

# G

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

# 155(6)a

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

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

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

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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4895923

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

Name of company

\* Avery Weigh-Tronix Holdings Limited (the "Company")

\* insert full name  
of company

14 We 8 Please see appendix A

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

† delete as appropriate

~~XXXXXXXXXXXX~~ [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

[illegible][illegible]

XXXXXXXXXXXXXXXXXXXXInsurance Business Code Listed Below XXXX

(c) something other than the above§

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

[company] [XXXXXXXXXXXXXXXXXXXX]

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

[illegible]

The number and class of the shares acquired or to be acquired is: 1,000 ordinary shares of

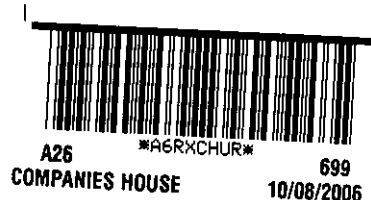
£1 each

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

DLA Piper Rudnick Gray Cary UK LLP  
3 Noble Street  
London  
EC2V 7EE

DX: 33866 Finsbury Square  
90067/120000/9615787

For official Use  
General Section



The assistance is to be given to: (note 2) AV Acquisition Co 3 Limited, with registered  
number 5851993 and registered address 25 Bedford Street, London WC2E 9ES (the  
"Purchaser")

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

The assistance will take the form of:

Please see appendix B

The person who ~~[has acquired]~~ will acquire<sup>†</sup> the shares is:

<sup>†</sup> delete as  
appropriate

The Purchaser

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

Please see appendix C

The amount of cash to be transferred to the person assisted is £ Please see appendix D

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 within 8 weeks of date hereof

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☒ 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)

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

(a) ☒ 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)

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

(b) ~~It is intended to commence the winding up of the company within 12 months of that date, and 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)

And ☒ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

Declarants to sign below

3 NOBLE ST, LONDON, E2N 7EE

Day Month Year  
on 

2	8	0	7	2	0	0	6
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before me Charles Clegg (C. Kew)

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  
37 Castle Terrace  
Edinburgh  
EH1 2EB

**AVERY WEIGH-TRONIX HOLDINGS LIMITED**

**(Registered number 4895923)**

**ANNEXURE A TO FORM 155(6)(a)**

1. Gerald Grant Bowe of 42 Frederick Road, Edgbaston, Birmingham B15 1HN
2. Carl Cramer of 2 Little Dormers, South Park Crescent, Gerrards Cross, SL9 8HJ

OK  
CJ/GB

## AVERY WEIGH-TRONIX HOLDINGS LIMITED

(Registered number 4895923)

### ANNEXURE B TO FORM 155(6)(a)

#### The Form of the Financial Assistance

Terms defined in this statutory declaration (including the other Annexures hereto) have the same meanings in this Annexure B unless otherwise stated or the context otherwise requires.

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

1. a senior multicurrency term and revolving facilities agreement to be entered into between (1) AV AcquisitionCo 1 Limited (as Parent), (2) AV AcquisitionCo 2 Limited (as Midco), (3) AV AcquisitionCo 3 Limited (as Holdco), (4) the subsidiaries listed in part 1 of schedule 1 (as Original Borrowers), (5) the subsidiaries listed in part 1 of schedule 1 thereto (as Original Guarantors), (6) European Capital Sarl (as Arranger), (7) the financial institutions listed in parts 2 and 3 of schedule 1 thereto (as Original Lenders), (8) European Capital Financial Services Limited (as Agent) and (9) European Capital Financial Services Limited (as Security Agent) (the "**Senior Facilities Agreement**");
2. a mezzanine euro term facility agreement to be entered into between (1) AV AcquisitionCo 1 Limited (as Parent), (2) AV AcquisitionCo 2 Limited (as Borrower), (3) AV AcquisitionCo 3 Limited (as Holdco), (4) the subsidiaries listed in part 1 of schedule 1 thereto (as Original Guarantors), (5) European Capital Sarl (as Mezzanine Arranger), (6) the financial institutions listed in parts 2 and 3 of schedule 1 thereto (as Original Mezzanine Lenders), (7) European Capital Financial Services Limited (as Mezzanine Agent) and (8) European Capital Financial Services Limited (as Security Agent) (the "**Mezzanine Facility Agreement**");  
  
