

G

CHA 116

Please do not
write in this
margin

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

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

*Insert full name
of company

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

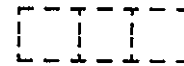
§Delete as
appropriate

‡Delete whichever
is inappropriate

To the Registrar of Companies

For official use

Company number



447678

Name of company

* DUTTON-FORSHAW (LAND MACHINERY) LIMITED (the "Company")

~~*/We†~~ JOHN BARKER OF KELLAND COPSE, DUNSFORD, EXETER, DEVON EX6 7AE, KENNETH TUCK OF
"PENTRE", FOSSE RD, KINGSBRIDGE, DEVON TQ7 1NG and STEPHEN MOEDY METCALFE OF 5 MARLDON
ROAD, TORQUAY TQ2 7EE together with DAVID EDWARD JONES OF TUCKMILLTOWN, STRAFFAN, CO.
KILDARE, ARTHUR EDWARD MANNING OF WILLOW LODGE, LOWER CLOPTON, QUINTON,
STRATFORD-UPON-AVON, WARWICKSHIRE, CV37 8LQ; and JOHN ROBERT ROBINSON OF "HARTFIELD",
ORESTAN LANE, EFFINGHAM, LEATHERHEAD, SURREY, KT24 SSL WHO ARE MAKING A DECLARATION ON
THE DATE HEREOF WHICH TOGETHER WITH THIS DECLARATION IS THE STATUTORY DECLARATION
REQUIRED BY SECTION 155(6)a OF THE COMPANIES ACT

~~[the sole director]~~ [all the directors]§ of the above company do solemnly and sincerely declare that:

The business of the company is:

- ~~(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 DUTTON-FORSHAW GROUP

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: 25,516,002 ordinary
shares of £1 each

Presentor's name, address and
reference (if any):
Clifford Chance
200 Aldersgate Street
London
EC1A 4JJ
Ref: AJVM/NDM/C1447/4131
AJVM/AJVM21.LFD

For official use
General Section

Post room



The assistance is to be given to: (note 2) DUTTON-FORSHAW HOLDINGS LIMITED
(formerly "RANDILE LIMITED") with a registered office of 33 CRWYS HOUSE, CRWYS
ROAD, CARDIFF CF1 1YW,

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 SCHEDULE 1 ATTACHED

The person who [has acquired] [acquires]* the shares is:

F. J. Rm J.S. D.A. 91
03456809

DUTTON-FORSHAW HOLDINGS LIMITED (Company No: ~~2958026~~) with a registered
office of 33 CRWYS HOUSE, CRWYS ROAD, CARDIFF CF1 1YW

*Delete as
appropriate

The principal terms on which assistance will be given are:

SEE SCHEDULE 2 ATTACHED.

* on or within eight weeks of the date hereof

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 (* see box above)

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

I/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) [I/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 I/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 Redlake Trading Estate
Frybridge

the 5th day of October

One thousand nine hundred and 98

before me _____

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

David Howell
Solicitor
20 Fane Street
Kingsbridge.
David Howell
20 Fane Street
Kingsbridge.

Declarants to sign below

[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.

Financial Assistance Declaration (S155(6)(a))

SCHEDULE 1

Form of Financial Assistance

The financial assistance will take the form of the execution, delivery and performance by the Company of a guarantee and debenture (as the same may be amended, varied, supplemented or substituted from time to time, the "**Guarantee and Debenture**") in favour of National Westminster Bank Plc as security trustee (the "**Security Trustee**") for the Secured Parties pursuant to which:

- (a) the Company guarantees to the Security Trustee as agent and trustee for the Secured Parties all monies at any time due or owing to any of the Secured Parties from any of the Group Companies under or pursuant to the terms of the Secured Documents; and
- (b) the Company grants fixed and floating charges over all of its properties, assets and undertakings in favour of the Security Trustee as agent and trustee for the Secured Parties as security for the obligations of the Company to any of the Secured Parties under or pursuant to any of the Secured Documents

and by the performance of any other acts or the execution of any other documents ancillary or otherwise relating to the Guarantee and Debenture

(As all such capitalised terms are defined in Schedule 2 hereof.)

