

CHFP025

## Declaration in relation to assistance for the acquisition of shares

# 155(6)a

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

— — — — —

307859

\* H&R JOHNSON TILES LIMITED

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

721075

The assistance is to be given to: (note 2) Norcros (Holdings) Limited

(Company number 3691883) with registered office at Ladyfield House, Station Road, Wilmslow, Chester SK9 1BU

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 Schedule 3

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

† delete as appropriate

Norcros (Holdings) Limited (Company number 3691883) with registered office at Ladyfield House, Station Road, Wilmslow, Chester SK9 1BU

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

See Schedule 4

The amount of cash to be transferred to the person assisted is £ Up to £150,000,000

The value of any asset to be transferred to the person assisted is £ Up to £150,000,000

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

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) ~~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

CADYFIELD HOUSE  
WILMSLOW

Declarants to sign below

Day Month Year  
on 

08	03	2006
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before me KATIE DENISE GEMMEL

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

*David C. Hamilton*  
*J. McNeil*  
*W. Russell*

## 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 Statutory Declaration dated 08 March 2006**

David William Hamilton  
Wheatlands Manor  
Park Lane Finchampstead  
Wokingham  
Berkshire  
RG40 4QG

Nicholas Paul Kelsall  
7 Dunnockswood  
Alsager  
Stoke on Trent  
Staffordshire  
ST7 2XU

Joseph Matthews  
Bar House  
Bar Road  
Baslow  
Derbyshire  
DE45 1SF

**Schedule 2 to the Statutory Declaration dated 08 March 2006**

Ian Crowther  
8 Stanneybrook Close  
Norley  
Cheshire  
WA6 8PZ

Roy William Hodgkinson  
71 Kent Road  
Halesowen  
West Midlands  
B62 8PE

Stephen Dixon  
13 Greenlands  
Tattenhall  
Chester  
Cheshire  
CH3 9QX

**Schedule 3 to the Statutory Declaration dated 08 March 2006**

1. A term and revolving facility agreement (the "**Facility Agreement**") between (1) Norcros (Holdings) Limited; (2) the Original Borrowers; (3) the Original Guarantors; (4) Barclays Leveraged Finance as mandated lead arranger (5) the Original Lenders; and (6) Barclays Bank plc as Agent and Security Trustee (each as defined therein) under which the Company will guarantee the facilities made available to Norcros (Holdings) Limited (company number: 3691883) ("**NHL**") (of which the Company is a wholly-owned subsidiary);
2. a debenture between (1) the Companies; and (2) Barclays Bank plc as Security Trustee (each as defined therein) (the "**Debenture**") under which the Company will by way of mortgages, assignments and fixed and floating charges grant security over all of its assets and undertakings;
3. an intercreditor deed between, inter alia, the (1) the Agent; (2) the Facility A Lenders; (3) the Facility B Lenders; (4) the Facility C Lenders; (5) the Facility D Lenders; (6) the Facility E Lenders; (7) the Facility F Lenders; (8) the Security Trustee; (9) the Mandated Lead Arranger; (10) the Loan Noteholders; (11) the Investors; (12) Norcros (Holdings) Limited; and (13) the Obligors (as such terms are defined therein) (the "**Intercreditor Deed**"); and
4. an intra-group loan agreement between (1) Norcros (Holdings) Limited; and (2) certain other subsidiaries of Norcros (Holdings) Limited, as set out in the agreement (the "**Intra-Group Loan Agreement**").

