

CHFP025

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
(Address overleaf - Note 5)

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

3141667

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

Name of company

* LGC (Holdings) Limited (the "Company")

* insert full name
of company

See Rider 1

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

† delete as appropriate

[the sole director] of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

(e) that of a recognised bank licensed institution within the meaning of the Banking Act 1979

~~by a person authorised under section 209 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: See Rider 2

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

CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

DX 135316 BARBICAN 2
(20789878.02)

For official Use
General Section

Post room



LD3
COMPANIES HOUSE

0497
11/05/04

The assistance is to be given to: (note 2) LGC Investments Limited

(Company Number 4841827) (the "Acquirer") of [Queens Road, Teddington, Middlesex,
TW11 0LY]

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 Rider 3

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

† delete as
appropriate

The Acquirer

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

See Rider 4

The amount of cash to be transferred to the person assisted is £ See Rider 5

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 Rider 6

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

☒ 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) ~~[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)


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.

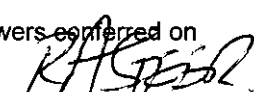
Declared at LGC, QUEENS ROAD, TEDDINGTON
MIDDLE TWILLY

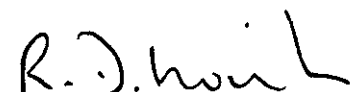

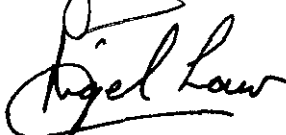

Declarants to sign below

on

Day	Month	Year
28	04	2004

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.


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

RIDER 1

LGC (Holdings) Limited
(Company No. 3141667)

Form 155(6)(a)

Directors and Addresses

1. Clive Jonathan Hall
32 Elsyng Road
Wandsworth
London
SW18 2HN
2. Dr John Mason
2 Beeston Hall Mews
Beeston
Tarporley
Cheshire
CW6 9TZ
3. Dr Richard David Worswick
7 Park Crescent
Abingdon
Oxon
OX14 1DF
4. Nigel Carey Law
Seyton House
Statham Avenue
Lymm
Cheshire
WA13 9NJ

RIDER 2

LGC (Holdings) Limited
(Company No. 3141667)

Form 155(6)(a)

The number and class of the shares acquired or to be acquired is:

3,521,900 comprising:

1,000,000 Ordinary Shares of £0.10 each.

2,521,900 Ordinary B Shares of £0.10 each.

RIDER 3

LGC (Holdings) Limited
(Company No. 3141667)

Form 155(6)(a)

The background to the financial assistance is as follows

- 1.1 The Acquirer has made an offer to purchase the entire issued share capital of the Company (the "**Acquisition**").
- 1.2 The Acquirer is to finance the purchase of the shares by means of, inter alia, a credit agreement (the "**Credit Agreement**") dated 16 April 2004 between, inter alia, (1) LGC Group Holdings plc (company number 4812200) (the "**Parent**") (2) the Acquirer (3) the Lenders (as defined therein) and (4) HSBC Bank Plc in its capacity as facility agent for the Lenders and in its capacity as agent and trustee for the Finance Parties (as defined therein and hereinafter referred to as the "**Finance Parties**" and each a "**Finance Party**"). The following facilities will be provided under the Credit Agreement:
 - (a) a term loan facility in an amount not exceeding £16,500,000;
 - (b) a term loan facility in an amount not exceeding £10,500,000;
 - (c) a term loan facility in an amount not exceeding £3,000,000; and
 - (d) a revolving credit facility in a maximum aggregate principal amount not exceeding £5,000,000 which may include various ancillary facilities.
- 1.3 The obligations of the Parent and the Acquirer and the Company and (LGC Limited (company number 2991879) (the "**Subsidiary**") (when they accede to the Credit Agreement) under the Credit Agreement will be secured by a debenture (the "**Debenture**") to be entered into between (1) the Parent, the Acquirer, the Company and the Subsidiary and (2) HSBC Bank Plc in its capacity as Security Agent (as defined therein).
- 1.4 In addition to the funds provided under the Credit Agreement, the Acquisition is also to be financed by the issue of, amongst other things, deep discount bonds being issued by the Acquirer to LGV3 Private Equity Fund Limited Partnership (the "**Investor**"). It is a requirement of the Credit Agreement that the position between the Finance Parties, the Investor and the holders of long-term loan notes to be issued by the Acquirer be regulated. This will be done by means of an intercreditor deed (the "**Intercreditor Deed**") to be entered into between, inter alia, (1) the Parent (2) the Acquirer (3) the Company and the Subsidiary (4) the Lenders (as defined thereon) (5) the Investor and others as Junior Creditors and (6) HSBC Bank plc as Facility Agent and Security Agent (each as defined therein).
- 1.5 It was a condition of the Credit Agreement that the Company enter into certain security and other documents.

