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CHFP025

COMPANIES FORM No 155(6)b

**Declaration by the directors
of a holding company in
relation to assistance for the
acquisition of shares**

155(6)b

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write in this
margin

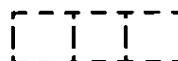
Pursuant to section 155(6) of the Companies Act 1985

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



3541144

Name of company

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

* Britton Group Limited (the "Company")

* insert full name
of company

☒ We ☐ See Appendix 1 attached

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

† delete as
appropriate

~~XXXXXXXXXX~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that

§ delete whichever
is inappropriate

The business of this company is

- (a) ~~that of a recognised bank, business or company within the meaning of the Banking Act 1987~~
(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§

This company is ~~not~~ [a] holding company of* Britton Security Packaging Limited
(Company No 339276) which is
proposing to give financial assistance in connection with the acquisition of shares
in ~~XXXXXXXXXX~~ Britton Group (Holdings) Limited (Company No 3540803)
the ultimate the holding company of this company†

Presenter's name address and
reference (if any)

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

727740 Birmingham 62

For official Use
General Section

SATURDAY



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ATFXQXNP

01/03/2008

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COMPANIES HOUSE

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition] † (note 1)

Please do not
write in this
margin

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

The number and class of the shares acquired or to be acquired is See Appendix 2 attached

The assistance is to be given to (note 2) Britton Holdings Limited (Company No 5021852)
whose registered office is c/o Britton Taco Limited, Road One Winsford
Industrial Estate, Winsford, Cheshire, CW7 3RD

The assistance will take the form of

See Appendix 3 attached

The person who [has acquired] ~~will acquire~~ the shares is
Britton Holdings Limited (Company No 5021852)

† delete as
appropriate

The principal terms on which the assistance will be given are

See Appendix 4 attached

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced
by giving it is nil

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

The value of any asset to be transferred to the person assisted is £ Nil

Please do not
write in this
margin

The date on which the assistance is to be given is within 8 weeks of the date hereof

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

☒ We have formed the opinion, as regards this 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 this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

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

(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and we have formed the opinion that this 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

115 Colmore Row, Birmngham

Declarants to sign below



on

Day	Month	Year
23	02	2008

before me J. Robinson JACOB ROBINSON

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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

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BRITTON GROUP LIMITED (Company No. 3541144)

APPENDICES TO FORM 155(6)b IN RESPECT OF ITS SUBSIDIARY
BRITTON SECURITY PACKAGING LIMITED (Company No 339276) ("the Company")

PREVIOUS TRANSACTION

APPENDIX 1

Name Michael Clark

Address Greenwoods,
7 Church Drive,
Lytham,
Lancashire,
FY8 5PE

Name Stephen Tony Goodman

Address 2 Ladyacre,
Bamber Bridge,
Preston,
Lancashire,
PR5 6XN

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BRITTON GROUP LIMITED (Company No. 3541144)

APPENDICES TO FORM 155(6)b IN RESPECT OF ITS SUBSIDIARY
BRITTON SECURITY PACKAGING LIMITED (Company No 339276) ("the Company")

PREVIOUS TRANSACTION

APPENDIX 2

Number and class of shares acquired

Number	52,500
Class	"A" Ordinary Shares of £0.01 each

Number	75,000
Class	"B" Ordinary Shares of £0.01 each

Number	622,500
Class	"C" Ordinary Shares of £0.01 each

Number	37,114,208
Class	Deferred Shares of £1.00 each

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BRITTON GROUP LIMITED (Company No. 3541144)

APPENDICES TO FORM 155(6)b IN RESPECT OF ITS SUBSIDIARY
BRITTON SECURITY PACKAGING LIMITED (Company No 339276) ("the Company")

PREVIOUS TRANSACTION

APPENDIX 3

The execution, delivery and performance by the Company of the following documents as the same may be amended, restated, varied, supplemented, substituted, novated and/or assigned from time to time:

