

CHFP025

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
(Address overleaf - Note 5)**

For official use

Company number

[illegible]

02670609

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

Name of company

* THE CHEESE COMPANY LIMITED

* insert full name
of company

XWe the Directors listed in Appendix 1 attached

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

† delete as appropriate

~~XXXXXXXXXXXX~~ [all the directors] † of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

[illegible]

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

(c) something other than the above §

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

~~XXXXXXXX~~ [company's holding company] The Cheese Company Holdings Limited (Company No. 04935658)

The assistance is for the purpose of [that acquisition] XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX

~~XXXXXXXXXXXXXXXXXXXX~~ +

The number and class of the shares acquired or to be acquired is: 5,625,000 'B' ordinary shares of £1 each

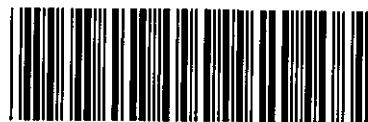
Presentor's name address and
reference (if any) :
Burgess Salmon LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

7829 Bristol
22383.188/RT01

For official Use
General Section

Post room

WEDNESDAY



A01

AKZ9VLWF

03/01/2007

679

COMPANIES HOUSE

The assistance is to be given to: (note 2) Milk Link Investments Limited (No. 04450552)
(the "Purchaser")

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:

Please see Appendix 2

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

† delete as
appropriate

The Purchaser

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

Please see Appendix 3

The amount of cash to be transferred to the person assisted is £ Please see Appendix 4

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 within 8 weeks of the date of this declaration

Please do not write in this margin

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

~~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)

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

(a) ~~X~~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) ~~XXXXXX~~ (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 Burgess Salmon Declarants to sign below

Day Month Year
on

2	1	1	2	2	0	0	6
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before me H Snook CIP Solicitors

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

CIP Solicitors
25 Marsh Street
Bristol BS1 4AQ
Tel: 0117 943 9960
Fax: 0117 929 8063
DX 7865 Bristol

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

Appendix 1 – Form 155(6)a

THE CHEESE COMPANY LIMITED

(Company Number 02670609)

**Nairn Glen of The Well House, Stratfield Saye, Berkshire, RG7 2DJ and Barry
Nicholls of Stocks Farm House, The Stocks, Seend, Melksham, Wiltshire, SN12
6PL**

Appendix 2 – Form 155(6)a

THE CHEESE COMPANY LIMITED

(Company Number 02670609)

- 1 The background to the financial assistance is as follows:
 - 1.1 The Company is proposing to give financial assistance in connection with the acquisition by Milk Link Investments Limited (Company No. 04450552) (the "**Purchaser**") of 5,625,000 'B' ordinary shares of £1 each owned by Waterford Foods International Limited in The Cheese Company Holdings Limited (company No. 04935658) (the "**Parent**") (the "**Acquisition**").
 - 1.2 The Acquisition is to be financed, inter alia, by means of a senior term and revolving facilities agreement to be entered into by Lloyds TSB Debt Capital Markets, Cooperative Centrale Raiffeisen-Boerenleenbank B.A (Rabobank International London Branch) ("**Rabobank**") and Barclays Leveraged Finance as Mandated Lead Arrangers (1) Lloyds TSB Bank plc as Agent (2) Lloyds TSB Bank plc as Security Trustee (3) and Lloyds TSB Bank plc, Rabobank and Barclays Bank PLC as Lenders (4) (together, with others, the "**Finance Parties**") and the Purchaser and others (5) relating to the provision by the Lenders to the Purchaser of senior term loan and revolving facilities (the "**Facilities Agreement**");
- 2 The assistance will take the form of:
 - (a) The execution delivery and performance by the Company of the Facilities Agreement pursuant to which the Lenders will make available to (inter alios) the Purchaser, the Company and the Parent (together, the "**Borrowers**" and each a "**Borrower**") (i) a Sterling term loan facility in an aggregate amount of £36,700,000; (ii) a sterling revolving credit facility in an aggregate amount equal to £38,300,000; and (iii) an ancillary facility by way of a sterling overdraft facility, under the terms provided within the Facilities Agreement;
 - (b) The execution delivery and performance by the Company of the guarantee contained in clause 21 of the Facilities Agreement pursuant to which (inter alios) the Borrowers, The Cheese Company Investments Limited (No.

