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CHFP025

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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

To the Registrar of Companies  
(Address overleaf - Note 5)

For official use

Company number

[ ] [ ] [ ] [ ]

03716334

Note

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

Name of company

\* Dynacast International Limited (the "Company")

\* 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 do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever  
is inappropriate

~~(a) that of a (recognised bank) licensed institution within the meaning of the Banking Act 1978~~

~~(b) that of a person authorised under section 3 of the Financial Services Companies Act 1985 to carry~~

~~in financial 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] ~~XXXXXXXXXXXXXXXXXXXX~~

The assistance is for the purpose of [that acquisition] ~~XXXXXXXXXXXXXXXXXXXX~~

The number and class of the shares acquired or to be acquired is: 1,145,860 Ordinary Shares

54,383,440 Preference Shares and 11,031,071 Management Shares

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

Clifford Chance Limited  
10 Upper Bank Street  
London  
E14 5JJ

For official Use  
General Section

Post room



LD9  
COMPANIES HOUSE

0147  
31/05/05

337187

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

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

The assistance will take the form of:

See Schedule 2

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

† delete as  
appropriate

Melrose plc

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

See Schedule 3

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 within 8 weeks of the date hereof

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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) ~~It is intended to commence the winding up of the company within 12 months of that date, and 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 ☒ 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 St,  
London E14 5JJ

on 

Day	Month	Year
25	05	2005

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.

*[Handwritten signatures]*

## 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

**Schedule 1 to the Form 155(6)(a)**

**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 notes:*  
DWA  
SAP.  
MATS  
Ck B.P.  


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

for Dynacast International Limited dated 25 May 2005

1. The execution, delivery and performance by the Company of its obligations under:
  - 1.1 an accession letter (the "**Accession Letter**") to be entered into on or about the date hereof between the Company, Melrose plc ("**Melrose**") and Lloyds TSB Bank plc pursuant to which the Company 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, 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; and
  - 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 Company, Dynacast Investments Limited, Dynacast Holdings Limited, Dynacast (UK) Limited, Dynacast Canada UK Limited, Dynacast (AH1) Limited and Dynacast (AH2) Limited, as lenders, pursuant to which such lenders will make available loan facilities to Melrose to comply with its payment obligations under the Facilities Agreement or for its general corporate purposes,

(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 Company of other acts in connection with the acquisition of the shares and the financing of that acquisition.

RM  
Sol.  
MAS  
Ck BR

**Schedule 3 to the Form 155(6)(a)**

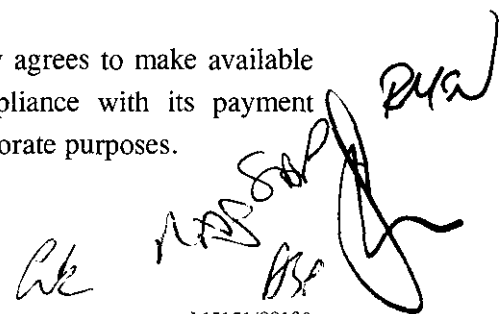
**for Dynacast International Limited dated 25 May 2005**

**Facilities Agreement**

1. By acceding to the Facilities Agreement the Company 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 Company 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 Company 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 should give financial assistance for the purchase its own 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**

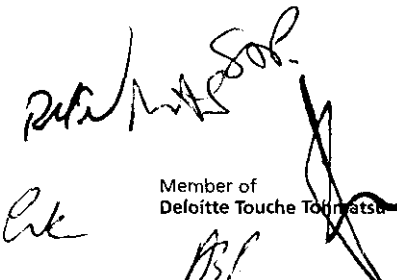
We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

**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  
Chartered Accountants and Registered Auditors  
London

Audit. Tax. Consulting. Corporate Finance.

  
Member of  
Deloitte Touche Tohmatsu