Financial Assistance Declaration (S155(6)(a))

SCHEDULE 2

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

1. Under the terms of the Guarantee and Debenture:
 - 1.1 the Company guarantees to pay to the Security Trustee in the currency in which the same falls due for payment, all moneys which at the date of the Guarantee and Debenture or at any time thereafter shall have become due or owing by any Group Company (other than itself) from time to time to any or all of the Secured Parties pursuant to the terms of all or any of the Secured Documents;
 - 1.2 the Company agrees to indemnify the Security Trustee, the Secured Parties and any Receiver (including any substitute delegate attorney) against all losses, actions, claims, costs, charges, expenses and liabilities occasioned by any breach by the Company of any of its covenants or obligations under the Guarantee and Debenture and the Company shall pay interest on all sums demanded at the rate per annum of 1.0 per cent. above the Security Trustee's Rate from time to time from the date on which the same were demanded by the Security Trustee, any Secured Party or any Receiver, as the case may be, and any sum so demanded together with any interest, shall be a charge upon the Charged Property in addition to the moneys thereby secured;
 - 1.3 the Company covenants with the Security Trustee that it shall, to the extent that the same have fallen due and have not been paid pursuant to the terms of the Secured Documents, on demand pay to the Security Trustee all costs and expenses incurred by the Security Trustee in relation to the Guarantee and Debenture and the protection or enforcement of the Security Trustee's rights thereunder;
 - 1.4 the Company acknowledges and agrees that the Guarantee and Debenture is and at all times shall be a continuing security and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations and shall be binding until all the Secured Obligations have been discharged in full to the satisfaction of the Security Trustee and all of the Secured Parties have ceased to have any obligation whether actual or contingent to make any credit or accommodation available to any company within the Group;
 - 1.5 the Company acknowledges and agrees that none of its liabilities under the Guarantee and Debenture shall be reduced, discharged or otherwise adversely affected by:
 - (a) failure on the part of the Security Trustee to exercise, or delay on its part in exercising, any of its respective rights, powers and remedies provided by the Guarantee and Debenture or by law (collectively the "**Rights**"), nor shall any single or partial waiver of any of the Rights preclude any further or other exercise of that one of the Rights concerned or the exercise of any other of the Rights;

- (b) any amendments or variations from time to time of the Secured Documents (all references to the Secured Documents in the Guarantee and Debenture shall be taken as referring to the Secured Documents as amended or varied from time to time (including, without limitation, any increase in the amount of the Secured Obligations));
- (c) any liquidation or other incapacity or any change in the constitution of any company within the Group or in the name and style of any of them or any settlement of account or other matter whatsoever;
- (d) any purported obligation or liability of any company within the Group to any of the Secured Parties ceasing to be valid or enforceable against any company with the Group on any ground whatsoever whether or not known to the Secured Parties including but not limited to any defect in or want of powers of any company within the Group or irregular exercise thereof or lack of authority by any person purporting to act on behalf of any company within the Group or any legal or other limitation (whether under the Limitation Acts or otherwise), disability, incapacity or any change in the constitution of or any amalgamation, reconstruction or liquidation of any company within the Group and the Company agrees to keep the Secured Parties fully indemnified against all damages, loss, costs and expenses arising from any failure of any company within the Group to carry out any such purported obligation or liability;
- (e) any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other security or right or remedy held by or available to the Secured Parties becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Secured Parties from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same;
- (f) the Secured Parties compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to any company within the Group or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any company within the Group or any other person; or
- (g) any act or omission which would have discharged or affected the liability of the Company had it been principal debtor instead of guarantor or by anything done or omitted which but for the provisions of the Guarantee and Debenture might operate to exonerate the Company;