06027423) and Milk Link Limited (IP29003) will (amongst other things) guarantee to the Finance Parties the punctual performance by the Borrowers (as defined therein) of each that Borrower's obligations under the Finance Documents and undertake to pay on demand amounts due under or in connection with any Finance Document, together with an indemnity in favour of the Finance Parties against all losses in connection with the liabilities owed by each party to the Finance Parties (the "**Guarantee**"); and

- (c) The execution delivery and performance by the Company of a debenture pursuant to which the Borrowers grant in favour of Lloyds TSB Bank plc (as Security Trustee for the Finance Parties) (the "**Security Trustee**") a first fixed charge over the assets identified in it and a first floating charge over the rest of each undertaking as security for each Borrower's obligations to the Finance Parties, and containing a further assurance that each Borrower will enter into further security as the Finance Parties shall from time to time require (the "**Debenture**").
- (d) the execution, delivery and performance by the Company of standard securities in favour of the Security Trustee (the "**Standard Securities**") over each and any Scottish Property (as defined in the Debenture) together with all buildings and fixtures thereon subject, in the case of any leasehold properties, to any necessary third party's consent.
- (e) The execution, delivery and performance of an intra-group loan agreement by the Company pursuant to which the Company and the Parent (as lenders) grant revolving credit facilities of up to £75 million to the Parent and the Purchaser (as borrowers) to enable the Parent and the Purchaser to meet their obligations under the Facilities Agreement (the "**Intra-Group Loan Agreement**");
- (f) The execution, delivery and performance of a funding support letter from the Purchaser and the Parent to the Company and the Parent pursuant to which the Parent and the Purchaser agree to use best endeavours to make available amounts necessary to meet the Company's and the Parent's working capital shortfalls (the "**Funding Support Letter**");
- (g) the execution, delivery and performance by the Company of its obligations pursuant to an intercreditor deed to be entered into between the Purchaser (1) the Borrowers (2) the Borrowers and others as guarantors (3) the

Security Trustee (4) the Lenders (5) and others in relation to the Facilities Agreement (the "**Intercreditor Deed**");

- (h) the execution, delivery and performance by the Company of a deed of release made between Rabobank (as security agent), the Company, the Parent and others (the "**Deed of Release**").
- (i) The execution, delivery and performance by the Company of a ranking agreement made between the Company, the Security Trustee and Arla Foods Limited ("**Arla**") in respect of security granted by the Company to the Security Trustee and Arla over certain property in Scotland (the "**Arla Deed**")

Appendix 3 – Form 155(6)a

THE CHEESE COMPANY LIMITED

(Company Number 02670609)

Facilities Agreement

- 3 The execution of, delivery and the performance by the Company of its obligations under the terms of the Facilities Agreement pursuant to which the Company, as a borrower, will give certain representations and warranties (clause 22), enter into certain covenants (clauses 23 and 25) and financial covenants (clause 24) and acknowledge there are certain events of default (clause 26) which could trigger the entire amount of the loan becoming due and payable. The Company may utilise amounts available under the Facilities Agreement to repay indebtedness owed in respect of a previous acquisition of shares by the Parent in the Company in 2004.

Guarantee

- 4 All undefined terms in this paragraph 2 shall bear the meaning given in the Facilities Agreement.
- 4.1 The execution of, delivery and the performance by the Company of its obligations under the Guarantee pursuant to which the Company will grant a guarantee and undertaking in favour of the Finance Parties and will:
- (a) guarantee to each Finance Party punctual performance by each Borrower of all its obligations under the Finance Documents;
 - (b) undertake that whenever a Borrower does not pay any amount when due under or in connection with the Finance Documents, it must on demand pay that amount as if it were the principal obligor in respect of such amount; and
 - (c) indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability will be equal to the amount which that Finance Party would have been entitled to recover.

- 4.2 Pursuant to the Guarantee the Company must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

Debenture

- 5 All undefined terms in this paragraph 3 shall bear the meaning given in the Debenture.

- 5.1 The execution of, delivery and the performance by the Company of its obligations under the Debenture in favour of the Security Trustee pursuant to which the Company will charge its assets and undertaking in favour of the Security Trustee (for the benefit of the Finance Parties) as continuing security for the Secured Liabilities. The Company will charge:

3.1.1 Land - Fixed Charges; Assignments

- (a) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property (but excluding any heritable or leasehold property situate in Scotland and all real property (whether freehold or leasehold) situate in Ireland);
- (b) (to the extent that they are not the subject of a mortgage under sub-paragraph (a) above) by way of first fixed charge all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Company a right to occupy or use property (but excluding any heritable or leasehold property situate in Scotland and all real property (whether freehold or leasehold) situate in Ireland),

A reference in the Debenture to any freehold, heritable or leasehold property includes:

- (i) all buildings, erections, Fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on that property owned by the Company; and

- (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property and any moneys paid or payable in respect of those covenants.

3.1.2 Investments

- (a) by way of a pledge (from the date of delivery of the relevant instrument to the Security Trustee) all Investments represented by a bearer instrument; this includes any specified in Part 2 of Schedule 2 of the Debenture opposite its name;
- (b) (to the extent that they are not the subject of a pledge under sub-paragraph (a) above) by way of a first legal mortgage all shares in any member of the Group owned by it or held by any nominee on its behalf; this includes any specified in Part of Schedule 2 opposite its name; and
- (c) (to the extent that they are not the subject of a pledge under sub-paragraph (a) above or a mortgage under sub-paragraph (b) above) by way of a first fixed charge its interest in all shares, stocks, debentures, bonds, warrants, coupons or other securities and investments (including all Cash Equivalent Investments) owned by it or held by any nominee on its behalf.

3.1.3 Plant and machinery

By way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession.

3.1.4 Credit balances

By way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account it has with any person, including its Collection Accounts and Trading Accounts (as defined in the Debenture) and the debt represented by that account.

3.1.5 Book debts etc.

By way of a first fixed charge:

- (i) all of its book and other debts;
- (ii) all other moneys due and owing to it; and

- (iii) the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any item under paragraph (i) or (ii) above;

3.1.6 Intellectual property

By way of a first fixed charge all of its rights in respect of any Intellectual Property Rights; this includes any specified in Part 4 of Schedule 2 of the Debenture opposite its name.

3.1.7 Miscellaneous

By way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has to any assets of any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

3.1.8 Insurances

- (a) The Company assigns absolutely, subject to a proviso for re-assignment on redemption, all amounts payable to it under or in connection with each of its Insurances (as defined in the Debenture) and all of its rights in connection with those amounts.
- (b) To the extent that they are not effectively assigned under paragraph (a) above, the Company will charge by way of first fixed charge all amounts and rights described in paragraph (a) above.

3.1.9 Other contracts

- (a) The Company assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of:
 - (i) its Relevant Contracts (as defined in the Debenture);

- (ii) any letter of credit issued in its favour, and
 - (iii) any bill of exchange or other negotiable instrument held by it.
- (b) To the extent that any such right described in paragraph (a) above is not assignable or capable of assignment, the assignment of that right purported to be effected by paragraph (a) shall operate as an assignment of any damages, compensation, remuneration, profit, rent and income which the Company may derive from that right or be awarded or entitled to in respect of that right.
- (c) To the extent that they do not fall within any other Subclause of clause 2.8 of the Debenture, and are not effectively assigned under paragraph (a) or (b) above, the Company will charge by way of first fixed charge all its rights under each agreement and document to which it is a party.

3.1.10 Scottish Properties

The Company will undertake and bind and oblige itself as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Finance Parties (or any of them) forthwith upon request by the Security Trustee to execute and deliver to the Security Trustee (as trustee for the Finance Parties) a Standard Security over each Scottish Property belonging to it and specified in 1 of Schedule 2 of the Debenture, together with all buildings and Fixtures (as defined in the Debenture) thereon subject, in the case of any leasehold properties, to any necessary third party's consents to such Standard Security being obtained.

3.1.11 Creation of floating charge

The Company as beneficial owner and, in respect of the Secured Assets (as defined in the Debenture) in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 (or in relation to any assets in Scotland, with absolute warrandice), as security for the payment, discharge and performance of the Secured Liabilities, will charge in favour of the Security Trustee (as trustee for the Finance Parties) by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future (including, without limitation, any undertaking and assets situated in Scotland (whether or not the same may be mortgaged by way of Standard Security)), subject always to all mortgages, fixed charges, specific chattel mortgage, Standard Securities and assignments created by or pursuant to any provision of the Debenture all

of which mortgages, fixed charges, specific chattel mortgage, Standard Securities and assignments shall rank in priority to the floating charge created in the Debenture.

4 Intra-Group Loan Agreement

All undefined terms in this paragraph 4 shall bear the meaning given in the Intra-Group Loan Agreement.

- 4.1 The execution of, delivery and performance by the Parent of its obligations under the Intra-Group Loan Agreement pursuant to which the Parent and The Company agree to make advances to Milk Link Investments Limited and the Parent (as Borrowers) of up to £75,000,000 which advances may be used by the Borrowers to enable the Borrowers to repay amounts that become due under the Loan Agreement and to pay the Acquisition Costs. All amounts advanced by the Parent and The Company (as Lenders) will bear interest at the rate of 1.5% above LIBOR (or such other rate as agreed by the Parent and The Company) and shall be repayable on the Expiry Date.

5 Funding Support Letter

All undefined terms in this paragraph 5 shall bear the meaning given in the Funding Support Letter.

- 5.1 The execution of, delivery and the performance by the Parent of its obligations under the Funding Support Letter from Milk Link Investments Limited and the Parent (as Borrowers) to the Parent and The Company (as Lenders) pursuant to which Milk Link Investments Limited and the Parent agree to use their best endeavours to make available to the Lenders any amount which is necessary to meet any working capital shortfalls. All amounts advanced by Milk Link Investments Limited and the Parent pursuant to the Funding Support Letter will bear interest at the rate of 1.5% per annum above LIBOR or such other rate as may be agreed from time to time between the Borrowers and the Lenders and shall be repayable on the Expiry Date.

6 Intercreditor Deed

All undefined terms in this paragraph 6 shall bear the meaning given in the Intercreditor Deed.

- 6.1 The execution of, delivery and performance by the Company of its obligations under the Intercreditor Deed which regulates the parties' rights as between themselves and whereby the Company will agree to the respective priority rights of the various classes

of debts and the order of application of Recoveries on or after an Enforcement Event. The Company and the other Obligors undertake to pay on demand certain costs and expenses incurred by the Agent, the Finance Parties or the Ancillary Lender in connection with any enforcement.

7 Deed of Release

The execution of, delivery and performance by the Company of its obligations under the Deed of Release pursuant to which the Company undertakes to pay certain fees, costs and expenses which may be owed to Cooperative Centrale Raiffeisen-Boerenleenbank B.A trading as Rabobank International, London Branch (as security trustee) ("**Rabobank**") in connection with the release of security granted by the Company and others to Rabobank.

8 Standard Securities

The execution of, delivery and the performance by the Company of Standard Securities in favour of the Security Trustee over each and any Scottish Property (as defined in the Debenture) as security of the payment, discharge and performance of all the Secured Liabilities (as defined in the Debenture).

9 Arla Deed

All undefined terms in this paragraph 9 shall bear the meaning given in the Arla Deed.

- 9.1 The execution of, delivery and the performance by the Company of its obligations under the Arla Deed pursuant to which the standard securities over certain properties in Scotland in favour of the Security Trustee and Arla Foods Limited are ranked and pursuant to which the Company's ability to sell the relevant property is made subject to certain rights in favour of the Security Trustee. The Arla Deed also contains certain obligations and restrictions in relation to its dealings with the relevant property.

Appendix 4 - Form 155(6)a

THE CHEESE COMPANY HOLDINGS LIMITED

(Company Number 04935658)

Amounts advanced to Milk Link Investments Limited pursuant to the Intra-Group Loan
Agreement (as defined in Appendix 2).

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

The Directors
The Cheese Company Limited
3130 Great Western Court
Hunts Ground Road
Stoke Gifford
BRISTOL
BS34 8HP

Dear Sirs

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

We have examined the attached statutory declaration of the directors dated December 2006 in connection with the proposal that the Company should give financial assistance for the purchase by Milk Link Investments Limited of 5,625,000 of the 'B' ordinary shares in The Cheese Company Holdings Limited, the Company's holding company.

BASIS OF OPINION

We have enquired into the state of the Company's affairs in order to review the basis 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.

Grant Thornton UK LLP

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GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Bristol

December 2006

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