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CHFP025

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COMPANIES FORM No. 155(6)a

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

[] [] [] [] [] []

58810

Note

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

Name of company

* J R CROMPTON LIMITED (THE "COMPANY")

* insert full name
of company

* We SEE ANNEXURE 1

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

† delete as
appropriate

~~(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

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

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

(c) something other than the above§

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

~~company~~ [company's holding company CROMPTON SPECIALIST PAPERMAKERS

("CROMPTON")

Limited]†

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

The number and class of the shares acquired or to be acquired is: SEE ANNEXURE 2

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

Dibb Lupton Alsop
India Buildings
Water Street
Liverpool
L2 0NH
DX: 14103 Liverpool
Ref: BY

For official Use
General Section

Post room



A08
COMPANIES HOUSE

0013
20/04/00

The assistance is to be given to: (note 2) BROOMCO (2104) LIMITED ("BROOMCO") (COMPANY
REGISTRATION NUMBER 3945586) WHOSE REGISTERED OFFICE IS AT 12TH FLOOR, SUNLIGHT
HOUSE, QUAY STREET, MANCHESTER M3 3JZ

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

The assistance will take the form of:

SEE ANNEXURE 3

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

† delete as
appropriate

BROOMCO

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

SEE ANNEXURE 4

The amount of cash to be transferred to the person assisted is £ nil - see annexure 5

The value of any asset to be transferred to the person assisted is £ nil - see annexure 5

The date on which the assistance is to be given is within 8 weeks hereof

Please do not
write in this
margin

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

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

~~1/~~ We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~1/~~ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and 1/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 ~~1/~~ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Manchester

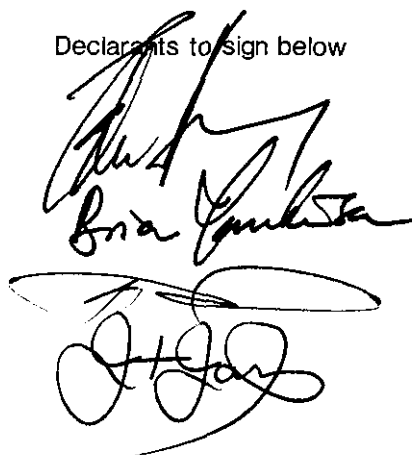
Declarants to sign below

Day Month Year
on

1	5	0	4	2	0	0	9
---	---	---	---	---	---	---	---

before me Caroline Ritz

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:-

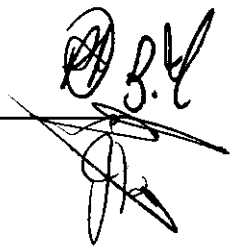
The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

J R CROMPTON LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 1

1. Andrew Stephen Dowd
1 Buttermere Drive
Great Warford
Alderley Edge
CHESHIRE
SK9 7WA
2. John Thomas Jarvis
35 Glyndwr Road
WREXHAM
LL12 8DG
3. Peter John Ashby
Hollybank
20 Chapel Lane
Wilmslow
CHESHIRE
SK9 5HX
4. Brian Tomkinson
The Barne
17 Oaks Lane
Bradshaw
Bolton
LANCASHIRE
BL2 3BR

Handwritten signature and initials, possibly 'B.Y.' and 'A.', in the bottom right corner.

J R CROMPTON LIMITED

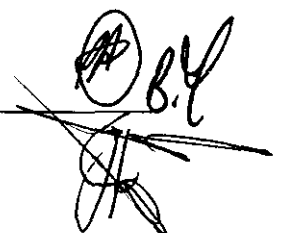
ANNEXURES TO FORM 155(6)a

ANNEXURE 2

The number and class of shares to be acquired is as follows:-

1. 2,457,000 "A" preference shares of 1 penny each;
2. 1,600,000 "A" ordinary shares of 1 penny each; and
3. 250,000 ordinary shares of 1 penny each;

(together the "Shares")

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J R CROMPTON LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 3

All capitalised terms in this Annexure 3 shall have the meanings given to them in Annexure 6.

The assistance will take the form of the execution and delivery by the Company of the following:-

1. the Facility Agreement;
2. the Overdraft Facility Letter;
3. the Intra-Group Loan Agreement;
4. the Composite Guarantee and Debenture;
5. the Inter-Creditor Deed; and
6. the Loan Note Guarantee

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J R CROMPTON LIMITED


ANNEXURES TO FORM 155(6)a

ANNEXURE 4

All capitalised terms in this Annexure 4 shall have the meanings given to them in Annexure 6.

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

1. pursuant the terms of the Facility Agreement, the Company will give certain representations, warranties, covenants and indemnities to the Banks to enable the Banks to make the Facilities available under the Facility Agreement and to entitle the Company to borrow under the revolving cash advance facility provided thereunder;
2. pursuant to the terms of the Overdraft Facility Letter the Company will be jointly and severally liable for the obligations of all borrowing companies thereunder (including Broomco) including borrowings incurred in connection with the acquisition of the Shares by Broomco;
3. pursuant to the terms of the Intra-Group Loan Agreement, the Company will agree to make loan facilities available to Broomco in order to enable Broomco to meet its repayment obligations to the Funders, from time to time, including obligations incurred pursuant to the Facility Agreement, the Mezzanine Facility Agreement and the Loan Notes in connection with the acquisition of the Shares by Broomco;
4. pursuant to the terms of the Composite Guarantee and Debenture, the Company will, inter alia, guarantee the payment and discharge of all monies and liabilities now or in the future due, owing or incurred to the Secured Creditors by any of the Borrowers including, without limitation, liabilities incurred pursuant to the Facility Agreement, the Hedging Agreements, the Mezzanine Facility Agreement and the Overdraft Facility Letter in connection with the acquisition of the Shares by Broomco and will charge to the Security Trustee all of its undertaking, property and assets whatsoever and wheresoever, present and future as security

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for the payment and discharge of all monies and liabilities owing by any of the Borrowers under or pursuant to the Finance Documents: and

5. pursuant to the terms of the Loan Note Guarantee, the Company and Crompton will, inter alia, guarantee the payment of monies payable to the Investors under the Loan Notes in connection with the acquisition of the Shares in Crompton by Broomco;
6. pursuant to the Inter-Creditor Deed, the Company will acknowledge the inter-creditor arrangements agreed to between ~~the Funders~~ and will undertake, inter alia, not to make any payments or grant any security or other benefit which would contravene such arrangements.

inter alios, the "Secured Creditors" and
the holder(s) of the Ashby Loan Accounts

J R CROMPTON LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 5

All capitalised terms in this Annexure 5 shall have the meanings given to them in Annexure 6.

AMOUNT OF CASH TRANSFERRED/VALUE OF ASSETS TRANSFERRED

The directors of the Company, after having studied the terms of the Facility Agreement, the Overdraft Facility Letter, the Intra-Group Loan Agreement, the Composite Guarantee and Debenture, the Inter-Creditor Deed and the Loan Note Guarantee are of the opinion that no provision needs to be made in the accounts of the Company in relation to the proposed financial assistance as set out in the above documents.

Loan stock to be issued by Broomco on completion of the acquisition by Broomco of the Shares pursuant to a cash backed loan note 2000-2008 loan stock instrument;

Company No: 58810

J R CROMPTON LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 6

In this form 155(6)a and all its annexures, the following terms shall have the following meanings:-

"Ashby Loan Notes" means the 

"**Banks**" means, together, HSBC Investment Bank Plc, HSBC Bank Plc and any bank to which rights and obligations under the Facility Agreement are assigned, novated or otherwise transferred after the date of the Agreement;

"**Borrowers**" means, together Crompton, those companies listed in Schedule 8 to the Facility Agreement (including, for the avoidance of doubt, the Company) and any other group company which accedes to the Facility Agreement;

"**Broomco**" means Broomco (2104) Limited (company number 3945586) whose registered office is at 12th Floor, Sunlight House, Quay Street, Manchester M3 3JZ;

"**Company**" has the meaning ascribed thereto on page 1 of this form 155(6)a;

"**Composite Guarantee and Debenture**" means a composite guarantee and mortgage debenture to be entered into by, inter alia, the Company in favour of the Security Trustee;

"**Facilities**" means a term loan and revolving cash advance facility in the maximum aggregate amount of £42,500,000 to be made available pursuant to the Facility Agreement;

"**Facility Agreement**" means the facility agreement to be entered into between (1) Broomco, (2) the Borrowers, (3) HSBC Investment Bank Plc as arranger (the "**Senior Arranger**"), (4) HSBC Investment Bank Plc as agent (the "**Senior Agent**"), (5) HSBC Investment Bank Plc and HSBC Bank Plc as original lenders and (6) the Security Trustee;

"**Finance Documents**" means, together, the Facility Agreement, the Mezzanine Facility Agreement, the Overdraft Facility Letter and the Composite Guarantee and Debenture;

, the Hedging Agreement

"**Funders**" means, together, ~~the Banks, the Mezzanine Providers~~ and the Investors;
the Secured Creditors

"**Hedging Agreements**" means any interest rate management agreement or agreements entered into from time to time between the Hedging Bank and Broomco, pursuant to the Facility Agreement;

"**Hedging Bank**" means any bank or financial institution which is or becomes a party to the Inter-Creditor Deed as a Hedging Bank;

"**Inter-Creditor Deed**" means the agreement to be made between *inter alios,* the Funders and the Company for the purposes of regulating the respective priorities of the Funders *to Broomco*

"**Intra-Group Loan Agreement**" means the intra-group loan agreement to be made between, inter alia, (1) Broomco and (2) the Company pursuant to which the Company will agree to make loan facilities available to Broomco, from time to time;
and the holders of the Ashby Loan Notes

"**Investors**" means the holders from time to time of the Loan Notes;

"**Loan Notes**" means the following loan stock to be issued by Broomco on completion of the acquisition by Broomco of the Shares:

- (1) the loan stock to be issued pursuant to a £29,733,000 loan notes 2008 Series A subordinated loan stock instrument;
- (2) the loan stock to be issued pursuant to a £1,034,000 loan notes 2008 Series B subordinated loan stock instrument; and
- (3) the loan stock to be issued pursuant to a £425,000 loan notes 2008 Series C subordinated loan stock instrument.

"**Loan Note Guarantee**" means a guarantee to be made between (1) the Company and Crompton and (2) each Investor pursuant to which the Company and Crompton will guarantee the Loan Notes;

"**Mezzanine Facilities**" means a mezzanine loan facility in the maximum amount of £5,000,000 to be made available pursuant to the Mezzanine Facility Agreement;

"**Mezzanine Facility Agreement**" means the mezzanine facility agreement to be between (1) HSBC Investment Bank plc as agent (the "**Mezzanine Agent**"), Security Trustee and arranger, (2) the Banks (as defined therein) (together ~~with the Mezzanine Agent~~ the "**Mezzanine Lenders**"), and (3)

Broomco;

"**Mezzanine Providers**" means the Mezzanine Agent and the Banks;

[Mezzanine Lenders]

"**Overdraft Bank**" means HSBC Bank plc;

"**Overdraft Facility Letter**" means the letter to be addressed by the Overdraft Bank to, inter alia, the Company;

"**Secured Creditors**" means, together, the Security Trustee, the Senior Arranger, the Senior Agent, the Banks, the Overdraft Bank, the Hedging Bank, the Mezzanine Agent and the Mezzanine Lenders;

"**Security Trustee**" means HSBC Investment Bank Plc acting as security trustee for itself, the Banks and the Mezzanine Providers;

"**Shares**" has the meaning ascribed thereto in annexure 2 to this form 155(6)a.



St James' Square
Manchester M2 6DS
United Kingdom

Tel +44 (0)161 838 4000
Fax +44 (0)161 838 4040
Telex 668265 PMMMAN G
DX 718187 Manchester 3

The Directors
JR Crompton Limited
12th Floor
Sunlight House
Quay Street
Manchester
M3 3JZ

15th April 2000

Dear Sirs

Auditors' report to the directors of JR Crompton Limited ("company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 14th April 2000 in connection with the proposal that the company, should give financial assistance for the purchase of shares in the capital of Crompton Specialist Papermakers Limited, the company's holding company.

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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

Yours faithfully

KPMG

Registered Auditors



KPMG, a partnership established under English law, is a member of KPMG International, a Swiss association

KPMG is registered to carry on audit work and authorised to carry on investment business

by the Institute of Chartered Accountants in England and Wales. The principal place of

business is 8 Salisbury Square, London EC4Y 8BB where a list of partners' names is open to inspection.