

Declaration in relation to assistance for the acquisition of shares

155(6)a

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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

00546129

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

Name of company

* TWYFORD BATHROOMS

* insert full name
of company

 χ_{we}

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

PLEASE SEE APPENDIX A ATTACHED.

† 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 1988;
(b) that of a person authorised under section 300A of the Financial Services Act 1988 to carry on
in the business of 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

~~XXXXXX~~ [company's holding company TWYFORD HOLDINGS

LimitedIt

The assistance is for the purpose of ~~the acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].†

The number and class of the shares acquired or to be acquired is: 10,000,001 ordinary
shares of £1 each

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

White & Case
5 Old Broad Street
London
EC2N 1DW

For official Use
General Section



LD4
COMPANIES HOUSE

0420
20/05/05
1290798

The assistance is to be given to: (note 2) Please see Schedule 1 attached.

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Please complete
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in black type, or
bold block
lettering

The assistance will take the form of:

Please see Schedule 2 attached.

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

† delete as
appropriate

Please see Schedule 3 attached.

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

Please see Schedule 4 attached.

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

Please do not
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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)

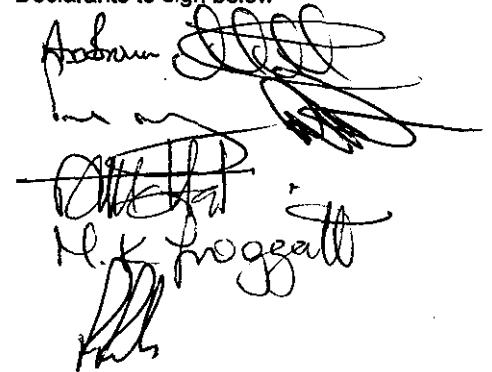
(b) ~~It is intended to commence the winding up of the company within 12 months of that date, and we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]* (note 3)~~

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

Alsager, Cheshire

Declarants to sign below



Day Month Year
on

0	2	0	5	2	0	0	5
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before me

P. Li PAUL FINN (Solicitor)

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
37 Castle Terrace
Edinburgh
EH1 2EB

Refinancing

TWYFORD BATHROOMS

APPENDIX A TO FORM 155(6)(a)

Alan Brown of 2 Hassam Parade, Wolstanton, Newcastle-under-Lyme ST5 9DS, Paul Andrews of 67 Buckingham Grove, Kingswinford, West Mids. DY6 9BX, Mike Conlon of 78 Demontfort Way, Uttoxeter, Staffs. ST14 8XY, Moira Froggatt of Sandy Lane Farmhouse, 45 Main Road, Goostrey, Cheshire CW4 8LL, Richard Downes of 3 Fairhaven, Weston, Crewe, Cheshire, CW2 5GG, David Moffat of Fourwinds, Norley Lane, Norley, Cheshire WA6 8NJ, and Richard Perks, The Stables, Bishops Offley, Nr Eccleshall, Staffs. ST21 6EX.

Refinancing

P. L.
PAUL FINN
(Solicitor)

TWYFORD BATHROOMS

APPENDICES TO FORM 155(6)(a)

SCHEDULE 1

RECIPIENTS OF FINANCIAL ASSISTANCE

Twyford Bathrooms (the "**Company**") is providing financial assistance to Sanitec UK Limited (Company number 4066175), with its registered office at Lawton Road, Alsager, Stoke on Trent, Staffordshire, ST7 2DF, in connection with reducing or discharging a liability incurred for the purpose of the refinancing of the indebtedness relating to the acquisition of shares in Twyford Holdings Limited by Sanitec UK Limited ("**Sanitec UK**") (the "**Acquisition**").

SCHEDULE 2

FORM OF FINANCIAL ASSISTANCE

The entering into of the following (or of the documents relating thereto) to which the Company is to be a party (as the same may be amended varied supplemented or substituted from time to time) being:

- 1.1 a senior term loan and revolving credit agreement (the "**Senior Facilities Agreement**") for the provision to Sanitec Europe Oy ("**Sanitec**") and certain other borrowers of secured term loan facilities of €840 million in aggregate and a €40 million secured revolving credit facility, dated 7 April 2005 and made between, *inter alios*, (1) Sanitec, (2) The Royal Bank of Scotland plc, Frankfurt Branch, as arranger and underwriter (the "**Arranger**"), (3) The Royal Bank of Scotland plc, Frankfurt Branch as agent (the "**Agent**"), (4) The Royal Bank of Scotland plc, Frankfurt Branch, as security trustee (the "**Security Trustee**") and (5) the financial institutions listed in Part II of Schedule 1 (*The Original Parties*) of the Senior Facilities Agreement, as lenders (the "**Original Lenders**") which incorporates a cross guarantee to be given by the Company, Sanitec and the other Guarantors (as defined therein) to the Finance Parties (as defined therein) guaranteeing amongst other obligations, sums due under the Senior Facilities Agreement and indemnifying each of the Finance Parties on demand against all losses, damages, costs and expenses incurred by such Finance Party as a result of any failure by any other Obligor to comply with its obligations thereunder pursuant to an accession letter to the Senior Facilities Agreement, the Second Lien Facility Agreement (as defined below) and the Intercreditor Agreement (as defined below) to be entered into by the Company, Sanitec, the Agent and the Security Trustee whereby the Company, Sanitec UK and Twyford Holdings Limited agree to become a party to each of the

