is intended to commence the winding up of the company with 12 months of that date, and the date termed the option to sell the company will be able to pay its debts in full on the commencement of the winding up.* (note 3)

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 London WC1X 8XF

Declarants to sign below

on

Day	Month	Year
04	08	2003

before me MIA FORBES PIRIE Mia Forbes Pirie

~~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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

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Harrington Consumer Products Limited

Company Number 03827839

RIDER A TO FORM NO. 155(6)b

The financial assistance will take the form of:

The execution and delivery by the Subsidiary of the following documents as the same may be varied:

- (i) a debenture (the "Debenture"), to be entered into by the Subsidiary in favour of the New Bank. By virtue of the Debenture, the Subsidiary will covenant to pay to the New Bank all sums of money and discharge all liabilities which it may now or at any time in the future owe to the New Bank and grant fixed and floating charges over substantially all of the Subsidiary's property, assets and undertakings;
- (ii) an inter-company cross-guarantee (the "Inter-Company Cross Guarantee") to be entered into by the Subsidiary, among others, and the New Bank. By virtue of the Inter-Company Cross Guarantee, the Subsidiary unconditionally and irrevocably guarantees to the New Bank that all Customer Obligations will be paid or satisfied in accordance with the terms applicable to them;
- (iii) a chattel mortgage (the "Chattel Mortgage") to be entered into by the Subsidiary and the New Bank. By virtue of the Chattel Mortgage the Subsidiary charges and assigns in favour of the New Bank with full title guarantee the plant, machinery, chattels or other equipment together with any parts thereof and all additions, alterations, accessions, replacements and renewals of component parts thereto as security for the discharge of its obligations to the New Bank
- (iv) the intra-group loan agreement (the "Intra-Group Loan Agreement") to be entered into by Harrington Food Group Limited (the "Parent") as borrower and certain other Group Companies including the Subsidiary together as lenders, the proceeds of which shall be used among other things by the Parent to meet its payment obligations to the New Bank under the New Facilities Agreement;
- (v) an intercreditor agreement (the "Intercreditor Agreement") to be entered into by, amongst others, the New Bank, the Parent and certain Group Companies including the Subsidiary in respect of regulating the priorities between such parties.
- (vi) the working capital facility letter (the "WCF Letter") to be entered into by the New Bank, the Subsidiary and certain UK subsidiaries pursuant to which the New Bank will provide certain working capital facilities to the Parent and certain UK subsidiaries, including the Subsidiary;
- (vii) the letter of support (the "Letter of Support") to be delivered by the Parent to the Subsidiary as one of the "Intra-Group Lenders" in connection with the Intra-Group Loan Agreement, whereby the Parent confirms that it would support the Subsidiary financially in respect of its working capital requirements;
- (viii) the invoice discounting agreement (the "Invoice Discounting Agreement") to be entered into by the Subsidiary and the New Bank containing the terms and conditions upon which the New Bank would make available an invoice discounting facility.

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Harrington Consumer Products Limited

Company Number 03827839

RIDER B TO FORM NO. 155(6)b

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

1 Under the Debenture:

- 1.1 As security for the payment and discharge of the Debenture Secured Obligations and all other sums and liabilities owed under the Debenture, the Subsidiary with full title and guarantee charges to the New Bank:
- (a) by way of legal mortgage the property (particulars of which are set out in Box B (of the Debenture)) together with all buildings and fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property and all rights in respect of that property;
 - (b) by way of fixed charge all other (if any) freehold and leasehold property of the Subsidiary were required before or after the date of the Debenture together with all buildings and fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property and all rights in respect of that property;
 - (c) by way of fixed charge all (if any) plant, machinery, vehicles, computers and office and other equipment of the Subsidiary particulars of which are set out in the Box C (of the Debenture) together with the benefit of all relevant contracts, warranties and maintenance arrangements;
 - (d) by way of fixed charge all other (if any) plant, machinery, vehicles, computers and office and other equipment of the Subsidiary) together with the benefit of all relevant contracts, warranties and maintenance arrangements;
 - (e) by way of fixed charge, the Debenture Debts;
 - (f) by way of fixed charge the Bank Debts;
 - (g) by way of fixed charge the goodwill and any uncalled capital of the Subsidiary broken down at any time in the future;
 - (h) by way of fixed charge all stock, shares, bonds and other securities whether marketable or not, and all other interests (including but not limited to loan capital) of the Subsidiary with any company or other person now or at any time in the future together with all related dividends and other rights;
 - (i) by way of fixed charge, patent applications, trade marks and service marks (whether registered or not) trade mark applications, service mark applications, trade names, registered designs, design rights, copyrights, computer programmes, know-how and trade secrets and all other industrial or intangible property or rights and all licences, agreements and ancillary and connected rights relating to, intellectual and intangible property of the Subsidiary now and in the future;
 - (j) by way of floating charge, the Subsidiary's undertaking and all its property, assets and rights whatsoever now and in the future other than any property or assets from time to time effectively charged by legal mortgage, fixed charge or assignment pursuant to paragraphs 3.1.1 to 3.1.9 (inclusive) (of the Debenture).

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- 1.2 Each of the charges created under paragraph 3.1 (of the Debenture) (and listed above at point 1.1) shall be a first charge and where appropriate, shall extend to the proceeds of sale of the relevant Charged Assets.
- 1.3 The New Bank may at any time by giving the Subsidiary notice in writing convert the floating charge over any assets specified in the notice into a fixed charge.
- 1.4 The Debenture and Subsidiary's liabilities under it will arise and continue regardless of whether not:
- (a) the Debenture Secured Obligations have from time to time increased or decreased or reduced to nil;
 - (b) the New Bank has made a previous demand or the Subsidiary has made a previous payment;
 - (c) the New Bank takes any security, guarantee or other similar obligation in relation to the Debenture Secured Obligations or, when taken, the same is enforceable for any reason;
 - (d) the New Bank enforces or declines to enforce or releases or discharges or varies any security, guarantee or other similar obligation in relation to the Debenture Secured Obligations.

2 Under the Inter-Company Cross Guarantee:

- 2.1 The Subsidiary unconditionally and irrevocably guarantees to the New Bank that all Customer Obligations will be paid or satisfied in accordance with the terms applicable to them.
- 2.2 If the New Bank demands payment from the Subsidiary in respect of the liability under the Guarantee, the Guarantor will pay to the New Bank the amount due under the Guarantee immediately the New Bank requires the Subsidiary to do so.
- 2.3 The Guarantee and the liability of the Subsidiary under it will arise and continue regardless of whether or not:
- (a) the Customer Obligations have from time to time increased decreased or reduced to nil;
 - (b) the Customer Obligations are not, are no longer, or are not for the time being recoverable by the New Bank from the Customer and/or any Co-surety for any reason whatever;
 - (c) the New bank has made a previous demand or the Subsidiary has made a previous payment;
 - (d) the New Bank provides or refuses to provide any bank facilities to the Customer, or enlarges, cancels or varies any bank facilities of the Customer;
 - (e) the New Bank allows the Customer additional time to make any payment to the New Bank or allows the Customer any concession;
 - (f) the New Bank comes to any other arrangement with the Customer, any Co-surety or anyone else in relation to the Customer Obligations;
 - (g) the New Bank takes any security, guarantee or other similar obligation in relation to Customer Obligations or, when taken, the same is unenforceable for any reason;
 - (h) the New Bank enforces or declines to enforce or releases or discharges or varies any security, guarantee or other similar obligation in relation to Customer Obligations.

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- 2.4 All payments which the Guarantor is liable to make to the New Bank under the Guarantee must be made in full and without any deduction or set off whatsoever.