**Schedule 4 to the Statutory Declaration dated 08 March 2006**

1. By executing the Facility Agreement and the Debenture the Company:
  - 1.1 guarantees to the Security Trustee as agent and trustee for the Secured Beneficiaries (as such term is defined in the Intercreditor Deed) that it shall on demand pay to the Security Trustee in the currency in which the same falls due for payment under the terms of all or any of the Facility Agreement, all moneys which are now or at any time hereafter shall have become due or owing by any Borrower from time to time pursuant to the Facility Agreement and certain documents ancillary thereto (the "**Secured Documents**");
  - 1.2 covenants with the Security Trustee as agent and trustee for the Secured Beneficiaries that it shall, to the extent that the same have fallen due and have not been paid pursuant to the terms of the Secured Documents, pay to the Security Trustee on demand all costs and expenses incurred by the Security Trustee in relation to the Facility Agreement, the Debenture and the protection or enforcement of the Security Trustee's rights hereunder and reimbursable or payable by the Company under the terms of the Facility Agreement and the Debenture;
  - 1.3 with full title guarantee, as continuing security for the payment of the obligations owed by the Company under the Secured Documents and the Debenture charges in favour of the Security Trustee (as agent and trustee for the Secured Beneficiaries):
    - (a) by way of legal mortgage all estates or interests in the freehold, leasehold and other immovable property vested in the Company together with all easements, rights and agreements in respect thereof and all buildings and trade and other fixtures on any such property belonging to the Company and the proceeds of sale thereof (the "**Legally Mortgaged Property**");
    - (b) by way of fixed charge all estates or interests in any freehold, leasehold and other immoveable property now or at any time during the continuance of this security belonging to the Company (other than the Legally Mortgaged Property) and any leasehold property where the relevant lease contains a prohibition against charging the property subject to such lease until the earlier of relevant landlord granting such consent or upon the Company giving the Security Trustee written notice that such leasehold property shall be subject to this fixed charge and upon either event the relevant leasehold property shall immediately be subject to this fixed charge and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Company;

- (c) by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment and contracts, licences and warranties relating to the same owned by the Company both present and future;
- (d) by way of fixed charge all book debts and other debts, rentals, royalties, fees and monetary claims now and from time to time due or owing to the Company and all moneys which the Company receives in respect thereof;
- (e) by way of fixed charge all balances standing to the credit of any current, deposit or other account of the Company with the Security Trustee or any other secured party (including, *inter alia*, any account designated a realisations account for the proceeds of disposals of any of the assets of the Company) or with other bankers, financial institutions or similar third parties;
- (f) by way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of:
  - (i) any subsidiary; and
  - (ii) any other body corporate;and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may now or hereafter belong to the Company, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;
- (g) by way of fixed charge the goodwill of the Company and its uncalled capital now or at any time hereafter in existence;
- (h) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom now or at any time hereafter belonging to the Company and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and
- (i) by way of floating charge the whole of the Company's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Security Trustee by way of fixed charge under the Debenture.

1.4 covenants that, without prior consent of the Security Trustee, it shall not create or permit to subsist any Security (other than a Permitted Security) (each as

defined in Debenture) or sell, discount, factor, transfer, lease, lend or otherwise dispose of, the whole or any part of its undertaking or assets.

2. The Debenture contains a covenant for further assurances and shall remain in full force and effect notwithstanding any amendments, variations or novations from time to time of the Secured Documents or any assignment, transfer or novation of the rights and obligations of any secured party.
3. By executing the Intercreditor Deed the Company will agree to:
  - 3.1.1 subordinate its right to repayment of monies due from Norcros (Holdings) Limited to it pursuant to the Intra-Group Loan Agreement in certain circumstances and to the ranking of priority between certain creditors of Norcros (Holdings) Limited and its subsidiaries; and
  - 3.1.2 to indemnify the Lenders and Security Trustee for certain costs, claims, expenses and liabilities under the Intercreditor Deed.
4. By executing the Intra-Group Loan Agreement the Company will make a loan available to, amongst others, Norcros (Holdings) Limited to enable Norcros (Holdings) Limited to, amongst other things, repay borrowings by it under the Facility Agreement and to reduce liabilities incurred by it for the purpose of the acquisition of the holding company of the Company.

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The Directors  
H & R Johnson Tiles Limited  
Harewood Street  
Tunstall  
Stoke on Trent  
Staffordshire  
ST6 5JZ

20 March 2006

Dear Sirs

**Auditors' report to the directors of H&R Johnson Tiles Limited pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of H&R Johnson Tiles Limited (the "Company") dated 8 March 2006 in connection with the proposal that the Company should give financial assistance for the purchase of 166,096,291 of the ordinary shares of the Company's holding company, Norcros Limited. 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 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*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors