

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP025

Please do not
write in this
margin

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

53353

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

Name of company

* Tootal Group Limited

* insert full name
of company

~~X~~We 0 Please see Rider 1

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

† delete as appropriate

~~XXXXXXXXXXXX~~ [the sole director] of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

XX
for that of a recognised bank, licensed institution or within the meaning of the Banking Act 1978.[illegible][illegible]

(c) something other than the above\$

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXXXXXXXXXXXXXXXX~~ Coats Ltd.

KIDNEY

The assistance is for the purpose of [that 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: 708,574,026 ordinary
shares of £0.20 each

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

Eversheds LLP
Senator House
85 Queen Victoria Street
London
EC4V 4JL
DX 83 Chancery Lane

For official use
General Section



The assistance is to be given to: (note 2) Coats Holdings plc (company number 4620973)

First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP

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 Rider 2

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

† delete as
appropriate

Coats Holdings plc

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

Please see Rider 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 today's date

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

~~X~~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) ~~X~~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) ~~X~~It is intended to commence the winding up of the company within 12 months of that date, and ~~X~~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 ~~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 85 QUEEN VICTORIA STREET
LONDON EC4V 4SL

Declarants to sign below

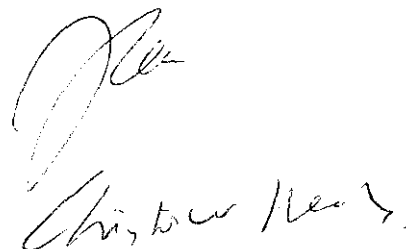
on

Day	Month	Year
26	03	2014

before me

Am D. NAGY

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

Tootal Group Limited

Company Number: 53353

(the "Company")

RIDERS TO FORM 155(6)A

RIDER 1: Names and addresses of directors

Christopher William Healy, 50 Marville Road, Fulham, London SW6 7BD

Jonathan David Lea, Little Manor, Fulmer Road, Gerrards Cross, Buckinghamshire SL9 7EF

RIDER 2: Form of Financial Assistance

1. Facilities Agreement

- 1.1 The execution by the Company of an accession letter to a facilities agreement (the "**Facilities Agreement**") dated on or about the date of this Form 155(6)a between Coats Holdings plc (as the Company) (1), the companies listed in Part 1 of Schedule 1 thereto (as Original Borrowers) (2), the companies listed in Part 2 of Schedule 1 thereto (as Original Guarantors) (3), The Governor and Company of the Bank of Scotland (as Mandated Lead Arranger and Bookrunner) (4) and (5), the financial institutions listed in Part 3 and Part 4 of Schedule 1 thereto (as Original Lenders) (6) and The Governor and Company of the Bank of Scotland (as Agent, Issuing Bank and Security Agent) (7), (8) and (9).
- 1.2 Coats Holdings plc will use the facilities provided under the Facilities Agreement for general corporate purposes including capital expenditure and refinancing of (1) the Coats Group Working Capital Facility, (2) the Coats Group Bridge Facility, (3) the Coats Acquisition Facility and (4) certain local bilateral facilities.
- 1.3 Coats Holdings plc may also use the proceeds of the facilities provided thereunder to assist in the payment of the costs and expenses related to the repayment or prepayment of the facilities described in paragraph 1.2 above.
- 1.4 By executing the accession letter to the Facilities Agreement, the Company will also give certain representations and warranties, covenants and indemnities to the Finance Parties to enable the Finance Parties to make the facilities under the Facilities Agreement available.
- 1.5 Pursuant to the Facilities Agreement the Company will:
 - 1.5.1 guarantee to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents and the Bilateral Documents;
 - 1.5.2 undertake with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document or any Bilateral Document, it shall immediately on demand pay that amount as if it was the principal obligor; and

- 1.5.3 as a primary obligation indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party for any reason if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal (whether or not such cost, loss or liability arises as a direct or indirect result of such unenforceability or illegality). 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.
- 1.6 Each capitalised term used in this paragraph 1 is as defined in the Facilities Agreement.
2. **Mezzanine Loan Agreement**
- 2.1 The execution by the Company of an accession letter to a mezzanine loan agreement (the "**Mezzanine Loan Agreement**") dated on or about the date of this Form 155(6)a between Coats Holdings plc (as the Company and Borrower) (1), the companies listed in Part 1 of Schedule 1 thereto (as Original Guarantors) (2), The Governor and Company of the Bank of Scotland (as Mandated Lead Arranger, Bookrunner, Agent and Security Agent) (3), (4), (5) and (6) and the financial institutions listed in Part 2 and Part 3 of Schedule 3 of Schedule 1 (as Original Lenders) (7).
- 2.2 Coats Holdings plc will use the facilities provided under the Mezzanine Loan Agreement to refinance (1) the Coats Acquisition Facility, (2) the GPG Facility and (3) the GPG Interest Facility.
- 2.3 By executing the accession letter to the Mezzanine Loan Agreement, the Company will also give certain representations and warranties, covenants and indemnities to the Finance Parties to enable the Finance Parties to make the Loan available.
- 2.4 Pursuant to the Mezzanine Loan Agreement the Company will:
- 2.4.1 guarantee to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
- 2.4.2 undertake with each Finance Party that whenever another Obligor 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
- 2.4.3 as a primary obligation indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party for any reason if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal (whether or not such cost, loss or liability arises as a direct or indirect result of such unenforceability or illegality). 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.
- 2.5 Each capitalised term used in this paragraph 2 is as defined in the Mezzanine Loan Agreement.