- 1 A senior sterling term facilities agreement (the "Senior Facilities Agreement") in the sum of £25,000,000 made between Britton Flexibles Limited ("Purchaser") (as borrower) and its subsidiaries (1), Britton Holdings Limited, Britton Group (Holdings) Limited, Britton Group Limited, Britton Taco Limited, Merlin Group Holdings Limited, Britton Merlin Limited, Britton Security Packaging Limited and Britton Decoflex Limited ("Relevant Subsidiaries") (as guarantors) (2) and HSBC Bank plc (the "Bank") (in its various capacities as Arranger, Agent, Original Lender and Ancillary Lender (as defined in the Senior Facilities Agreement)) (3) HSBC Corporate Trustee Company (UK) Limited (the "Security Agent") (4) and HSBC Invoice Finance (UK) Limited (the "Confidential Invoice Discounting Facility Provider") (5) pursuant to clause 20 of which the Company will, as guarantor, guarantee the payment of, amongst other things, all present and future indebtedness, monies, obligations and liabilities of the Purchaser to each Finance Party (as defined therein),
- 2 A mezzanine sterling term facilities agreement (the "Mezzanine Facilities Agreement") in the sum of £10,000,000 made between the Purchaser (as borrower) (1) the Relevant Subsidiaries (as guarantors) (2) the Security Agent (3) and the Bank (in its various capacities as Arranger, Agent and Original Lender (as defined in the Mezzanine Facilities Agreement)) (4) pursuant to clause 19 of which the Company will, as guarantor, guarantee the payment of, amongst other things, all present and future indebtedness, monies, obligations and liabilities of the Purchaser to each Finance Party (as defined therein),
- 3 Confidential invoice discounting facility agreements to be entered into between each of Britton Merlin Limited, Britton Decoflex Limited and Britton Taco Limited (1) and the Confidential Invoice Discounting Provider (2) pursuant to which the Confidential Invoice Discounting Provider makes available to these companies a committed confidential invoice discounting facility of an aggregate of up to £13,000,000 ("the CID Facility Agreements");
- 4 A composite guarantee and debenture to be given by the Purchaser, the Company and the other Relevant Subsidiaries to the Bank as Security Agent (the "Bank Debenture") under which the Company will guarantee the liabilities of inter alia the Purchaser and the other Relevant Subsidiaries to the Secured Parties (as defined therein) and will charge and mortgage the whole of its property, undertaking and assets (including by way of fixed and floating charge) in favour of the Security Agent to secure, amongst other things, its liabilities and those of the Purchaser and the other Relevant Subsidiaries to the Security Agent and/or the Secured Parties (as defined therein) from time to time including those under the Senior Facilities Agreement, the CID Facility Agreements and the Mezzanine Facilities Agreement;
- 5 Legal charges to be entered into between Britton Merlin Limited and Britton Taco Limited in favour of the Security Agent (the "Bank Legal Charges"),
- 6 An intra group funding agreement between the Purchaser as the borrower and the Relevant Subsidiaries as lenders (the "Intra Group Loan Agreement"), whereby, if requested by the Purchaser, the Relevant Subsidiaries will lend to the Purchaser such sums as the Purchaser

considers necessary to meet its payment obligations up to a maximum aggregate principal amount of £100,000,000,

- 7 A key-man assignment between Britton Holdings Limited and the Security Agent in respect of the existing key-man policies over each of Stephen Tony Goodman, Michael Clark, William Alexander Greig, Mark James Finneran, Barry Turner and Paul Malcolm Toby (the "Bank Key-man Assignment"),
- 8 A composite guarantee and debenture to be given by the Purchaser, the Company and the other Relevant Subsidiaries to HSBC Investment Bank Holdings Plc ("HSBCPE") (the "HSBCPE Guarantee and Debenture") under which the Company will guarantee the liabilities of inter alia the Purchaser and the other Relevant Subsidiaries to HSBCPE and charge and mortgage the whole of its property, undertaking and assets (including by way of fixed and floating charge) in favour of HSBCPE to secure, amongst other things, its liabilities and those of the Purchaser and the other Relevant Subsidiaries to HSBCPE from time to time under the secured investor loan note instrument to be issued by the Purchaser to HSBCPE ("the Investor Loan Note Instrument"),
- 9 A composite guarantee and debenture to be given by the Company to Michael Clark as security trustee for Michael Clark, Stephen Goodman and Others ("Management") under which the Company will guarantee the liabilities of inter alia the Purchaser to Management and will secure all obligations of the Purchaser and the other Relevant Subsidiaries to Management under the terms of the secured management loan note instrument to be issued by the Purchaser (the "Management Loan Note Instrument") ("the Management Guarantee and Debenture"),
- 10 A security trust deed to be entered into between Michael Clark, the other members of Management, the Purchaser and the Relevant Subsidiaries in relation to the Management Guarantee and Debenture (the "Security Trust Deed"),
- 11 An intercreditor agreement made between inter alia the Bank (in its various capacities), the Security Agent, HSBCPE, Management, the Purchaser and the Relevant Subsidiaries pursuant to the terms of which the Company together with the Purchaser and the rest of the Relevant Subsidiaries acknowledges the arrangements between the Security Agent and the Intra-Group Creditors, Intra-Group Debtors and Obligors (as defined therein) regulating their rights, responsibilities, claims, priorities and subordination against and in respect of each other and in respect of each of the Purchaser, the Company and the other of the Relevant Subsidiaries ("Intercreditor Agreement"),
- 12 A debenture to be given by Britton Merlin Limited ("Merlin") to the trustees of the Merlin Pensions Scheme (the "Pensions Trustees") under which Merlin will charge and mortgage the whole of its property, undertaking and assets (including by way of fixed and floating charge) in favour of the Pensions Trustees to secure all sums owing to the Pensions Trustees by Merlin up to a limit of £3,000,000 (the "Pensions Debenture"), and
- 13 A deed of priority to be entered into between inter alia the Bank (in its various capacities), the Security Agent, the Confidential Invoice Discounting Provider, HSBCPE, Management, Merlin and the Pensions Trustees regulating priorities in respect of the security referred to therein (the "Deed of Priority").

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BRITTON GROUP LIMITED (Company No. 3541144)

**APPENDICES TO FORM 155(6)b IN RESPECT OF ITS SUBSIDIARY
BRITTON SECURITY PACKAGING LIMITED (Company No 339276) ("the Company")**

PREVIOUS TRANSACTION

APPENDIX 4

The principal terms on which the assistance is to be given are as follows

- 1 By executing the Senior Facilities Agreement, the Company will become a party to the Senior Facilities Agreement as a guarantor and will therefore, inter alia, guarantee (as principal obligor and not merely as surety) to each Finance Party (as defined therein) the performance of the obligations of Purchaser and any of its Relevant Subsidiaries from time to time under any Finance Document (as defined therein) These obligations include, without limitation, obligations incurred in connection with the Acquisition and any amounts whether now or in the future due from the Purchaser or any Relevant Subsidiaries to the Finance Parties The Senior Facilities Agreement also provides that a Finance Party (as defined therein) may set off any matured obligations due from the Purchaser and the Relevant Subsidiaries to that Finance Party against any matured obligations owed by that Finance Party to the Purchaser, and the Relevant Subsidiaries, regardless of the place of payment, booking branch or currency of either obligation The Senior Facilities Agreement also allows any Ancillary Lender (as defined therein) to make available to the Purchaser or any Relevant Subsidiaries (including the Company) an overdraft facility, a trade line, a treasury foreign exchange line, a contingent liabilities line, letters of credit, guarantees or any other facility or accommodation required in connection with the business of the Purchaser and the Relevant Subsidiaries on terms to be agreed between the Ancillary Lender and the Purchaser.
- 2 By executing the Mezzanine Facilities Agreement, the Company will become a party to the Mezzanine Facilities Agreement as a guarantor and will therefore, inter alia, guarantee (as principal obligor and not merely as surety) to each Finance Party (as defined therein) the performance of the obligations of Purchaser and any of its Relevant Subsidiaries from time to time under any Finance Document (as defined therein) These obligations include, without limitation, obligations incurred in connection with the Acquisition and any amounts whether now or in the future due from the Purchaser or any Relevant Subsidiaries to the Finance Parties The Mezzanine Facilities Agreement also provides that a Finance Party (as defined therein) may set off any matured obligations due from the Purchaser and the Relevant Subsidiaries to that Finance Party against any matured obligations owed by the Bank to Purchaser, and the Relevant Subsidiaries, regardless of the place of payment, booking branch or currency of either obligation.
- 3 Under the terms of the CID Facility Agreements, the Confidential Invoice Discounting Provider provides confidential invoice discounting facilities to Britton Merlin Limited, Britton Decoflex Limited and Britton Taco Limited which will be utilised in part in connection with the Acquisition and also for their working capital requirements These companies will, amongst other things:-
 - 3.1 agree to assign to the Confidential Invoice Discounting Provider all existing Debts (as that term is defined in the CID Facility Agreements) and future Debts, with existing Debts vesting in the Confidential Invoice Discounting Provider absolutely on the date the CID Facility Agreements are entered into and future Debts vesting absolutely in the Confidential Invoice Discounting Provider upon such future Debts being created by the relevant company, and

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3 2 agree that the Confidential Invoice Discounting Provider may set off, debit, transfer or apply at any time any obligation owed by these companies to the Confidential Invoice Discounting Provider

- 4 Under the terms of the Bank Debenture, the Company will guarantee to the Security Agent (for and on behalf of the Secured Parties (as defined therein)) all the liabilities and obligations from time to time of the Purchaser and the other Relevant Subsidiaries under the Senior Facilities Agreement, the Mezzanine Facilities Agreement and the CID Facilities Agreements and will grant fixed and floating charges in favour of the Security Agent over the whole of its property, assets and undertaking to secure all liabilities and obligations from time to time of the Company to the Bank as Security Agent for and on behalf of the Secured Parties (as defined therein)

