

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

155(6)b

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

F	-	T	-	T	-
f	-	t	-	t	-

0371 6334

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

Name of company

* Dynacast International Limited

* insert full name
of company

~~X/We~~ See Schedule 1

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

† delete as appropriate

~~XXXXXXXXXXXX~~ [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 person used to carry on business in the United Kingdom as an authorised insurance company, or
- (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*

Dynacast Canada UK Limited (the "Subsidiary") which is

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

in ~~XXXXXXXXXX~~ Dynacast International Limited

the holding company of this company.]†

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

Clifford Chance Limited
10 Upper Bank Street
London
E14 5JJ

149120 Canary Wharf 3

For official Use
General Section



LD9 *L08
COMPANIES HOUSE

0144
31/05/05

339274

Please do not
write in this
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**Please complete
legibly, preferably
in black type, or
bold block
lettering**

The assistance is to be given to: (note 2) Melrose plc
(registered number 04763064) 10 Upper Bank Street, London, E14 5JJ

See Schedule 2

† delete as appropriate

See Schedule 3

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

~~X~~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)

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

- (a) ~~X~~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)
- (b) ~~XXXXXX 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)~~

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

Declarants to sign below

Clifford Chance, 10 Upper Bank Street,
London E14 5JD

Day Month Year
on

2	5	0	5	2	0	0	5
---	---	---	---	---	---	---	---

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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Schedule 1 to the Form 155(6)(b)

for Dynacast International Limited dated 25 May 2005

1. Gregory David Koral of 476 Warwick Road, Solihull, West Midlands, B91 1AG;
2. Stuart Greville Moberley of Old Berrow Hill Farm, Berrow Hill, Feckenham, Worcestershire, B96 6QL;
3. Alistair Garfield Peart of 80 Esher Road, East Molesley, Surrey, KT8 0AG;
4. Simon Anthony Peckham of Falcon Wood, Steels Lane, Oxshott, Surrey, KT22 0QQ;
and
5. Michael Albert Stacey of Vines House, Horton, Dorset, BH21 7JA.

Handwritten signatures and initials:
BIAW
SAB.
HAR
AP
CIR
M5151/00199

Schedule 2 to the Form 155(6)(b)

for Dynacast International Limited dated 25 May 2005

1. The execution, delivery and performance by the Subsidiary of its obligations under:
 - 1.1 an accession letter (the "**Accession Letter**") to be entered into on or about the date hereof between the Subsidiary, Melrose plc ("**Melrose**") and Lloyds TSB Bank plc pursuant to which the Subsidiary will accede as an Additional Guarantor (as defined in the Facility Agreement) to a £230,000,000 facilities agreement dated 21 April 2005 (the "**Facilities Agreement**") between, among others, Melrose plc, Barclays Capital and Lloyds TSB Bank plc as mandated lead arrangers (the "**Mandated Lead Arrangers**") and bookrunners (the "**Bookrunners**") and Lloyds TSB Bank plc, as agent (the "**Agent**") and agrees to be bound by the terms of the Facilities Agreement;
 - 1.2 an intra-group loan agreement (the "**Intra-Group Loan Agreement**") entered into on or about the date hereof between Melrose, as the borrower, the Subsidiary, Dynacast International Limited, Dynacast Investments Limited, Dynacast Holdings Limited, Dynacast (UK) Limited, Dynacast (AH1) Limited and Dynacast (AH2) Limited, as lenders, pursuant to which such lenders will make available loan facilities to Melrose plc to comply with its payment obligations under the Facilities Agreement or for its general corporate purposes; and

(each of those documents being in such form as may be amended, supplemented, novated and/or replaced from time to time) (the "**Documents**") together with the performance by the Subsidiary of other acts in connection with the acquisition of the shares and the financing of that acquisition.

Handwritten signatures:
Rafael
SOP.
M. AS
Cik
DFF
[Signature]

Schedule 3 to the Form 155(6)(b)

for Dynacast International Limited dated 25 May 2005

Facilities Agreement

1. By acceding to the Facilities Agreement the Subsidiary will agree to become an Additional Guarantor and be bound by the terms of the Facilities Agreement as an Additional Guarantor whereby it will, amongst other things:
 - 1.1 irrevocably and unconditionally jointly and severally:
 - 1.1.1 guarantee to each Finance Party (as defined in the Facilities Agreement) punctual performance by each Borrower (as defined in the Facilities Agreement) of all that Borrower's obligations under the Finance Documents (as defined in the Facilities Agreement);
 - 1.1.2 undertake with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
 - 1.1.3 indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover,
- (the "Guarantee")
- 1.2 agree that the Guarantee shall be a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor (as defined in the Facilities Agreement) under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part;
- 1.3 agree that the Guarantee will not be affected by, *inter alia*, any act, omission, matter or thing which would otherwise reduce, release or prejudice its obligations under the Guarantee.
2. By acceding to the Facilities Agreement the Subsidiary is entering into obligations, assuming liabilities and giving guarantees for the purpose of reducing or discharging the obligations and liabilities of Melrose in acquiring all the issued share capital of Dynacast International Limited.

Intra-Group Loan Agreement

3. By executing the Intra-Group Loan Agreement the Subsidiary agrees to make available loan facilities to Melrose for, among other things, compliance with its payment obligations under the Facilities Agreement or its general corporate purposes.

The Directors
Dynacast International Limited
Tything Road
Alcester
Warwickshire
B49 6EW

25 May 2005

Dear Sirs

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
DYNACAST INTERNATIONAL LIMITED ("THE COMPANY") PURSUANT
TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of the Company dated 25 May 2005 in connection with the proposal that the Company's subsidiary Dynacast Canada UK Limited should give financial assistance for the purchase of the Company's ordinary shares.

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

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

Audit. Tax. Consulting. Corporate Finance.

Palatso
AKS
BJP
Ek
Member of
Deloitte Touche Tohmatsu