(the Senior Facilities Agreement and the Mezzanine Facility Agreement being together the "**Facilities Agreements**");
3. an intercreditor deed to be entered into between (1) AV AcquisitionCo 1 Limited (as Parent), (2) the companies listed in schedule 2 thereto (as the Obligors, Intra-Group Creditors and Intra-Group Debtors), (3) European Capital Financial Services Limited (as Security Agent), (4) European Capital Financial Services Limited (as Senior Agent), (5) European Capital Sarl (as Senior Arranger), (6) the banks and financial institutions listed in part 1 of schedule 1 thereto (as Senior Lenders), (7) European Capital Financial Services Limited (as Mezzanine Agent), (8) European Capital Sarl (as Mezzanine Arranger), (9) the banks and financial institutions listed in part 2 of schedule 1 thereto (as Mezzanine Lenders), (10) the parties listed in schedule 5 thereto (as Investors) and certain others (the "**Intercreditor Deed**");
4. a debenture to be entered into between (1) the Original Charging Companies and (2) European Capital Financial Services Limited in its capacity as Security Agent (the "**Debenture**");
5. an intra-group loan agreement (incorporating a letter of support) to be entered into between (1) the Intra-Group Borrowers and (2) the Intra-Group Lenders (the "**Intra-Group Loan Agreement**"); and

6. a first ranking fixed charge by the Company over the entire issued share capital of Avery Weigh-Tronix, LLC contained within a collateral agreement between amongst others, the Company and the Security Agent (the "**Share Pledge**").

Any references to the Senior Facilities Agreement, Mezzanine Facility Agreement, Intercreditor Deed, Debenture, Intra-Group Loan Agreement or Share Pledge are references to such documents as may be amended and restated, novated, varied, transferred or assigned from time to time (the above documents being together the "**Financial Assistance Documents**").

The Company will assume liabilities and obligations under each Financial Assistance Document, in accordance with and subject to the terms of each such document, which constitute financial assistance directly or indirectly for the purposes of financing the Acquisition (the "**Financial Assistance**").

**VERY WEIGH-TRONIX HOLDINGS LIMITED**

**(Registered number 4895923)**

**The principal terms of the Financial Assistance**

**ANNEXURE C TO FORM 155(6)(a)**

**PART I**

Terms defined in this statutory declaration (including the other Annexures hereto) have the same meanings in this Annexure C unless otherwise stated or the context otherwise requires.

**1. GENERAL**

- 1.1 The principal terms of the Financial Assistance are summarised and separately described below in relation to each individual Financial Assistance Document.
- 1.2 Any clause and other document references which are used in this Annexure C are references to the clause and other document references in the particular Financial Assistance Document.

**2. SENIOR FACILITIES AGREEMENT**

The principal terms of the Financial Assistance contained in the Senior Facilities Agreement are as follows:

**2.1 Guarantee and indemnity**

The Company irrevocably and unconditionally jointly and severally in consideration of any of the Facilities being made available:

- (a) guarantees to each Senior Finance Party punctual performance by each Borrower of all that Borrower's payment obligations under the Senior Finance Documents;
- (b) undertakes with each Senior Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Senior Finance Document, the Company shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) indemnifies each Senior Finance Party immediately on demand against any cost, loss or liability suffered by that Senior Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Senior Finance Party would otherwise have been entitled to recover.

**2.2 Continuing guarantee**

The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Senior Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

### **2.3 Reinstatement**

If any payment by an Obligor or any discharge given by a Senior Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Senior Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

### **2.4 Immediate recourse**

The Company waives any right it may have of first requiring any Senior Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under clause 24 of the Senior Facilities Agreement. This waiver applies irrespective of any law or any provision of a Senior Finance Document to the contrary.

### **2.5 Deferral of Guarantors' rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Senior Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under the Senior Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Senior Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Senior Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Senior Finance Documents by any Senior Finance Party.