- 1.6 The Company will enter into the following documents:
- 1.6.1 an accession agreement (the "**Credit Agreement Accession Agreement**") to the Credit Agreement between inter alia, (1) the Company (2) the Parent and (3) HSBC Bank plc in its capacity as Facility Agent and Security Agent under the Credit Agreement;
 - 1.6.2 the Debenture;
 - 1.6.3 the Intercreditor Deed; and
 - 1.6.4 a pledge over shares (the "**Share Pledge**") held by the Company in LGC Beteiligungs GmbH between (1) the Company and (2) HSBC Bank plc in its capacity as Security Agent under the Credit Agreement.
- 1.7 Under the terms of the Credit Agreement, the Company will, amongst other things:
- 1.7.1 guarantee to each Finance Party the obligations of each of the Obligors (as defined under the Credit Agreement and including the Parent, the Acquirer and the Subsidiary and hereinafter referred to as the "**Obligors**") under the Finance Documents (as defined in the Credit Agreement and including the Debenture, the Share Pledge and the Intercreditor Deed and hereinafter referred to as the "**Finance Documents**" and each a "**Finance Document**");
 - 1.7.2 indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if the guarantee referred to above or any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal; and
 - 1.7.3 agree that its guarantee and indemnity obligations will not be affected by (among other things) any act, omission, matter or thing which would otherwise reduce, release or prejudice any of such obligations or prejudice or dismiss such obligations.

Until the provisions set out in sections 155-158 of the Act have been fully complied with, such guarantee and indemnity contained in the Credit Agreement will not extend to cover any financial indebtedness under the Finance Documents which, if it did so extend, would cause the infringement of section 151 to 158 of the Companies Act 1985 (the "**Act**") ("**Acquisition Debt**").

The Financial Assistance will take the form of:

- 2.1 An increase deed (the "**Increase Deed**") between (1) the Company and the Subsidiary, (2) the Parent and (3) HSBC Bank plc in its capacity as Facility Agent for the Lenders under the Credit Agreement and in its capacity as Facility Agent and Security Agent for the Finance Parties.
- 2.2 An intra group funding agreement (the "**Intra Group Funding Agreement**") between (1) the Company and the Subsidiary as lenders (the "**Lenders**") and (2) the Parent and the Acquirer as borrowers (the "**Borrowers**").

2.3 To the extent that they would infringe section 151 to 158 of the Act (save for compliance with sections 155- 158 of the Act), the terms of the following documents:

2.4.1 the Credit Agreement;

2.4.2 the Credit Agreement Accession Agreement;

2.4.3 the Debenture;

2.4.4 the Share Pledge; and

2.4.5 the Intercreditor Deed.

RIDER 4

LGC (Holdings) Limited
(Company No. 3141667)

Form 155(6)(a)

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

3.1 The Increase Deed which represents the mechanism pursuant to which, amongst other things, the Company agrees that, after the procedures required under sections 155- 158 of the Act have been fully complied with:

3.1.1 the Company's guarantee and indemnity obligations under the Credit Agreement;

3.1.2 the Company's obligations secured under the Debenture and the Share Pledge; and

3.1.3 the Company's obligations under the Intercreditor Deed,

will be increased to include all those obligations owed to the Finance Parties by any Obligor, including any Acquisition Debt. The principal terms of the Credit Agreement, Debenture and Intercreditor Deed are outlined at 4 below.

3.2 The principal terms of the Increase Deed are as follows:

3.2.1 By executing or acceding to the Credit Agreement, the Company's guarantee obligations did not extend to cover any Acquisition Debt;

3.2.2 The Company's guarantee and indemnity obligations under the Credit Agreement are extended to include, without limitation, all obligations under the Finance Documents with effect from the date of the Increase Deed;

3.2.3 The Company's obligations under the Intercreditor Deed are extended to include, without limitation, any obligations excluded therein under clause 21.3;

3.2.4 The Company confirms and acknowledges that the proviso in the definition of "Indebtedness" under clause 1.1 of the Debenture, excluding money or liabilities which, if they were included, would infringe section 151 to 158 of the Act, no longer applies and that the Debenture now secures all money or liabilities, due owing or incurred to any Secured Party by any Charging Company or any other Obligor under any Finance Document at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor and all losses incurred by any Secured Party in connection therewith (all such terms as defined in the Debenture).

