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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not write in this margin

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

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

To the Registrar of Companies

For official use

Company number

[] [] [] []

153935

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

Name of company

* Kellett (UK) Limited

*Insert full name of company

*/We† See Appendix 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 8 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]

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: all the shares of the

Company

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

Eversheds
1 Royal Standard Place
Nottingham
NG1 6FZ

For official use
General Section



The assistance is to be given to: (note 2) S.A.H.L. (Predecessors) Limited and
Spaldings Limited

Please do not
write in this
margin

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

The assistance will take the form of:

See Appendix 2

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

S.A.H.L. (predecessors) Limited

*Delete as
appropriate

The principal terms on which assistance will be given are:

See Appendix 3

The amount of cash to be transferred to the person assisted is £ nil

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 1 September 19 98

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

~~x~~/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) ~~It~~/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~~ 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 ~~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 Sadler Road
Lincoln

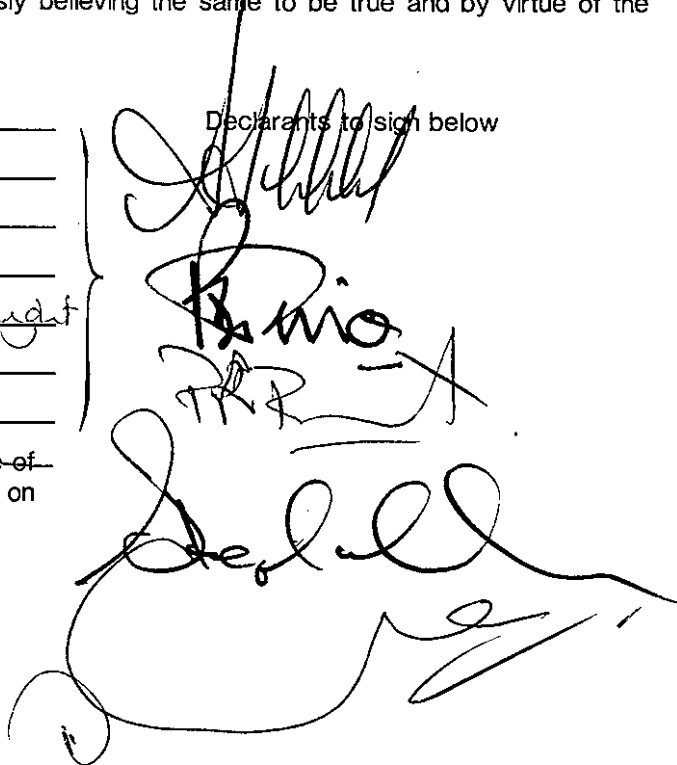
the 1 day of September

One thousand nine hundred and ninety-eight

before me Richard J. H.

A ~~Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor~~ having the powers conferred on a Commissioner for Oaths.

Declarants to sign below



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.

KELLETT (UK) LIMITED
APPENDICES TO FORM 155(6)a

APPENDIX 1

Name: Peter David Finch
Address: Tailors House, 27 High Street, Swinderby, Lincoln, Lincolnshire LN6 9LW

Name: Alan Hall Trafford
Address: 7 Woodrolfe Park, Tollesbury, Essex

Name: David Arundale
Address: 10 Derriman Glenn, Sheffield, S11 9LQ

Name: Peter Raymond Beaumont
Address: 40 Lathe Road, Whiston, Rotherham, South Yorkshire S60 4LW

Name: Stephen McCracken
Address: Fairfax House, 175 Ralphs Lane, Boston, Lincolnshire PE20 1RQ

KELLETT (UK) LIMITED
APPENDICES TO FORM 155(6)a

APPENDIX 2

- 1 The entering into of the following (or of the documents relating thereto) to which (other than in relation to items 1.1 and 1.2) the Company is to be a party as the same may be amended varied supplemented or substituted from time to time:-
 - 1.1 a term loan facility letter, for the provision of a £5,000,000 secured term loan to Spaldings Limited, the Company's ultimate parent company ("Spaldings") and certain other group companies including the Company ("the Term Loan Facility");
 - 1.2 a revolving loan facility letter ("the Revolving Loan Facility Letter") for the provision of a secured loan facility of up to £2,000,000 to Spaldings and certain other group companies including the Company ("the Revolving Loan Facility");
 - 1.3 a form of debenture to be given by each of the Company and certain other members of the Group to the Bank securing, among other obligations, sums due under the Term Loan Facility Letter and the Revolving Loan Facility Letter and all sums due under the Guarantee (as defined below) (the "Debenture");
 - 1.4 a form of omnibus guarantee and set-off agreement to be given by each of the Company and certain other members of the Group to the Bank guaranteeing, among other obligations, sums due under the Term Loan Facility Letter and the Revolving Loan Facility Letter on the terms set out therein ("the Guarantee");
 - 1.5 the payment of fees and expenses in connection with or ancillary to the above.

KELLETT (UK) LIMITED
APPENDICES TO FORM 155(6)a

APPENDIX 3

- 1 Under the terms of the Guarantee the Company, inter alia, guarantees to the Bank the performance of the obligations of Spaldings Limited, its ultimate parent company, and any of its subsidiaries from time to time owing at any time to the Bank. The obligations include the obligations of Spaldings Limited and any of its subsidiaries from time to time under the Facilities Letters.
- 2 Under the terms of the Debenture the Company further charges all of its assets and undertaking as security for the payment and discharge of all moneys, liabilities and obligations owing at any time to the Bank including the obligations in respect of the guarantee outlined in paragraph 1 above.

In entering into the various documents referred to above the Company is entering into obligations and assuming liabilities and giving security in connection with the acquisition of shares in the Company and may in the future be called upon pursuant to any of the documents referred to in this declaration to discharge obligations and/or liabilities arising in connection with the acquisition of shares in the Company by S.A.H.L. (Predecessors) Limited.



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Park Row
Nottingham
NG1 6FQ

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Fax +44 (0) 115 935 3500
DX 10131 Nottingham 1

Private & confidential

The Directors
Kellett (UK) Limited
Sadler Road
Lincoln
LN6 3XJ

Our ref wrc/dlm/004-08

1 September 1998

Dear Sirs

Auditors' report to the directors of Kellett (UK) Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 1 September 1998 in connection with the proposal that the company should give financial assistance for the purchase of the company's ordinary shares. 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



Member firm of

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

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

business is 8 Salisbury
Square, London EC4Y 8BB
where a list of partners

