

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

155(6)b

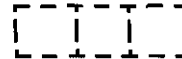
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Pursuant to section 155(6) of the Companies Act 1985

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

For official use

Company number



4059868

Name of company

* New Baxi Holdings Limited

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

* insert full name
of company

~~We~~ Mark John Edwards of The Glen, 35 Hazelwood Road, Duffield, Derby,
DE56 4DP and

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

Adrian Egerton Darling 30 Lakeside Crescent, Lakeside Grange,
Weymouth, Surrey KG13 9ZE

*use
an)*

† delete as
appropriate

~~XXXXXXXXXX~~ [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 it is a person authorised under section 1 of the Insurance Companies Act 1982 to carry
insurance business in the United Kingdom~~
- (b) ~~that it is a person authorised under section 1 of the Insurance Companies Act 1982 to carry
insurance business in the United Kingdom~~
- (c) something other than the above\$

This company is [the] ☒ holding company of* Heatrae Sadia Limited
(registered no. 841929) ("the Subsidiary") which is
proposing to give financial assistance in connection with the acquisition of shares
in ~~XXXXXXXXXX~~ Baxi Group Limited
the holding company of this company.†

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

Dickson Minto W.S.
Royal London House
22-25 Finsbury Square
London EC2A 1DX

Ref: BaxiGroup.lpd

For official Use
General Section

Post room



LD3
COMPANIES HOUSE

0258
19/03/04

Please do not
write in this
margin

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

The assistance is to be given to: (note 2) Global Heating Products plc,
whose registered office is at Royal London House, 22-25 Finsbury Square,
London, EC2A 1DX

up
for km (m)

The person who [~~has acquired~~] [will acquire]† the shares is:
Global Heating Products plc

† delete as appropriate

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

By passing the written resolution, the Subsidiary will be approving the entering into of certain documents as a result of which the market (but not book) value of the shares in the Subsidiary may be reduced.

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is Nil

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 from 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)

(a) ~~Xi~~/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)

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

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

27-28 Kingsway Square, London

Day Month Year

on 1 2 0 3 2 0 0 4

before me RACHEL MILLS, Rachel Mills
 A Commissioner for Oaths or Notary Public or Justice 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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT
Telephone +44 (0) 121 200 3000
Facsimile +44 (0) 121 200 2464

The Directors
New Baxi Holdings Limited
Pentagon House
Sir Frank Whittle Road
Derby DE21 4XA

17 March 2004

Our ref: B10/C31

Dear Sirs

Auditors' report to the directors of New Baxi Holdings Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of New Baxi Holdings Limited ("the Company") dated 17 March 2004 in connection with the proposal that the Company's subsidiary undertaking, Heatrae Sadia Limited, should give financial assistance for the purchase of the ordinary shares of the Company's ultimate holding company, Baxi Group 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
Chartered Accountants and Registered Auditors