Senior Facilities Agreement, the Second Lien Facility Agreement and the Intercreditor Agreement (the “**Accession Letter**”);

- 1.2 a second lien facility agreement (the “**Second Lien Facility Agreement**”) for the provision to Sanitec and certain other borrowers of a secured second lien facility of €135 million dated 7 April 2005 and made between, *inter alios*, Sanitec, the Arranger and the Security Trustee which incorporates a cross guarantee to be given by the Company, Sanitec and the Guarantors (as defined therein) in favour of the Security Trustee to the Finance Parties (as defined therein) guaranteeing amongst other obligations, sums due under the Second Lien Facility Agreement) and indemnifying each of the Finance Parties on demand against all losses, damages, cuts and expenses incurred by such Finance Party as a result of any failure by any other Obligor to comply with its obligations thereunder pursuant to the Accession Letter;

(the “**Senior Facilities Agreement**” and the “**Second Lien Facility Agreement**” are together, the “**Facilities Agreements**”),

- 1.3 a debenture to be entered into and granted by each of the Company, Sanitec UK and Twyford Holdings Limited in favour of the Security Trustee as security trustee for the Secured Parties (as defined in the Intercreditor Agreement) securing, amongst other obligations, sums due under the Senior Facilities Agreement and the Second Lien Facility Agreement (including all sums due under the guarantees) (the “**Debenture**”);
- 1.4 an intercreditor agreement dated 7 April 2005 made between, *inter alios*, Sanitec, the Hedge Counterparties and the Obligors (as defined therein) and the Security Trustee (the “**Intercreditor Agreement**”) pursuant to the Accession Letter; and
- 1.5 an intra-group loan agreement to be entered into pursuant to which the Company, Sanitec UK and Twyford Holdings Limited agree to make loans to Sanitec and certain other members of the group (as specified therein) for corporate purposes (the “**Intra-Group Loan Agreement**”).

SCHEDULE 3

PERSONS ACQUIRING THE SHARES

Sanitec UK Limited acquired the shares of Twyford Holdings Limited on 8 February 2001.

SCHEDULE 4

TERMS OF FINANCIAL ASSISTANCE

Under the terms of each of the guarantees (contained in the Senior Facilities Agreement and the Second Lien Facility Agreement) the Company, *inter alia*, guarantees to each of the Finance Parties (as such term is defined in each of the Facilities Agreements) the performance of the obligations of each other Obligor (as defined therein) owing at any time to the Finance Parties. The obligations include, without limitation, the obligations of the Obligors from time to time under the following documents:

- (i) the Senior Facilities Agreement (pursuant to the Accession Letter);
- (ii) the Second Lien Facility Agreement (pursuant to the Accession Letter);
- (iii) the Intercreditor Agreement (pursuant to the Accession Letter); and
- (iv) the Debenture.

Under the terms of the Debenture, the Company charges or assigns, as the case may be, all of its assets and undertaking (as set out therein) as security for the payment and discharge of all moneys, liabilities and obligations owing at any time to the Finance Parties including, without limitation, the obligations in respect of the guarantees outlined in the paragraph above.

Under the terms of the Intra-Group Loan Agreement, the Company agrees to make loans to Sanitec and other members of the group (as specified therein) for corporate purposes.

In addition, in executing the Accession Letter and thereby becoming a party to the Intercreditor Agreement, the Company would be agreeing to terms and conditions regulating, *inter alia*, certain liabilities and obligations owed by the Company to the Finance Parties including liabilities and obligations in respect of the payment of monies, in connection with reducing or discharging a liability incurred for the purpose of the refinancing of the indebtedness relating to the Acquisition.

In entering into the various documents referred to above, the Company is entering into obligations and assuming liabilities and giving security, guarantees and indemnities for the purpose of reducing and/or discharging liabilities incurred in connection, *inter alia*, with the refinancing of the indebtedness relating to the acquisition of shares in it and may in the future be called upon pursuant to any of the documents referred to in this declaration to discharge obligations and/or liabilities arising in connection with reducing or discharging a liability incurred for the purpose of the refinancing of the indebtedness relating to the Acquisition.



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The Directors
Twyford Bathrooms
Lawton Road
Alsager
Stoke-on-Trent
Staffordshire
ST7 2DF

3 May 2005

Dear Sirs

Auditors' report to the directors of Twyford Bathrooms ("the company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 3 May 2005 in connection with the proposal that the company should give financial assistance in respect of reducing or discharging a liability incurred for the purpose of the refinancing of existing indebtedness relating to the acquisition by Sanitec UK Limited of the entire issued share capital of Twyford Holdings Limited.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act 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 and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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

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


KPMG LLP