### **2.6 Currency indemnity**

- (a) If any sum due from the Company under the Senior Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
  - (i) making or filing a claim or proof against the Company; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,



the Company shall as an independent obligation, within three Business Days of demand, indemnify the Arranger and each other Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) The Company waives any right it may have in any jurisdiction to pay any amount under the Senior Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

## **2.7 Other indemnities**

The Parent shall (or shall procure that the Company will), within three Business Days of demand, indemnify the Arranger and each other Secured Party against any cost, loss or liability incurred by any of them as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Senior Finance Document on its due date, including, without limitation, any cost, loss or liability arising as a result of clause 34 (*Sharing among the Finance Parties*) of the Senior Facilities Agreement but excluding any cost, loss or liability incurred as a result of receiving an amount prior to its due date where such cost, loss or liability is compensated for by payment of break costs or would have been compensated for by payment of break costs had any been payable;
- (c) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of the Senior Facilities Agreement (other than by reason of default or negligence by that Senior Finance Party alone);
- (d) issuing or making arrangements to issue a Letter of Credit requested by Holdco or a Borrower in a Utilisation Request but not issued by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of wilful misconduct or gross negligence by the Issuing Bank); or
- (e) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or Holdco.

## **2.8 Indemnity to the Security Agent**

- (a) The Company shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:
  - (i) the taking, holding, protection or enforcement of the Transaction Security;
  - (ii) anything done or omitted in the proper exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and

each Receiver and Delegate by the Senior Finance Documents or by law; and

- (iii) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Senior Finance Documents.
- (b) The Security Agent may after incurring any cost, loss or liability referred to in clause 21.4(a) of the Senior Facilities Agreement, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 2.8 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

## **2.9 Further assurance**

- (a) Subject to the Agreed Security Principles, the Company shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require (which will be no more onerous than the terms of the Initial Transaction Security Documents or any replacement security in favour of the Security Agent or its nominee(s))):
  - (i) to perfect the security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security but will exclude the service of notices of assignment on third parties (other than in respect of the assignment of the key-man policies) prior to the occurrence of an Event of Default which is continuing) or for the exercise of any rights, powers and remedies of the Security Agent or the Senior Finance Parties provided by or pursuant to the Senior Finance Documents or by law;
  - (ii) to confer on the Security Agent or confer on the Senior Finance Parties security over any property and assets of the Company located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to the Transaction Security Documents granted by the Company but only to the extent that such Security is no more onerous to comply with than the Initial Transaction Security Documents; and/or
  - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) The Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection (provided that it shall not be obliged to serve notice of assignment on any third party (other than in respect of the assignment of the key-man policies) unless an Event of Default is continuing), protection or maintenance of any security conferred or intended to be conferred on the

Security Agent or the Senior Finance Parties by or pursuant to the Senior Finance Documents.

### **3. MEZZANINE FACILITY AGREEMENT**

The principal terms of the Financial Assistance contained in the Mezzanine Facility Agreement are as follows:

#### **3.1 Guarantee and indemnity**

The Company irrevocably and unconditionally jointly and severally in consideration of the Mezzanine Facility being made available:

- (a) guarantees to each Mezzanine Finance Party punctual performance by the Mezzanine Borrower of the Mezzanine Borrower's payment obligations under the Mezzanine Finance Documents;
- (b) undertakes with each Mezzanine Finance Party that whenever the Mezzanine Borrower does not pay any amount when due under or in connection with any Mezzanine Finance Document, the Company shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) indemnifies each Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Mezzanine Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Mezzanine Finance Party would otherwise have been entitled to recover.

#### **3.2 Continuing guarantee**

The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Mezzanine Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

#### **3.3 Reinstatement**

If any payment by an Obligor or any discharge given by a Mezzanine Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Mezzanine Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

#### **3.4 Immediate recourse**

The Company waives any right it may have of first requiring any Mezzanine Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under clause 20 of the Mezzanine Facility Agreement. This waiver applies

irrespective of any law or any provision of a Mezzanine Finance Document to the contrary.

### **3.5 Deferral of Guarantors' rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Mezzanine Finance Documents have been irrevocably paid in full and unless the Mezzanine Agent otherwise directs, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under the Mezzanine Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Mezzanine Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Mezzanine Finance Parties under the Mezzanine Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Mezzanine Finance Documents by any Mezzanine Finance Party.

### **3.6 Currency indemnity**

- (a) If any sum due from the Company under the Mezzanine Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
  - (i) making or filing a claim or proof against the Company; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Company shall as an independent obligation, within three Business Days of demand, indemnify the Arranger and each other Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) The Company waives any right it may have in any jurisdiction to pay any amount under the Mezzanine Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

### **3.7 Other indemnities**

The Parent shall (or shall procure that the Company will), within three Business Days of demand, indemnify the Mezzanine Arranger and each other Secured Party against any cost, loss or liability incurred by it as a result of:

- (a) the occurrence of any Event of Default;

- (b) a failure by an Obligor to pay any amount due under a Mezzanine Finance Document on its due date, including, without limitation, any cost, loss or liability arising as a result of clause 30 (*Sharing among the Finance Parties*) of the Mezzanine Facility Agreement but excluding any cost, loss or liability incurred as a result of receiving an amount prior to its due date where such cost, loss or liability is compensated for by payment of break costs or would have been compensated for by payment of break costs had any been payable;
- (c) funding, or making arrangements to fund, its participation in a Utilisation requested by the Mezzanine Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of the Mezzanine Facility Agreement (other than by reason of default or negligence by that Mezzanine Finance Party alone);
- (d) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by the Mezzanine Borrower or Holdco.

### **3.8 Indemnity to the Security Agent**

- (a) The Company shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:
  - (i) the taking, holding, protection or enforcement of the Transaction Security;
  - (ii) anything done or omitted in the proper exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Mezzanine Finance Documents or by law; and
  - (iii) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Mezzanine Finance Documents.
- (b) The Security Agent may after incurring any cost, loss or liability referred to in clause 17.4(a) of the Mezzanine Facility Agreement, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 3.8 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

### **3.9 Further assurance**

- (a) Subject to the Agreed Security Principles, the Company shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require (which will be no more onerous than the terms of the Initial Transaction Security Documents or any replacement security in favour of the Security Agent or its nominee(s))):

- (i) to perfect the security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security but will exclude the service of notices of assignment on third parties (other than in respect of the assignment of the key-man policies) prior to the occurrence of a Event of Default which is continuing) or for the exercise of any rights, powers and remedies of the Security Agent or the Mezzanine Finance Parties provided by or pursuant to the Mezzanine Finance Documents or by law;
  - (ii) to confer on the Security Agent or confer on the Mezzanine Finance Parties Security over any property and assets of the Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents granted by the Company but only to the extent that such Security is no more onerous to comply with than the Initial Transaction Security Documents; and/or
  - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) The Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection (provided that it shall not be obliged to serve notice of assignment on any third party (other than in respect of the assignment of the key-man policies) unless a Event of Default is continuing), protection or maintenance of any security conferred or intended to be conferred on the Security Agent or the Mezzanine Finance Parties by or pursuant to the Mezzanine Finance Documents.

#### **4. INTERCREDITOR DEED**

The principal terms on which the Financial Assistance will be given under the Intercreditor Deed are as follows:

Pursuant to the terms of the Intercreditor Deed, there are priority arrangements created in favour of the European Capital Financial Services Limited and European Capital Sarl (in their various capacities) as more particularly set out therein and it would regulate certain rights and obligations between the parties thereto in relation to payments due and the enforcement of security by such parties.

#### **5. DEBENTURE**

The principal terms on which the Financial Assistance will be given under the Debenture are as follows:

##### **5.1 Joint and several**

The liabilities and obligations of the Company under the Debenture are joint and several. The Company agrees to be bound by the Debenture notwithstanding that any other Charging Company which was intended to sign or be bound by the Debenture did not so sign or is not bound by the Debenture.

## **5.2 Covenant to pay**

- (a) The Company, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by a Charging Company of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 5.2(a).

## **5.3 Nature of security**

All security and dispositions created or made by or pursuant to the Debenture are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

## **5.4 Qualifying floating charge**

Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Debenture (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

## **5.5 Fixed charges**

The Company charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first legal mortgage:
  - (i) the Real Property (if any) specified in part 1 of schedule 2 of the Debenture (*Details of Security Assets*); and
  - (ii) all other Real Property (if any) at the date of the Debenture vested in, or charged to, the Company (not charged by clause 4.1(a) of the Debenture);
- (b) by way of first fixed charge:
  - (i) all other Real Property and all interests in Real Property (not charged by clause 4.1(a) of the Debenture); and
  - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land;

(c) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a) or 4.1(b) of the Debenture) and the benefit of all contracts, licences and warranties relating to the same;

(d) by way of first fixed charge:

- (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(c) of the Debenture); and
- (ii) the benefit of all contracts, licences and warranties relating to the same,