3 Under the Chattel Mortgage:

- 3.1 The Subsidiary warrants that it is the absolute beneficial owner free from all lien, charges or any other encumbrances over all the plant, machinery and chattels or other equipment more particularly described in Part 1 of the Schedule to the Chattel Mortgage and charges and assigns to the New Bank with full title guarantee the said plant, machinery, chattels or other equipment together with any part or parts thereof and all additions, alterations, accessories, replacements and renewals of component parts thereto (the "Chattel Mortgaged Property") and together with the benefit of any obligations and warranties given by any manufacturer or supplier of the Chattel Mortgaged Property and all obligations and warranties given by any other party in respect of the Chattel Mortgaged Property to or in favour of the Subsidiary and the benefit of all maintenance agreements entered into between the Subsidiary and any such third party to hold the same unto the New Bank absolutely subject only to the proviso that on the payment and discharge to the New Bank of all moneys and liabilities thereby covenanted to be paid and discharged by the Subsidiary and all other sums intended to be thereby secured by the New Bank shall at the cost and expense of the Subsidiary and at its request duly reassign the Chattel Mortgaged Property to the Subsidiary.
- 3.2 The Subsidiary shall not without the prior consent in writing of the New Bank sell or attempt to sell, assign, charge, hire, lease or part with or share possession or dispose of or permit or suffer any distress or execution to be levied or lien to be created upon the Chattel Mortgaged Property or part thereof.
- 3.3 The security granted by the Subsidiary in favour of the New Bank shall be a continuing security and shall extend to cover the ultimate balance from the Subsidiary to the New Bank notwithstanding there may have been from time to time or at any time a balance to the credit of the Subsidiary on any account between the Subsidiary and the New Bank or any other matter or thing whatsoever and shall be in addition to and without prejudice to any other securities or remedies now or at any time held by the New Bank.

4 Under the Intra-Group Loan Agreement:

- 4.1 The purpose of the Loan Facility is to enable the Borrower among other things:
- (a) to repay borrowings incurred by it under the New Facilities Agreement;
 - (b) to pay interest on such borrowings;
 - (c) to pay costs and expenses incurred directly or indirectly with the funding; and
 - (d) for such other purposes as the Borrower and the Lender may agree.
- 4.2 Subject to the terms of the Intra-Group Loan Agreement, Advances may be made to the Borrower at any time from the date of the Intra-Group Loan Agreement until the Termination Date.
- 4.3 Upon and subject to the provisions of the Intra-Group Loan Agreement, each Lender agrees to make the loan facilities of up to the Facilities Limit in aggregate available to the Borrower upon the terms of the Intra-Group Loan Agreement.
- 4.4 Failure of any Lender to perform its obligations under the Intra-Group Loan Agreement shall not relieve the Borrower from any of its obligations under the aforesaid Agreement.
- 4.5 Each Lender shall have a cause of action against the Borrower under the Intra-Group Loan Agreement in respect of any amounts of principal, interest or other amounts, which may be due and payable to that Lender thereunder.

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4.6 Unless repaid earlier by agreement between the parties thereunder, the Borrower in each case, shall repay all Advances on the Termination Date together with all interest accrued thereon and all other amounts due by the Borrower thereunder.

5 Under the Intercreditor Agreement:

5.1 The Junior Lender agrees and the Group Companies acknowledge that, save as otherwise provided in Clause 3.2 (of the Intercreditor Agreement), the Senior Security shall rank in priority to the Junior Security in all respects, in particular, but without limitation, the floating charge constituted by the Senior Security shall rank in priority to any floating charge constituted by the Junior Security.

5.2 The fixed charge security (but not, for the avoidance of doubt, any floating charge) constituted by the Junior Security shall rank, in relation to the assets subject thereto, in priority to the fixed charges constituted by the Senior Security in relation to that assets in all respects.

