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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

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326248

Name of company

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

* Permali Limited

*Insert full name
of company

X Wet

†Insert name(s) and
address(es) of all
the directors

Richard Cole of 8 Fyfield Way, Littleton, Winchester, Hamps
SO22 6PF; Jeremy Lawrence of Hemlock Well House, Castle Street,
Stroud, Glos GL5 2HS; Michael Mallorie of Lypiatt Hill Farm,
Bisley Road, Stroud, Glos GL6 7LQ; Michael O'Neill of 36 Lady
Chapel Road, Abbeymead, Glos GL4 5FQ.

§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]

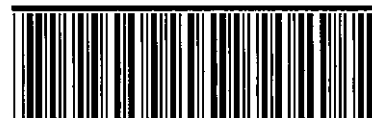
The assistance is for the purpose of ~~[that acquisition]~~ [reducing or discharging a liability incurred for the
~~purpose of that acquisition]~~ §

The number and class of the shares acquired or to be acquired is: 17,362,811 ordinary
shares of 10p each

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

Osborne Clarke (PAC/DZS)
50 Queen Charlotte Street
Bristol BS1 4HE

For official use
General Section



A18 *AL2N0A2W* 657
COMPANIES HOUSE 01/10/98

The assistance is to be given to: (note 2) Colamane 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 1

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

Colamane Limited

*Delete as
appropriate

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

See Appendix 2

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 18 September 19 98

Appendix 1 to the form 155 (6) (a) : form of financial assistance

Permal Limited ("the Company")

The assistance will take the form of the execution by the Company of the following documents and the Company complying with and fulfilling its obligations thereunder:

- 1.1 a guarantee and debenture ("**the Bank Guarantee and Debenture**") to be entered into by the Company in favour of the Bank pursuant to which the Company will guarantee all monies and liabilities from time to time of Colamane, PUKL and PPL to the Bank including their liabilities under the Term Loan Facility Letter and the Working Capital Facility Letter and will grant in favour of the Bank a first fixed charge over the assets identified in it and a first floating charge over the remainder of the Company's undertaking by way of security for all of the Company's obligations to the Bank;
- 1.2 an inter-creditor agreement ("**the Inter-creditor Agreement**") to be entered into by the Company and others in favour of the Bank regulating the priority of the Bank and Barclays Unquoted Investments Limited ("**Barclays Ventures**") in respect of the indebtedness of the Company to each of them; and
- 1.3 a support agreement ("**the Support Agreement**") between Colamane, the Company and others and each of the Bank and Barclays Ventures whereby the Company agrees to lend to Colamane such sums as Colamane considers necessary to allow it to make payment to the Bank and Barclays Ventures respectively of all monies owed by Colamane to the Bank and Barclays Ventures; and

- 1.4 a charge over the Company's shares in Permal Wallace Limited ('the Permal Wallace Charge')



[Handwritten signatures and initials]

Appendix 2 to the form 155 (6) (a) : form of financial assistance

Permali Limited ("the Company")

The principal terms on which the assistance is given are:

- 1.1 that under the Bank Guarantee and Debenture, the Company covenants and guarantees that it will pay or discharge to the Bank all monies and liabilities which shall from time to time be due owing or incurred by Colamane, PUKL and PPL when and as the same shall be due and the Company grants further assurance that it will provide such further security to the Bank as it may require from time to time, and covenants that it will pay or discharge to the Bank all monies and liabilities which shall from time to time be due, owing or incurred by the Company when and as the same shall become due, and the Company grants to the Bank a fixed and floating charge over the business and assets (present and future) of the Company and the Company grants further assurance that it will provide such further security to the Bank, as it may require from time to time;
- 1.2 that under the Inter-Creditor Agreement, the parties agree their respective rights and the respective priority of the securities held or to be held by the Bank and Barclays Ventures; and
- 1.3 that under the Support Agreement, the Company has agreed that it will lend monies to Colamane from time to time to enable it to meet its obligations under the Investment Agreement and any other agreement between it and the Bank and Barclays Ventures from time to time; and
- 1.4 that under the Permali Wallace Charge the Company charges its shares in that company to the Bank in support of its obligations under the Bank Guarantee and Debenture

**AUDITORS' REPORT TO THE DIRECTORS OF PERMALI LIMITED
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 17 September 1998 in connection with the proposal that the company should give financial assistance for the purchase of 17,362,811 of the company's ordinary shares.

Basis of report

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

Report

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 (1) and (2) of the Companies Act 1985 is unreasonable in all the circumstances.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
17 September 1998

31 Great George Street
Bristol BS1 5QD

Please do not
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this margin

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

†Delete either (a) or
(b) as appropriate

☒ 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) ☒ 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 I/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 1 London Bridge
London
SE1 9QL

the 18th day of September

One thousand nine hundred and ninety eight

before me PA COOPER [Signature]

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

[Signature]
[Signature]

[Signature]
[Signature]

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.