(other than any which are for the time being part of the Company's stock-in-trade or work-in-progress);

(e) by way of first fixed charge:

- (i) the Charged Securities referred to in part 2 of schedule 2 of the Debenture (*Details of Security Assets*); and
- (ii) all other Charged Securities (not charged by clause 4.1(e)(i) of the Debenture),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which the Company may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments (all such terms have the meaning given to them in the Debenture);

(f) by way of first fixed charge:

- (i) the Cash Collateral Accounts and all monies at any time standing to the credit of the Cash Collateral Accounts;
- (ii) the Collection Accounts and all monies at any time standing to the credit of the Collection Accounts; and
- (iii) all accounts of the Company with any bank, financial institution or other person at any time (not charged by clauses 4.1(f)(i) or 4.1(f)(ii) of the Debenture) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;

(g) by way of first fixed charge:

- (i) the Intellectual Property (if any) specified in part 4 of schedule 2 of the Debenture (*Details of Security Assets*); and
- (ii) all other Intellectual Property (if any) (not charged by clause 4.1(g)(i) of the Debenture);



- (h) to the extent that any Assigned Asset (as defined in the Debenture) is not effectively assigned under clause 4.2 of the Debenture (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in the Debenture):
  - (i) the benefit of all licences, consents, agreements and Authorisations (as defined in the Debenture) held or used in connection with the business of the Company or the use of any of its assets; and
  - (ii) any letter of credit issued in favour of the Company and all bills of exchange and other negotiable instruments held by it; and
- (j) by way of first fixed charge all of the goodwill and uncalled capital of the Company.

## **5.6 Floating Charge**

The Company charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 6.3 (*Fixed charges*), clause 4.2 (*Security assignments*) of the Debenture or any other provision of the Debenture; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## **5.7 Conversion by notice**

The Security Agent may, by written notice to the Company, convert the floating charge created under the Debenture into a fixed charge as regards all or any of the assets of the Company specified in the notice if:

- (a) a Declared Default has occurred; or
- (b) the Security Agent (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy and such sale or seizure would have a Material Adverse Effect (as defined in the Debenture).

## **5.8 Continuing security**

The Debenture security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. The Debenture shall remain in full force and effect as a continuing security for the duration of the Security Period (as defined in the Debenture).

### **5.9 Negative pledge and disposals**

The Company shall not do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset except a Permitted Security (as each term is defined in the Debenture); or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset (except for a Permitted Disposal or a Permitted Transaction) (as each term is defined in the Debenture).

### **5.10 Set-off rights**

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by the Company and unpaid (whether under the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by any other Charging Company) against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Company, regardless of the place of payment, booking branch or currency of either obligation.
- (b) At any time after the Debenture security has become enforceable (and in addition to its rights under clause 11.1(a) of the Debenture), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Company under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Company, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

### **5.11 Further action**

Subject to the Agreed Security Principles the Company shall at its own expense, immediately do all acts and execute all documents as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for:

- (a) creating, perfecting or protecting the security intended to be created by the Debenture or any other Transaction Security Document;
- (b) facilitating the realisation of any Security Asset;

- (c) facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law; or
- (d) creating and perfecting security in favour of the Security Agent or the Secured Parties over any property and assets of the Company located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to the Debenture or any other Transaction Security Document.

This includes:

- (i) the re-execution of the Debenture or such Transaction Security Document;
- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient.

#### **5.12 Power of attorney**

Following the occurrence of a Declared Default, the Company, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action which the Company is obliged to take under the Debenture, including under clause 19 of the Debenture (*Further assurances*). The Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

### **6. INTRA-GROUP LOAN AGREEMENT**

The principal terms on which the Financial Assistance will be given under the Intra-Group Loan Agreement are as follows:

By executing the Intra-Group Loan Agreement the Company, inter alia, agrees to provide loan facilities to the Intra-Group Borrowers to enable the Intra-Group Borrowers to, inter alia, comply with their obligations under the Facilities Agreements and the Finance Documents.