5.3 The parties agree that priority of entitlement to receipts, recoveries and realisations received by either Financier, receiver or manager appointed either the Senior Security or the Junior Security, pursuant to the enforcement of the Securities shall include the following:

(a) from and following the Junior Grant Date (as defined in the Intercreditor Agreement) in respect of realisations of the Brookerpak Loan Notes and the Brookerpak Term Loan:

- (i) first, the Additional Loan Noteholders, in relation to the Junior Debt (Preferred), without limit;
- (ii) second, the Senior Lender without limit;
- (iii) third, Phildrew Ventures in relation to any payments due and payable to it under the Phildrew Counter Indemnity (as defined in the Intercreditor Agreement), without limit;
- (iv) fourth, the Original Loan Noteholders, in relation to JL-ILN(A), without limit; and
- (v) fifth, to whoever is then entitled to the same;

(b) from and following the Junior Grant Date, in respect of realisations of all the assets, property and undertaking of the Obligors other than in respect of the Brookerpaks Loan Notes and the Brookerpaks Term Loan:

- (i) first, the Senior Lender, without limit;
- (ii) second, the Additional Loan Noteholders, in relation to the JL-ILN(B), without limit;
- (iii) third, Phildrew Ventures in relation to any payments due and payable under the Phildrew Counter Indemnity, without limit;
- (iv) fourth, the Original Loan Noteholders, in relation to the JL-ILN(A), without limit; and
- (v) fifth, to whoever is then entitled to the same.

5.4 Until the Senior Discharge Date, except with the prior consent of the Senior Lender or to the extent (if at all) the amount concerned is permitted to be paid by Clause 8 (*Permitted Payments*) (of the Intercreditor Agreement), no Intercreditor Agreement Obligor will (and the Borrower will procure that no other member of the Group shall):

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- (a) pay, prepay or repay, or make any distribution in respect of or on account of, or purchase or require, any Junior Debt or Share Right (as defined therein) in cash or in kind except in accordance with Clause 11.2 (*Exercising Rights*) of the Intercreditor Agreement;
- (b) save for the Junior Security Document from and following the Junior Grant Date, give any financial support (including, without limitation, the taking of any participation, giving of any guarantee, indemnity or other assurance against loss or the making of any deposit or payment) to any person in connection with any Junior Debt but enable any person to do any of the things referred to in Clause 6.1.1 or Clause 6.1.2 of the Intercreditor Agreement;
- (c) save for any set off required by law, discharge any Junior Debt by set-off or any right of combination of accounts or otherwise except in accordance with Clause 11.2 (*Exercise of Rights*) of the Intercreditor Agreement;
- (d) create or permit to subsist any security over any of its assets for any Junior Debt or Share Rights other than under the Junior Security Documents; and
- (e) take or omit to take any action whereby the ranking and/or subordination contemplated by the Intercreditor Agreement may be impaired; and
- (f) directly or indirectly redeem, purchase or otherwise acquire any shares (other than the purchase of shares by Harrington Group Trustees Limited in relation to the shares held by the existing directors of the Borrower) or warrants issued by the Borrower other than with the prior written consent of the Senior Lender (acting in its absolute discretion).

6 Under the WCF Letter

- 6.1 The New Bank has, among other things, approved a Group Overdraft Facility (as defined in the WCF Letter) for the Parent, the Subsidiary, Frozen Herbs Limited and Somersby Foods Limited (the "WCF Borrowers") for the ongoing cash management and working capital requirement of these companies.
- 6.2 The WCF Letter also sets out the terms on which the WCF Borrowers may utilise certain ancillary facilities namely Bonds/Guarantees/General Letters of Credit, Forward Exchange Contracts and BACS facilities together with the applicable fees and charges payable for such ancillary facilities.

7 Under the Letter of Support

The Borrower confirms that to the extent a Lender has difficulty meeting its working capital needs, it will, subject to certain conditions set out in the Letter of Support, use all reasonable endeavours to make available to such Lenders such amounts as are necessary to meet any working capital shortfalls.

8 Under the Invoice Discounting Agreement

- 8.1 The Subsidiary, Somersby Foods Limited and Frozen Herbs Limited (the "Clients") agree to offer certain Receivables (as defined in the Invoice Discounting Agreement) to the New Bank who shall accept the offer by crediting the notified value of the accepted receivable to the current account maintained by the New Bank in the name of the Client pursuant to the Invoice Discounting Agreement whereupon the ownership of the accepted Receivables shall vest in the New Bank.
- 8.2 With full title guarantee the Clients shall sell and the New Bank shall purchase certain Receivables of the class or description specified in the Invoice Discounting Agreement to be incurred by any Debtor (as defined in the Invoice Discounting Agreement).
- 8.3 The purchase price of the Receivables shall be calculated in accordance with the terms of the Invoice Discounting Agreement.