In support of its obligations therein, the Company will also enter into various undertakings (including, without limitation, undertakings to enter into additional security documents as may be required under the further assurance provisions in the Bank Debenture, covenants and indemnities and agree to pay certain fees, costs and expenses to the Security Agent and/or the Secured Parties (as defined therein))

- 5 Under the terms of the Bank Legal Charges, Britton Merlin Limited grants a legal mortgage over the land and buildings at Brackenborough Road, Louth with title numbers LL92305, LL102010, LL95956, LL242920 and LL119179 and Britton Taco Limited grants a legal mortgage over the property at Road One, Winsford Industrial Estate, Winsford with title number CH440132 in each case to secure all liabilities and obligations from time to time of the relevant company to the Security Agent and/or the Secured Parties (as defined therein) including those under the guarantee contained in the Senior Facilities Agreement and the Mezzanine Facilities Agreement

In support of its obligations therein, the Company will also enter into various undertakings (including, without limitation, undertakings to enter into additional security documents as may be required under the further assurance provisions in the Bank Legal Charges, covenants and indemnities and agree to pay certain fees, costs and expenses to the Security Agent and/or the Secured Parties (as defined therein)).

- 6 Under the terms of the Intra Group Loan Agreement, inter alia the Company will make available, subject to the terms and conditions thereof, to the Purchaser such sums as the Purchaser considers necessary to meet its payment obligations up to a maximum aggregate principal amount of £100,000,000.

- 7 Under the terms of the Bank Key-man Assignment, the Key-man Policies will be assigned to the Security Agent to secure all the liabilities from time to time due, whether now or in the future due from the Purchaser or any Relevant Subsidiary to the Finance Parties (as defined therein).

In support of its obligations therein, the Company will also enter into various undertakings (including, without limitation, undertakings to enter into additional security documents as may be required under the further assurance provisions in the Bank Keyman Assignment covenants and indemnities and agree to pay certain fees, costs and expenses to the Security Agent and/or the Secured Parties (as defined therein)).

- 8 Under the terms of the HSBCPE Guarantee and Debenture, the Company will guarantee to HSBCPE all the liabilities and obligations from time to time of the Purchaser and the other Relevant Subsidiaries under the Investor Loan Note Instrument and grant fixed and floating charges in favour of HSBCPE over the whole of its property, assets and undertaking to secure all liabilities and obligations from time to time of the Company to HSBCPE under the Investor Loan Note Instrument

- 9 Under the terms of the Management Guarantee and Debenture, the Company will guarantee to Michael Clark as security trustee for Management all the liabilities and obligations from

time to time of the Purchaser and the other Relevant Subsidiaries under the Management Loan Note Instrument and grant fixed and floating charges in favour of Michael Clark as security trustee for Management over the whole of its property, assets and undertaking to secure all liabilities and obligations from time to time of the Company to Management under the Management Loan Note Instrument.

- 10 Under the terms of the Security Trust Deed the Company acknowledges its terms and agrees to be responsible for the costs and expenses of Michael Clark (as security trustee) under that deed.
- 11 Under the terms of the Intercreditor Agreement, the Company -
 - 11.1 acknowledges the arrangements between the parties to that document,
 - 11.2 agrees that inter-company debts are postponed and subordinated to the liabilities of the Purchaser to the Secured Parties (as defined therein), the Pension Trustees and the Investors (as defined therein), and
 - 11.3 gives various representations, warranties and indemnities to the other parties to that document
- 12 Under the Pensions Debenture, Merlin will grant to the Pensions Trustees fixed and floating charges over the whole of its property, assets and undertaking to secure all sums owing to the Pensions Trustees by Merlin up to a limit of £3,000,000
- 13 Under the terms of the Deed of Priority, Merlin acknowledges the arrangements between the parties to that document and gives various representations, warranties and indemnities to the other parties to that document

In executing, delivering and performing the documents referred to above, the Company is entering into obligations, assuming liabilities, waiving rights and giving security in connection with the acquisition referred to in the statutory declaration (the "Acquisition") and may in the future be called upon pursuant to any of the documents referred to in this statutory declaration to discharge obligations and/or liabilities, to waive rights and to give effect to security arising in connection with the Acquisition

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BRITTON GROUP LIMITED (Company No. 3541144)

APPENDICES TO FORM 155(6)b IN RESPECT OF ITS SUBSIDIARY
BRITTON SECURITY PACKAGING LIMITED (Company No 339276) ("the Company")

PREVIOUS TRANSACTION

APPENDIX 5

Such sums as are transferred from time to time pursuant to the terms of the Intra-Group Loan Agreement up to a maximum aggregate amount of £100,000,000