### **7. SHARE PLEDGE**

The principal terms on which the Financial Assistance will be given under the Share Pledge are as follows:

#### **7.1 Grant of Security Interest by the Company**

To secure the prompt and complete payment and performance of all Secured Obligations, for value received and pursuant to the Facilities Agreements, the Company hereby grants, assigns and transfers to the Security Agent for the benefit of the Secured Parties a first-priority security interest, subject only to Permitted Liens

(as defined therein), in and to the following described assets whether now owned or existing or hereafter acquired or arising and wherever located (all of which is herein collectively called the "**Pledged Collateral**"):

- (a) all of the Company's Capital Stock (including without limitation related general intangibles) and investment property (including without limitation all other securities, securities entitlements, securities accounts, commodity contracts and commodity accounts); and
- (b) all products and proceeds, accessions, stock rights, stock dividends, liquidating dividends, new securities, payments, distributions and proceeds (including cash dividends and sale proceeds) of or relating to any of the property described in Section 7.1(a) above, other property to which any Grantor may become entitled by reason of the ownership of any of the property described in Section 7.1(a) above, all books, records, databases, information and other property relating to, evidencing, or embodying any of the property described in Section 7.1(a) above, all payments under insurance (whether or not the Security Agent is named as a loss payee thereof) and any other amount payable with respect to any of the property described in Section 7.1(a) above.

**AVERY WEIGH-TRONIX HOLDINGS LIMITED**

**(Registered number 4895923)**

**ANNEXURE C TO FORM 155(6)(a)**

**The Principal Terms of the Financial Assistance**

**PART II**

**1. DEFINITIONS**

**"Acquisition"** means the acquisition by the Parent of the entire issued share capital of the Target;

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

**"Additional Borrower"** means a company which becomes a Borrower in accordance with clause 31 (*Changes to the Obligors*) of the Senior Facilities Agreement;

**"Additional Guarantor"** means a company which becomes a Guarantor in accordance with clause 31.4 (*Additional Guarantors*) of the Senior Facilities Agreement;

**"Agent"** means European Capital Financial Services Limited;

**"Agreed Security Principles"** means the principles set out in schedule 18 of the Senior Facilities Agreement and Schedule 15 of the Mezzanine Facility Agreement;

**"Arranger"** means European Capital Sarl;

**"Assigned Assets"** means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*) of the Debenture;

**"Borrower"** means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with clause 31 (*Changes to the Obligors*) of the Senior Facilities Agreement;

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in London, and:

- (a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or purchase of euro) any TARGET Day;

**"Capital Stock"** means (i) in the case of any corporation, all capital stock (whether common, preferred or any other type) and any securities exchangeable for or convertible into capital stock and any warrants, rights or other options to purchase or otherwise acquire capital stock or such securities or any other form of equity securities, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or

participation that confers on a person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing person;

**"Cash Collateral Accounts"** means each:

- (a) Mandatory Prepayment Account; and
- (b) Holding Account,

(each as defined in the Senior Facilities Agreement and/or the Mezzanine Facility Agreement);

**"Charged Property"** means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security;

**"Charging Company"** means the companies the Original Charging Companies and any other company which accedes to the Debenture;

**"Collection Account"** has the meaning given to that term in clause 10.7(a)(iii) of the Debenture;

**"Declared Default"** means an Event of Default in respect of which any notice has been issued or rights exercised by:

- (a) the agent under the Senior Facilities Agreement under clause 29.18 (*Acceleration*) of the Senior Facilities Agreement; or
- (b) the agent under the Mezzanine Facility Agreement under clause 25.18 (*Acceleration*) of the Mezzanine Facility Agreement;

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

**"Event of Default"** means any event or circumstance specified as such in clause 29 (*Events of Default*) of the Senior Facilities Agreement or clause 25 (*Events of Default*) of the Mezzanine Facility Agreement as applicable;

**"Facilities"** means the Facilities as defined in the Senior Facilities Agreement;

**"Finance Documents"** means the Senior Finance Documents and the Mezzanine Finance Documents;

**"Group"** means the Parent, the Target and each of their respective Subsidiaries from time to time;

**"Guarantor"** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 31 (*Changes to the Obligors*) of the Senior Facilities Agreement or clause 27 (*Changes to the Obligors*) of the Mezzanine Facility Agreement as applicable;

**"Holdco"** means AV AcquisitionCo 3 Limited;

**"Holding Company"** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

**"Initial Transaction Security Documents"** means the documents listed or referred to in part 3 of schedule 2 (*Conditions Precedent*) to the Facilities Agreements;

**"Intellectual Property"** means:

- (a) any patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group;

**"Intra-Group Borrowers"** means the Borrowers as defined in the Intra-Group Loan Agreement;

**"Intra-Group Lenders"** means the Lenders as defined in the Intra-Group Loan Agreement;

**"Issuing Bank"** means the Issuing Bank as defined in the Senior Facilities Agreement;

**"Letter of Credit"** means:

- (a) a letter of credit, substantially in the form set out in schedule 12 (*Form of Letter of Credit*) of the Senior Facilities Agreement or in any other form requested by the Parent and agreed by the Agent and the Issuing Bank; or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Parent on its behalf) and agreed by the Agent and the Issuing Bank;

**"Mezzanine Agent"** means European Capital Financial Services Limited;

**"Mezzanine Arranger"** means European Capital Sarl;

**"Mezzanine Borrower"** means AV AcquisitionCo 2 Limited;

**"Mezzanine Facility"** means the Mezzanine Facility as defined in the Mezzanine Facility Agreement;

**"Mezzanine Finance Documents"** means the Finance Parties as defined in the Mezzanine Facility Agreement;

**"Mezzanine Finance Party"** means the Finance Parties as defined in the Mezzanine Facility Agreement;

**"Obligor"** means a Borrower, Mezzanine Borrower or a Guarantor;

**"Original Borrowers"** means the subsidiaries listed in part 1 of schedule 1 to the Senior Facilities Agreement;

**"Original Charging Companies"** the companies named schedule 1 to the Debenture as original charging companies;

**"Original Guarantors"** means the subsidiaries listed in part 1 of schedule 1 to the Senior Facilities Agreement or part 1 of schedule 1 to the Mezzanine Facility Agreement as applicable;

**"Parent"** means AV Acquisition Co 1 Limited;

**"Real Property"** means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Charging Company, or in which any Charging Company has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of schedule 2 (*Details of Security Assets*) to the Debenture), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof;
- (c) all proceeds of sale of that property; and
- (d) the benefit of all covenants given in respect thereof;

**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property;

**"Related Rights"** means, in relation to any Charged Security:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each present or future member of the Group to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document, provided that no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, any Finance Document would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985;

**"Secured Parties"** means each Senior Finance Party and any Receiver or Delegate and each Mezzanine Finance Party;

**"Security Agent"** means European Capital Financial Services Limited;

**"Security Assets"** means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to the Debenture;

**"Senior Finance Parties"** means the Finance Parties as defined in the Senior Facilities Agreement;

**"Senior Finance Documents"** means the Finance Documents as defined in the Senior Facilities Agreement;



**"Subsidiary"** means a subsidiary within the meaning of section 736 of the Companies Act 1985 and/or a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

**"Target"** means Avery Weigh-Tronix Holdings Limited a company incorporated under the law of England and Wales with registered number 4895923;

**"Transaction Security"** means the security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents;

**"Transaction Security Documents"** means the Initial Transaction Security Documents and any other document entered into by any Obligor creating or expressed to create any security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents;

**"Utilisation"** means a loan or a Letter of Credit;

**"Utilisation Request"** means a notice substantially in the relevant form set out in part 1 of schedule 3 (*Requests*) of the Facilities Agreements.

**AVERY WEIGH-TRONIX HOLDINGS LIMITED**

**(Registered number 4895923)**

**ANNEXURE D TO FORM 155(6)(a)**

Up to £100,000,000 being the maximum facility limit under the Intra-Group Loan Agreement.

# Deloitte.

## INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF AVERY WEIGH-TRONIX HOLDINGS 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 28 July 2006 in connection with the proposal that the Company should give financial assistance for the purchase of 1,000 ordinary shares of £1 each in the share capital of the Company, being the entire issued share capital of the Company.

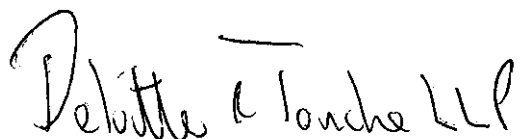
This report is made solely to the directors of the Company for the purpose of section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors of the Company those matters that we are required to state to them in an auditors' report under that section and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions that we have formed.

### 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 1985 is unreasonable in all the circumstances.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
28 July 2006

Birmingham