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Harrington Consumer Products Limited

Company Number 03827839

RIDER C TO FORM NO. 155(6)b

The amount of any advances to be made by the Subsidiary to the Parent under the terms of the Intra-Group Loan Agreement.

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In this Form 155(6)b the following terms have the following meanings:

Definitions

"Additional Loan Noteholders"	means those persons listed in Part II of Schedule 3 of the Intercreditor Agreement
"Advances"	means, save as otherwise provided in the Intra-Group Loan Agreement, an advance made or to be made thereunder by any Lender to the Borrower.
"Bank Debts"	<i>means all sums of money standing to the credit of the Company on any account with any bank (other than the New Bank) or other financial institution, other than any of those sums agreed which the New Bank may have at any time agreed specifically and in writing to exclude or release from the charges contained in the Debenture.</i>
"Borrower"	means Harrington Food Group Limited.
"Brookerpak Loan Notes"	means the £250,000 12% loan notes 2007 issued by Newington Food Limited to the Harrington Consumer Products Limited constituting part of the deferred consideration payable upon the disposal of Brookerpak by the Borrower.
"Brookerpaks Term Loan"	means the £600,000 loan made available to Newington Food Limited by Harrington Consumer Products Limited under a loan agreement dated 29 October 2002 between the same parties
"Campbell Lutyens"	means Campbell Lutyens & Co. Ltd.
"Charged Assets"	<i>means all property, assets and rights of the Company described or referred to in paragraph 3.1 of the Debenture and any part or parts of such property, assets or rights.</i>
"Costs"	means banking charges and all costs and expenses (including the New Bank's) internal management and administrative costs and legal costs on a full indemnity basis incurred by the New Bank in exercising its rights under the Guarantee, calculated as agreed between the New Bank and the Customer, or if there is no agreement, in accordance with the New Bank's current practice from time to time.
"Co-surety"	means any other person who in addition to the Guarantor has given or gives a guarantee, an indemnity or security in respect of the Customer obligations or any part of them, including, in relation to each individual Guarantor, the other companies identified in Box A to the Guarantee.
"Customer"	means the companies identified in Box A of the Intercompany Cross-Guarantee insofar as they,

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individually or together, at any time owe any Customer Obligations to the New Bank, and both or all of them together and each of them separately.

"Customer Obligations"

means pursuant to the Intercompany Cross-Guarantee any sum of money or any liability which the Customer may now or at any time in the future owe to the New Bank including:

- (a) sums and liabilities owed individually or jointly with others;
- (b) sums and liabilities as guarantor, indemnifier of security giver for any other person;
- (c) sums or liabilities which may or may not become payable depending on the outcome of future events, including any sums and liabilities which would become payable on demand by the New Bank;
- (d) sums and liabilities owed to another person, the right to which have been transferred to the New Bank;
- (e) sums and liabilities owed on current or any other account and also including:
 - (i) Interest; and
 - (ii) Costs.

"Debenture Debts"

means the book and other debts now and from time to time due or owing to the Subsidiary other than:

- (a) any of those debts which the New bank may have at any time agreed specifically and in writing to exclude or release from the charges contained in the Debenture;
- (b) any of those debts which are now or at any time in the future assigned to the New Bank absolutely pursuant to a receivables financing agreement made between the Subsidiary and the New Bank; and
- (c) Bank Debts.

"Debenture Property"

means the freehold and/or leasehold property of the Subsidiary charged by paragraphs 3.1.1 and 3.1.2 of the Debenture or any part or parts of such property.

"Debenture Secured Obligations"

means all sums of money and liabilities which the Subsidiary is agreeing to pay and discharge pursuant to the terms of the Debenture as described in paragraph 2 of the Debenture.

