

64262

STEP 5.6

DATED 1 September 2003

- (1) QUAKER FOODS LIMITED
- (2) QUAKER OATS LIMITED

SHARE EXCHANGE AGREEMENT



DATE: 1 September 2003

PARTIES:

- (1) **Quaker Foods Limited**, a company incorporated in England with registration number 04252176 whose registered office is at PO BOX 24 Bridge Road, Southall, Middlesex UB2 4AG (the "Seller"); and
- (2) **Quaker Oats Limited**, a company incorporated in England with registration number 00064262 whose registered office is at PO BOX 24 Bridge Road, Southall, Middlesex UB2 4AG (the "Buyer").



RECITALS:

- A. The Seller is the beneficial owner of the entire issued share capital of Quaker Oats (the "Oats Shares").
- B. The Seller is the beneficial [and registered] owner of the entire issued share capital of Quaker Trading (the "Trading Shares")
- C. The Seller wishes to sell, and the Buyer wishes to buy, the Oats Shares and the Trading Shares in exchange for the issue by the Buyer to the Seller of the Oats Consideration Shares and the Trading Consideration Shares on the terms and conditions of this Agreement.
- D. The Buyer is a wholly owned subsidiary of the Seller.

TERMS AGREED:

1. Definitions and Interpretation

- 1.1 In this Agreement where the context so admits the following words and expressions shall have the following meanings:

"Consideration Shares" together the Oats Consideration Share and the Trading Consideration Share;

“Oats Consideration Share”	one new ordinary share of nominal value £1 in the capital of the Buyer credited as fully paid to rank pari passu in all respects with the existing ordinary shares of the Buyer;
“Oats Shares”	the 18,800 ordinary shares of NLG 2.13 each in the capital of Quaker Oats held by the Seller, being the entire issued share capital of Quaker Oats;
“Notarial Deed of Transfer”	the notarial deed of transfer in a form agreed by the Seller, the Buyer and Quaker Oats required to be executed under Dutch law in order to effect the transfer of ownership of the Oats Shares from the Seller to the Buyer;
“Quaker Oats”	Quaker Oats B.V., a company with limited liability organised under the laws of the Netherlands with statutory seat in Rotterdam, the Netherlands and its office address at Brielselaan 7 in 3801 AA Rotterdam, the Netherlands, registered with the Chamber of Commerce in Rotterdam under number 24046419;
“Quaker Trading”	Quaker Trading Limited, a company incorporated in England with registration number 04531045 and whose registered office is at PO BOX 24 Bridge Road, Southall, Middlesex UB2 4AG;
“Trading Consideration Share”	one new ordinary share of nominal value £1 in the capital of the Buyer credited as fully paid to rank pari passu in all respects with the existing ordinary shares of the Buyer;
“Trading Shares”	the 1,000 ordinary shares of nominal value £1 each in the capital of Quaker Trading held by the Seller, being the entire issued share capital of Quaker Trading;
“Transfer Fees”	all stamp, documentary, sales, transfer or similar tax, notarial fees, land registry fees, intellectual property, or recording fees, and any

other fees or charges levied or payable anywhere in the world on the transfer of the Sale Shares or any instrument effecting the same.

- 1.2 The headings in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement

2. **Sale of Sale Shares**

The Seller shall sell and the Buyer shall purchase the Sale Shares, together with all rights now and hereafter attaching to them.

3. **Consideration**

The consideration for the sale and purchase of the Sale Shares shall be £2.00 (two pounds Sterling) comprising £1.00 (one pound Sterling) for the Oats Shares and £1.00 (one pound Sterling) for the Trading Shares, to be satisfied by the issue and allotment by the Buyer to the Seller of the Consideration Shares.