- 3.3 The Intra Group Funding Agreement which represents the mechanism pursuant to which, inter alia, the Lenders agree to lend moneys (the “IGFA Facilities”) to the Borrowers on the terms and conditions thereof, to enable the Parent and the Acquirer to meet their debt service requirements under the Credit Agreement as they fall due. The principal terms under which such IGFA Facilities are made available are as follows:
- 3.3.1 The IGFA Facilities shall be applied by the Borrowers in or towards the discharge or satisfaction of interest, principal, costs, fees, expenses, charges and other sums falling due under the Credit Agreement and the Ancillary Facility Letter (together referred to as the “Documents”);
 - 3.3.2 The IGFA Facilities will be available to the Borrowers so long as they have any outstanding obligations in respect of the facilities granted pursuant to the Documents or any refinancings thereof;
 - 3.3.3 The IGFA Facilities may be redrawn once repaid or otherwise discharged;
 - 3.3.4 The IGFA Facilities shall bear interest at a rate to be agreed between the relevant Borrower and the relevant Lender from time to time;
 - 3.3.5 The IGFA Facilities shall remain outstanding on inter-company loan account until repaid;
 - 3.3.6 No Lender shall be obliged to make any amount available if an Insolvency Event (as defined in the Credit Agreement) has occurred;
 - 3.3.7 Any IGFA Facilities advanced, together with any interest thereon shall be repayable on demand but such demand shall not be made unless demand has been made by the Finance Parties under the Documents;
 - 3.3.8 There is a right of set-off between the Lenders and the Borrowers in respect of inter-company indebtedness.

The principal terms of the Credit Agreement Accession Agreement, the Credit Agreement, the Debenture and Intercreditor Deed are as outlined below:

4.1 The Credit Agreement Accession Agreement

The Credit Agreement Accession Agreement is the mechanism by which the Company accedes to the Credit Agreement, give its assent to such provisions, to note the terms and to agree to the arrangements thereunder.

4.2 The Credit Agreement

The Credit Agreement contains a guarantee and indemnity as outlined in paragraph 1.7 in Rider 3 above. As outlined in clause 2 of the Increase Deed, the guarantee and indemnity will not extend to the Acquisition Debt until the Increase Deed has been executed.

4.3 The Debenture

Under the terms of the Debenture, the Company grants, inter alia, a first legal mortgage over all of its freehold and leasehold property and over all the Subsidiary Shares and Investment and a first fixed charge and floating charge over all its present and future assets as security for the Indebtedness (all such terms as defined therein). The definition of Indebtedness contains a proviso which states that the security given pursuant to the Debenture does not extend to the Acquisition Debt until the execution of the Increase Deed.

The Company undertakes to, at its own expense, execute and do all such assurances, acts and things as the Security Agent may reasonably require for perfecting or protecting the security intended to be created by the Debenture over the assets thereby.

4.4 The Share Pledge

Under the terms of the Share Pledge, the Company grants, inter alia, a first pledge over the shares referred to therein as security for the Secured Obligations (as defined therein). The definition of Indebtedness contains a proviso which states that the security given pursuant to the Debenture does not extend to the Acquisition Debt until the execution of the Increase Deed.

4.5 The Intercreditor Deed

The Intercreditor Deed sets out the priority of security between the parties thereto and the Company acknowledges the priority of security between the parties and the subordination of their respective rights as creditors. The Company, as an Obligor, covenants to pay to the Security Agent the Senior Debt when the same falls due for payment. In addition, the Company, as an Obligor, covenants, inter alia, not to make certain payments in respect of the Hedging Liabilities, the Junior Debt and the Intra-Group Debt except with the prior written consent of the Facility Agent (each such term as defined therein).

As outlined above at paragraph 1.7 of Rider 3, the provisions of the Intercreditor Deed do not apply to any Acquisition Debt until the Increase Deed has been executed.

4.6 Amendments

The Company's obligations as described above otherwise continue in relation to the Finance Documents and Intra-Group Funding Agreement as they may be amended, modified, varied or restated from time to time.

RIDER 5

LGC (Holdings) Limited
(Company No. 3141667)

Form 155(6)(a)

The amount of cash to be transferred to the person assisted is:

Any amounts lent under the Intra Group Funding Agreement.

RIDER 6

LGC (Holdings) Limited
(Company No. 3141667)

Form 155(6)(a)

The date on which the financial assistance is to be given is:

within 8 weeks from the date hereof.

Auditors' report to the directors of LGC (Holdings) Limited pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of LGC (Holdings) Limited ("the Company") dated 28 April 2004, prepared in accordance with applicable United Kingdom Law, in connection with the proposal that the Company should give financial assistance for the purchase of entire issued share capital of the Company.

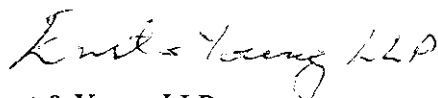
This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our audit work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for our audit work, for this report, or for the opinions we have formed.

Basis of opinion

We have enquired into the state of the Company's affairs 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.



Ernst & Young LLP
Registered Auditor
London
28 April 2004