1.6 the Company acknowledges and agrees that any money received in connection with the Guarantee and Debenture may be placed to the credit of a suspense account with a view to preserving the right of each of the Secured Parties to prove for the whole of its claim against any company within the Group or any other person liable or may be applied by the Secured Parties in or towards satisfaction of such of the moneys, obligations or liabilities of the Company under the Guarantee Debenture as the Security Trustee may from time to time

conclusively determine provided that monies in any suspense account must be applied once such monies when aggregated with other receipts of the Secured Parties are sufficient to discharge the Secured Obligations.

2. Under the terms of the Guarantee and Debenture the Company, with full title guarantee, as continuing security for the payment of the Secured Obligations charges in favour of the Security Trustee (as agent and trustee for the Secured Parties):

- (a) by way of legal mortgage all estates or interest in the freehold, leasehold and other immovable property described in Schedule 1 thereto and all buildings and trade and other fixtures on any such property belonging to or charged to the Company and the proceeds of sale thereof (the "**Legally Mortgaged Property**");
- (b) by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property at the date of the Guarantee and Debenture or at any time during the continuance of the security belonging to the Company (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time in any such property belonging to or charged to the Company;
- (c) by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Company both present and future;
- (d) by way of fixed charge all book debts and other debts at the date of the Guarantee and Debenture and from time to time due or owing to the Company and (subject to the provisions of Clause 6.2 thereof) all moneys which the Company receives in respect thereof;
- (e) by way of fixed charge (but subject to the provisions of Clause 6.2 thereof) all balances standing to the credit of any current, deposit or other account of the Company with the Secured Parties (including, inter alia, any account designated a realisations account for the proceeds of disposals of any of the assets of the Company or with other bankers, financial institutions or similar third parties);
- (f) by way of fixed charge all stocks, shares, debentures, bonds, notes, loan capital of:
 - (i) any Subsidiary of the Company; and
 - (ii) any other body corporate;

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may at the date of the Guarantee and Debenture or thereafter belong to the Company, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

- (g) by way of fixed charge the goodwill of the Company and its uncalled capital at the date of the Guarantee and Debenture or at any time thereafter in existence;
 - (h) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom at the date of the Guarantee and Debenture or at any time thereafter belonging to the Company and all fees, royalty and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and
 - (i) by way of floating charge the whole of the Company's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged or charged to the Security Trustee by way of fixed charge by Clause 3.1 of the Guarantee and Debenture or any other Security Document.
3. The security constituted by or pursuant to the Guarantee and Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Security Trustee or any other Secured Party may at any time hold in respect of any of the Secured Obligations and is hereby declared that no prior security held by the Security Trustee or any other Secured Party over the Charged Property or any part thereof shall merge into the security created hereby or pursuant hereto.
4. The Subordination Agreement, inter alia, subordinates the Loan Note Liabilities and the Equity Liabilities (each as defined therein) to the Liabilities (as defined therein).

Definitions

References to Clauses are to be construed as references to the Clauses of the Guarantee and Debenture. Words and expressions shall, unless otherwise defined herein, have the same meanings as is attributed to them under the Credit Agreement dated 17 December 1997 and made between (1) Dutton-Forshaw Investments Limited (formerly Tanel Limited, "**Parent Newco**"), (2) Dutton-Forshaw Holdings Limited (formerly Randile Limited, "**Newco**"), (3) certain banks, (4) National Westminster Bank Plc as Facility Agent, (5) National Westminster Bank Plc as Security Trustee, (6) certain Overdraft Banks and (7) National Westminster Bank Plc as Bridging Bank (the "**Credit Agreement**"). In addition, the following words and expressions shall have the respective meanings ascribed to them:

"Acquisition Agreement" means the sale and purchase agreement relating to the sale and purchase of the Target Shares and made between the Vendor and Newco.