4. **Completion**

Completion shall take place at the registered office of the Buyer immediately following the execution of this Agreement when all of the following shall take place:

- 4.1 the Seller shall deliver to the Buyer such stock transfer forms executed by the Seller as are necessary to transfer ownership of the Trading Shares to the Buyer;
- 4.2 the Seller shall deliver to the Buyer all share certificates (if any) in respect of the Trading Shares;
- 4.3 the Seller shall cause the Directors of Quaker Trading to hold a meeting of the board of Quaker Trading at which the directors shall pass a resolution to approve the registration of the Buyer as a member of the Quaker Trading;

- 4.4 the Seller, in its capacity as sole shareholder of Quaker Oats, shall procure that Quaker Oats grants a power of attorney to a Notary authorising the Notary to execute the Notarial Deed of Transfer on behalf of Quaker Oats;
- 4.5 the Seller shall grant a power of attorney to a Notary authorising the Notary to execute the Notarial Deed of Transfer on its behalf.
- 4.6 the Seller shall deliver to the Buyer:
- 4.6.1 the Notarial Deed of Transfer;
- 4.6.2 a copy (certified by a duly appointed officer as true and correct) of the resolution of the board of the Seller authorising the sale of the Sale Shares to the Buyer and the execution of this Agreement and the subscription of the Consideration Shares; and
- 4.6.3 a letter pursuant to which the Seller subscribes for the Consideration Shares.
- 4.7 The Buyer shall grant a power of attorney to a Notary authorising the Notary to execute the Notarial Deed of Transfer on its behalf.
- 4.8 The Buyer shall deliver to the Seller:
- 4.8.1 a copy (certified by a duly appointed officer as true and correct) of the shareholder's resolution increasing the share capital of the Buyer, authorising the board of the Buyer to allot the Consideration Shares and disapplying all relevant pre-emption rights in relation to the allotment of the Consideration Shares; and
- 4.8.2 a copy (certified by a duly appointed officer as true and correct) of a resolution of the board of directors of the Buyer authorising the execution of this Agreement and the allotment of the Consideration Shares to the Seller.

- 4.9 the Buyer shall allot the Consideration Shares to the Seller, and deliver to the Seller duly executed share certificates in the name of the Seller in respect of the Consideration Shares.

5. **Warranties**

- 5.1 Each party warrants to the other party that:

5.1.1 it has the full power and authority to enter into and perform this Agreement or any document to be executed pursuant to this Agreement and this Agreement constitutes or any document to be executed pursuant to this Agreement will, when executed, constitute binding obligations on it in accordance with their terms, subject to any principles of equity or insolvency law; and

5.1.2 it has obtained all applicable governmental, statutory, regulatory or other consents, licences, waivers or exemptions required to empower it to enter into and to perform its obligations under this Agreement.

6. **Transfer Fees and Costs**

- 6.1 All Transfer Fees shall be borne by the Buyer. Each party shall pay its own costs of, and incidental to, this Agreement and the sale and purchase of the Sale Shares.

7. **General**

7.1 This Agreement shall be binding upon and enure for the benefit of any successors and permitted assignees of the parties. Neither party shall be entitled to assign the benefit of this Agreement without the prior written consent of the other party.

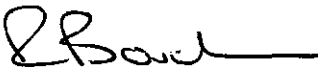
7.2 Save as expressly provided in clause 7.1, a person who is not a party to this Agreement shall not have or acquire any rights to enforce any term of this Agreement (including but not limited to any right to enforce or have the benefit of any exclusion or limitation of liability contained in this Agreement).

This clause shall override any other clause in this Agreement which is or may be inconsistent with it.

- 7.3 This Agreement (together with any documents referred to herein) constitutes the whole agreement between the parties to this Agreement.
- 7.4 Each party acknowledges that it has not in relation to the subject matter of this Agreement, relied upon or been induced to enter into this Agreement by, any information (written or oral), statements or warranties or representations of any descriptions made, supplied or given by the other party (or any other person) other than those warranties set out in this Agreement. Without prejudice to the foregoing, the Buyer irrevocably and unconditionally waives any right it might have to claim damages, or rescind this Agreement, for misrepresentation. This clause 7.4 does not exclude liability for any fraudulent, dishonest or criminal act or omission.
- 7.5 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 7.6 This Agreement may be executed in one or more counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.
- 7.7 This Agreement shall be governed by and construed in accordance with English Law and the parties submit themselves to the non-exclusive jurisdiction of the English courts for the purpose of enforcing any claim hereunder.

SIGNED by
for and on behalf of
Quaker Foods Limited

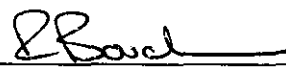
) Richard Bouchier
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Director

SIGNED by
for and on behalf of
Quaker Oats Limited

) Richard Bouchier
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Director