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"Debt"	means the Senior Debt and or the Junior Debt as the context requires.
"Existing Facilities Agreement"	means the facilities agreement dated 5 January 1998 as amended and supplemented made between, amongst others, (1) the Parent, (2) the subsidiaries of the Parent listed in Schedule 1 thereto together with the Parent, as borrowers, (3)-(7) The Governor and Company of the Bank of Scotland ("BoS") (in its various capacities) and (8) National Westminster Bank plc, pursuant to which the Banks (as such term is defined in the Existing Facilities Agreement) have made available various facilities to the Parent and certain of its subsidiaries which were used, inter alia, to finance or refinance the consideration payable by the Parent for the acquisition by it of those shares of JLI Group Limited that were to be acquired by the Parent pursuant to the Offer.
"Facilities Limit"	£5,000,000 or such higher amount agreed between the Borrower and the Lenders..
"Financiers"	means together the Senior Lender and the Junior Lender, and "Financier" means either of them as the context requires.
"GLF Letter"	means the General Loan Facility Letter between the Borrower and the Senior Lender dated on or about the date of the Intercreditor Agreement.
"Group Companies"	means Harrington Food Group Limited a company incorporated in England whose registered office is at Marsh Lane, Boston, Lincolnshire PE21 7SJ and its subsidiaries.
"Guarantor"	means the companies identified in Box A of the Guarantee.
"Intercreditor Agreement Obligors "	means the Borrower and the Guarantors any New Obligors and any other member of the Group which is undertaken (or in the future undertakes) obligations to all or any of the Senior Lender and the Junior Lender in respect of any debt.
"Interest"	means interest at the applicable rate or rates the New Bank agrees with the Customer from time to time in respect of any sum of money or liability, and if no rate has been between the New Bank and the Customer for any particular sum of money or liability, interest at such rate as the New Bank may select from the rates agreed between the New Bank and the Customer in respect of any other sum of money or liability, in all circumstances, computed and compounded as agreed between the New Bank and the Customer, or, if there is no agreement, in accordance with the New Bank's current Practice from time to time,

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both before or after any judgment is obtained from the Bank.

"JL-ILN(A)"

means the £8,600,000 8.75% loan notes 2004 issued by the Borrower to the Original Loan Noteholders.

"JL-ILN(B)"

means the £750,000 10% loan notes 2004 issued by the Borrower to the Additional Loan Noteholders.

"Junior Agreement"

means together the JL-ILN(A) and the JL-ILN(B).

"Junior Debt"

means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Borrower to the Junior Lender pursuant to the Junior Agreement, whether or not matured and whether or not liquidated.

Junior Debt (Preferred)

means that element of the Junior Debt constituted by the JL-ILN(B)

"Junior Lender"

means The Phildrew Ventures Fourth Fund, The Phildrew Ventures Fourth Fund B, The Phildrew Ventures Fourth Fund C, The Phildrew Ventures Fourth Fund D and The PhilVen Co-Investment Fund IV.

"Junior Security"

means the security constituted by the Junior Security Document.

"Junior Security Documents"

means the fixed charge to be granted by the Borrower as permitted by the GLF Letter following repayment of the Senior Debt outstanding under the Senior Facility Agreement in favour of the Junior Lender over the Brookerpak Loan Notes.

"Lease"

means any lease, tenancy or agreement for lease.

"Lender"

means the Group Companies listed in the Schedule to the Intra-Group Loan Agreement.

"Loan Facility"

means the loan facility granted to the Borrower pursuant to the Intra-Group Loan Agreement.

"New Bank"

means Yorkshire Bank Plc, a company having its registered office at 20 Merrion Way, Leeds LS2 8NZ with registered number 00 11 7413.

"New Obligors"

means, pursuant to clause 18.3 of the Intercreditor Agreement where a new Group Company guarantees or otherwise becomes liable for any Debt or grants security for any thereof, the Original Guarantor will procure that such New Obligor will become a party as an Obligor to the execution of a deed of accession in the form set out in Schedule 1 to the Intercreditor Agreement.