"Acquisition Documents" means the Acquisition Agreement together with all other documents referred to in the Acquisition Agreement or relating to the acquisition of the Target Shares but, for the avoidance of doubt, shall not include the Disclosure Letter.

"Bank" means all and each of the banks listed in Schedule 1 of the Credit Agreement and their respective successors in title and any Bank transferee and shall be deemed to include a Bank in its capacity as a party to any Interest Rate Protection Agreement; and **"Banks"** shall be construed accordingly.

"Bridging Bank" means National Westminster Bank Plc.

"Charged Property" means the property, assets and income of the Company mortgaged or charged to the Security Trustee (whether by way of legal mortgage, fixed or floating charge) by or pursuant to the Guarantee and Debenture and each and every part thereof.

"Disclosure Letter" has the meaning ascribed thereto in the Acquisition Agreement.

"Facility Agent" means National Westminster Bank Plc and each successor Facility Agent appointed under the Credit Agreement.

"Fees Letter" means the letter dated the same date as the Credit Agreement from the Facility Agent to Newco relating to certain fees payable to the Facility Agent and the Security Trustee by Newco in relation to the Credit Agreement.

"Loan Notes" means the unsecured institutional 12 per cent. loan notes and unsecured management 9.75 per cent. loan notes.

"Loan Note Holders" means the holders from time to time of the Loan Notes.

"Loan Stock Instrument" means the instrument pursuant to which the Loan Notes are, or are to be, constituted.

"Newco" means Dutton-Forshaw Holdings Limited

"Overdraft Banks" means the banks and financial institutions listed in Part II of Schedule I of the Credit Agreement, or set out under the heading "New Overdraft Banks" in the Schedule to any Overdraft Bank Certificate.

"Overdraft Bank Certificate" means a document substantially in the form set out in Part II of Schedule 7 of the Credit Agreement.

"Parent Newco" means Dutton-Forshaw Investments Limited

"Secured Documents" means all and each of the Credit Agreement, the Interest Rate Protection Agreements, the Fees Letter and the Security Documents, including the Guarantee and Debenture.

"Security Documents" has the meaning ascribed thereto in the Credit Agreement.

"Secured Obligations" means the actual, contingent, present and/or future obligations and liabilities of the Company to any of the Secured Parties under, or pursuant to, all or any of the Secured Documents.

"Secured Parties" means and each of the Security Trustee, the Facility Agent, the Overdraft Banks, the Bridging Bank and the Banks.

"Security Trustee" means National Westminster Bank Plc and each successor Security Trustee appointed under the Credit Agreement.

"Security Trustee's Rate" means, in respect of a particular day and particular sum, the rate per annum at which the Security Trustee offered deposits in Sterling in the amount of such sum for a one month period to prime banks in the London interbank market at or about 11.00 a.m. on such day.

"Target Shares" means all of the issuer share capital of The Dutton-Forshaw Group Limited.

"Vendor" means Scottish and Universal Investments Limited.

PricewaterhouseCoopers
Thames Court
1 Victoria Street
Windsor
Berkshire SL4 1HB
Telephone +44 (0) 1753 752000
Facsimile +44 (0) 1753 864826
DX 123110 Windsor 2

The Directors
Dutton-Forshaw (Machinery) Limited
Berkeley House
Berkeley Square
LONDON
W1X 5PN

5 October 1998

Dear Sirs

AUDITORS' REPORT TO THE DIRECTORS OF DUTTON-FORSHAW (MACHINERY) LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 5 October 1998 in connection with the proposed financial assistance to be given by Robert Hudson (Machinery, Sales & Service) Limited, a wholly owned subsidiary of Dutton-Forshaw Machinery Limited, for the purchase of the entire share capital of The Dutton-Forshaw Group Limited.

Basis of opinion

We have enquired into the state of affairs of Dutton-Forshaw (Machinery) Limited 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors