



Declaration in relation to assistance for the acquisition of shares

155(6)a

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

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

For official use

Company number

1	2	3	4	5	6
1	1	1	1	1	1
1	1	1	1	1	1

4109440

Name of company

* INS INNOVATON LIMITED

~~X~~We ☐ Please see attached Schedule 1

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

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

The business of the company is

[illegible][illegible]

XX 5

(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] XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX

purpose of that acquisition] t

The number and class of the shares acquired or to be acquired is 1 ordinary share

Presentor's name address and
reference (if any)

Ashurst LLP
Broadwalk House
5 Appold Street
London
EC2A 2HA

639 London City
doc 9282761

For official
General Sec

WEDNESDAY



LD4

LNMZMZW

07/05/2008

96

COMPANIES HOUSE

The assistance is to be given to (note 2) Babcock International Group plc of 2 Cavendish Square
London W16 0PX

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 attached Schedule 2

The person who [has acquired] ~~XXXXXXXX~~ † the shares is

† delete as
appropriate

Babcock International Group plc

The principal terms on which the assistance will be given are

Please see attached Schedule 3

The amount of cash to be transferred to the person assisted is £ Please see attached Schedule 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 hereof

The assistance is to be given to (note 2) Babcock International Group plc of 2 Cavendish Square
London W16 0PX

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

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

Infra

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

(b) [REDACTED] (note 3)

Malcolm Colin Dav
Solicitor
90 Liverpool Road
Cadishead
Manchester M44 5AN

Laserform International 12/99
9282761

INS Innovation Limited (the "Company")

(Company Number 4109440)

Riders for Companies Form 155(6)a

1 SCHEDULE 1

Archibald Bethel of 50 Avondale Avenue, East Kilbride, Glasgow G74 1NS

Paul Brown of 65 Station Road, Delamere, Northwich, Cheshire CW8 2HZ

Stephen McGowan of 1 Thompson Avenue, Culcheth, Warrington WA3 4EB

Geoffrey Mellor of 71 Westbrook Crescent, Old Hall, Warrington, Cheshire WA5 8TN

Anthony Moore of Hawkstone View, Longford Turning, Market Drayton, Shropshire TF9 3PF

Kevin Thomas of Barleymow Cottage, 37 Mill Street, Kingston-upon-Thames KT1 2RG

2 SCHEDULE 2

2 1 FACILITY AGREEMENT

The assistance will take the form of

Accession as an additional guarantor to a facility agreement dated 9 May 2007 (the "**Facility Agreement**") between, among others, Babcock International Group PLC ("**Babcock**"), The Governor and Company of the Bank of Scotland ("**BOS**"), J P Morgan plc, Lloyds TSB Bank plc and The Royal Bank of Scotland plc ("**RBS**") by the Company in order to secure, among other things, the obligations of Babcock under the Facility Agreement

2 2 AGREEMENT AND RBS GUARANTEE

The assistance will take the form of

Accession to an agreement dated 15 May 2007 (the "**Agreement**") between, among others, Babcock and certain of Babcock's subsidiaries from time to time (together, the "**Overdraft Group**") and RBS by the Company and accession to an unlimited inter company composite guarantee dated 14 May 2002 (the "**RBS Guarantee**") between, among others, Babcock and certain of Babcock's subsidiaries from time to time (together, the "**RBS Guarantors**") and RBS, by the Company, in order to undertake unlimited liability to RBS in respect of the obligations of the Overdraft Group under the Agreement

2 3 WORKING CAPITAL AGREEMENT AND BOS GUARANTEE

The assistance will take the form of

Accession as a borrower to a working capital facility letter (The "**BOS Facility Letter**") dated 31 July 2004 between, among others, Peterhouse Group PLC and certain of Babcock's subsidiaries from time to time (as amended) (together the "**Borrowers**") and BOS by the Company and accession as a guarantor to a guarantee (the "**BOS Guarantee**") dated 31 July 2004 between, among others, Babcock and certain of Babcock's subsidiaries from time to time, (together, the "**BOS Guarantors**") and BOS, by the Company which irrevocably and unconditionally guarantees the obligations of the Borrowers under the BOS Facility Letter

3 SCHEDULE 3

3 1 FACILITY AGREEMENT

The principal terms on which the assistance will be given are

(a) Guarantee and indemnity

The Company, as an additional guarantor, irrevocably and unconditionally

- (i) guarantees to BOS, J P Morgan plc, Lloyds TSB Bank plc, RBS and any additional lenders under the Facility Agreement (the "**Finance Parties**" and each a "**Finance Party**"), punctual performance by Babcock of all of Babcock's payment obligations under the Facility Agreement, any fee letter, any transfer certificate, any accession agreement and any other document designated as such by RBS (as facility agent) and Babcock (the "**Finance Documents**"),
- (ii) undertakes with each Finance Party that, whenever Babcock does not pay any amount when due under any Finance Document, the Company must immediately on demand by the facility agent pay that amount as if it were the principal obligor, and
- (iii) indemnifies each Finance Party immediately on demand against any 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 loss or liability under the indemnity will be equal to the amount the Finance Party would otherwise have been entitled to recover

(b) Continuing guarantee

The guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by Babcock or any other guarantor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

(c) Set-off

A Finance Party may set off any matured obligation owed to it by an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

3 2 AGREEMENT AND RBS GUARANTEE

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

(a) Agreement

(i) Security

The Company has granted security to RBS by acceding to the RBS Guarantee which secures the facility

(ii) Set-Off

RBS may at any time without prior notice and both before and after any demand, set-off any debit balances against any credit balances on any of the balances on any of the balances on the accounts of the Overdraft Group with RBS and each member of the Overdraft Group expressly consents to such set off. Without prejudice to the RBS' right to set-off, RBS agrees to give written notice to Babcock of any exercise of its right of set-off as soon as is practicable.

(b) **RBS Guarantee**

(i) **Guarantee and Indemnity**

The RBS Guarantors (additionally referred to as the "**Debtors**" in paragraphs 3 2(b)(i-iii))

- (A) jointly and severally guarantees to discharge on demand all liabilities to RBS of any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another) together with RBS' charges and commission, interest at the rate(s) charged to each Debtor by RBS from time to time in respect of that Debtors Obligation ("**Interest**"), and all expenses (on a full indemnity basis) incurred by RBS at any time in connection with the obligations of each Debtor or in preserving defending or enforcing the security created by the RBS Guarantee or exercising any power under the RBS Guarantee or otherwise with Interest from the date they are incurred, payable by each Debtor (the "**Obligations**") of each Debtor with Interest from the date of demand, and
- (B) agree that any item or amount claimed by RBS to be included in a Debtors Obligations which is not recoverable from the RBS Guarantors under the RBS Guarantee for any reason on the basis of a guarantee shall nevertheless be recoverable from the RBS Guarantors as principal debtors by way of indemnity and the RBS Guarantors jointly and severally agree to discharge that liability on demand with Interest from the date of demand

(ii) **Continuing Security**

The RBS Guarantee shall be a continuing security in respect of each RBS Guarantor until the expiry of one month from the date of receipt of RBS by a RBS Guarantor to discontinue the RBS Guarantee in respect of liability of the RBS Guarantor. Notwithstanding this notice of discontinuance the RBS Guarantor giving notice shall remain liable for all the Obligations of each Debtor as at the date of the expiry of the notice and all the RBS Guarantors other than the RBS Guarantor giving notice shall continue to be liable to RBS under the RBS Guarantee which shall remain a continuing security in respect of each of them.

(iii) **Further Contingent Obligations**

The RBS Guarantors acknowledge and accept that the definition of Obligations is such that if any Debtor has given or gives to RBS a guarantee of the Obligations of any other person or company then the RBS Guarantors may be called upon under the terms of the RBS Guarantee to meet the liability of that Debtor under that guarantee.

3 3 **BOS FACILITY LETTER AND BOS GUARANTEE**

The principal terms on which the assistance will be given are

(a) **BOS Facility Letter**

(i) **Security**

The Company has granted security to BOS by acceding to the BOS Guarantee which secures the working capital facility

(b) **BOS Guarantee**

(i) **Guarantee and Indemnity**

Each BOS Guarantor joint and severally and irrevocably and unconditionally

(A) guarantees to BOS punctual performance by each Borrower of all the Borrowers' payment obligations under the BOS Guarantee, the Facility Letter and any accession agreements (the "**BOS Finance Documents**"),

(B) undertakes with BOS that whenever a Borrower does not pay any amount when due under the BOS Finance Documents, that the BOS Guarantor shall immediately on demand pay that amount as if it were the principal obligor, and

(C) indemnifies BOS immediately on demand against any loss or liability suffered by it if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the loss or liability shall be equal to the amount which BOS would otherwise have been entitled to recover

(ii) **Continuing Guarantee**

The BOS Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Borrower and/or each BOS Guarantor under the BOS Finance Documents, regardless of any intermediate payment or discharge in whole or in part

(iii) **Tax Indemnity**

To the extent not paid by a Borrower, each BOS Guarantor shall (within 3 business days of demand by BOS) pay to BOS an amount equal to loss, liability or cost which BOS determines will be or has been (directly or indirectly) suffered for or on account of tax by it in respect of a BOS Finance Documents

The Directors
INS Innovation Limited
c/o Babcock International Group Plc
2 Cavendish Square
London
W1G 0PX

29 April 2008

Dear Sirs

Report of the Independent Auditor to the directors of INS Innovation Limited pursuant to Section 156(4) of the Companies Act 1985

We report on the attached statutory declaration of the directors dated 29 April 2008, prepared pursuant to the Companies Act 1985, in connection with the proposal that the company should give financial assistance for the purchase of 1 ordinary share of the company by Babcock International Group PLC

This report, including the opinion, has been prepared for and only for the company and the company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


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 statutory declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London