"Obligors"

means the Borrower and the Guarantors, any New Obligors and any other member of the Group Companies

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which has undertaken (or in the future undertakes) obligations to all or any of the Senior Lender and the Junior Lender in respect of Debt.

"Offer"

means the recommended offer made by Campbell Lutyens on behalf of the Parent substantially on the terms set out in the Press Release to acquire the whole of the ordinary share capital (whether in issue or falling to be allotted of JLI Group Limited) not already owned by the Parent, as such offer may, subject to the prior written consent of BoS as agent for the Senior Lenders (as defined in the New Facilities Agreement) as amended, added to, revised, renewed or waived from time to time.

"Original Loan Noteholders"

means those persons listed in Part I of Schedule 3 to the Intercreditor Agreement

"Phildrew Ventures"

means The Phildrew Ventures Fourth Fund (LP 4907), The Phildrew Ventures Fourth Fund B (LP4906), The Phildrew Ventures Fourth Fund C (LP4908), The Phildrew Ventures Fourth Fund D (LP4978), The Philven Co-Investment Fund IV (LP 5728)

"Press Release"

means a press announcement released by the Parent announcing the terms of the Offer.

"S.D. Guarantors"

means any company which becomes a guarantor under any of the Senior Documents.

"Senior Debt"

means all present and future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing, due or incurred by the Intercreditor Obligors, or any of them to the Senior Lender under or in connection with the Senior Documents and otherwise, whether or not matured and whether or not liquidated, together with:

- (a) any refinancing, novation, refunding, deferral or extension of any of those liabilities;
- (b) any further advance which may be made under any agreements supplemental to the Senior Documents in respect of such Debt plus all interest thereon and fees and costs in connection therewith;
- (c) any claim for damages or restitution in the event of recession or any such liabilities or otherwise in connection with the Senior Documents in respect of such Debt;
- (d) any claim against any Intercreditor Obligor flowing from any recovery by an Intercreditor Obligor or its receiver or liquidator of a payment or discharge in respect of those liabilities on the grounds of preference or otherwise; and

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- (e) any amount (such as post-insolvency interest) which would be included in any of the above but for the claim for such amount having being avoided or having become capable of being avoided or not being approval or allowable in any insolvency or other proceedings.

"Senior Discharge Date"

means the date and time on at which all Senior Debt has been fully and irrevocably paid and discharged and all commitments and obligations of the Senior Lender under the Senior Documents have been terminated or cancelled to the satisfaction of the Senior Lender (acting reasonably).

"Senior Documents"

means the "Finance Documents" as defined in the GLF Letter.

"Senior Facility Agreement"

means the loan master agreement and the GLF Letter invoice discounting agreement and all supplementary documentation dated on or about the date of the Intercreditor Agreement made between the Senior Lender and any Group Company.

"Senior Lender"

means Yorkshire Bank plc whose registered office is at 20 Merrion Way, Leeds, LS2 8NZ.

"Senior Security"

means the security constituted by the Senior Security Documents.

"Senior Security Documents"

means:

- (a) the security as defined in the GLF Letter; and
- (b) any present or future document conferring or evidencing any security, guarantee or other assurance against financial loss for, or in respect of, the Senior Debt or any of it.

"Subsidiary"

Sundora Foods Limited (Co. No. 0647953).

"Termination Date"

means any such date as may be agreed between the Lender and the Borrower being a date falling on or after the repayment of all sums due pursuant to the New Facilities Agreement.

**Garbutt
Elliott**

CHARTERED ACCOUNTANTS

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4 August 2003

AUDITORS' REPORT TO THE DIRECTORS OF HARRINGTON CONSUMER PRODUCTS 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 4 August 2003 in connection with the proposal that Sundora Foods Limited should give financial assistance for the purpose of reducing or discharging a liability incurred in connection with the purchase of JLI Group Limited's ordinary shares.

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 is unreasonable in all the circumstances.

Garbutt & Elliott

Garbutt & Elliott Limited
Registered Auditors
4 August 2003

Also at: 2 STABLE COURT • BEECHWOODS • ELMETE LANE • ROUNDHAY • LEEDS LS8 2LQ

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