3. **Debenture**

The entry by the Company (as required pursuant to the terms of the Facilities Agreement and the Mezzanine Loan Agreement) into a deed of accession and charge to a debenture (the "**Debenture**") made by Coats Holdings plc in favour of The Governor and Company of the Bank of Scotland (the "**Security Agent**") as security agent and trustee for the Finance Parties to secure all Indebtedness at or after the date thereof due, owing or incurred by the Company to each Beneficiary under or pursuant to the Finance Documents whether on or after demand (each term as defined in the Debenture).

4. **Intercreditor Deed**

The entry by the Company into a deed of accession to an intercreditor deed (the "**Intercreditor Deed**") made between The Governor and Company of the Bank of Scotland (as Security Agent and Senior Agent) (1) and (2), the Senior Creditors (3), the Hedging Banks (4), The Governor and Company of the Bank of Scotland (as Mezzanine Agent) (5), the Mezzanine Creditors (6), the Investors (7), Coats Holdings plc (as the Company) (8), the Intercompany Creditors (9) and the Obligors (10) governing, amongst other things, the priorities between the various parties thereto (each term as defined in the Intercreditor Deed).

5. **Standard Security**

The execution by the Company of a Scots law standard security document charging its rights in property at Netherplace Works, Newton Mearns, Glasgow to the Security Agent to secure the obligations and liabilities of the Company and the other Obligors under the Finance Documents (as such terms are defined in the Facilities Agreement and the Mezzanine Loan Agreement).

RIDER 3: The principal terms on which the financial assistance will be given

1. **Facilities Agreement**

By executing the accession letter to the Facilities Agreement (as defined in Rider 2 above) the Company will, amongst other things:

- 1.1 irrevocably and unconditionally (jointly and severally with the other Guarantors):
 - 1.1.1 guarantee to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents and the Bilateral Documents;
 - 1.1.2 undertake with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document or any Bilateral Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
 - 1.1.3 as a primary obligation indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party for

any reason if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal (whether or not such cost, loss or liability arises as a direct or indirect result of such unenforceability or illegality). 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; and

- 1.2 give various representations and warranties, undertakings, covenants and indemnities, and agree to pay certain costs, fees and expenses to the Finance Parties.

In this paragraph 1 each capitalised term has the meaning given to it in the Facilities Agreement (as defined in Rider 2 above) unless otherwise defined in this paragraph 1.

2. **Mezzanine Loan Agreement**

By executing the accession letter to the Mezzanine Loan Agreement (as defined in Rider 2 above) the Company will, amongst other things:

- 2.1 irrevocably and unconditionally (jointly and severally with the other Guarantors):
 - 2.1.1 guarantee to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
 - 2.1.2 undertake with each Finance Party that whenever another Obligor 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
 - 2.1.3 as a primary obligation indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party for any reason if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal (whether or not such cost, loss or liability arises as a direct or indirect result of such unenforceability or illegality). 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; and
- 2.2 give various representations and warranties, undertakings, covenants and indemnities, and agree to pay certain costs, fees and expenses to the Finance Parties.

In this paragraph 2 each capitalised term has the meaning given to it in the Mezzanine Loan Agreement (as defined in Rider 2 above) unless otherwise defined in this paragraph 2.

3. **Debenture**

By executing the deed of accession and charge to the Debenture (as defined in Rider 2 above), the Company will, amongst other things:

- 3.1 covenant and undertake that it will, on the Security Agent's written demand, pay or discharge to the Security Agent all Indebtedness at the date of the Debenture or thereafter due, owing or incurred by it to each Beneficiary, under or pursuant to the Finance Documents whether on or after such demand;

- 3.2 as security for the payment or discharge of all Secured Sums, charge to the Security Agent by way of first fixed and floating charges all of its undertaking, property and assets both present and future;
- 3.3 on written demand made by the Security Agent (acting reasonably prior to the occurrence of an Event of Default), execute and deliver to the Security Agent at the cost of the Company and in such form as the Security Agent (acting reasonably prior to the occurrence of a Default) may require:
- 3.3.1 a legal mortgage of any Land in England and Wales at the date of the Debenture or thereafter belonging to it;
 - 3.3.2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land at the date of the Debenture or thereafter belonging to it;
 - 3.3.3 a legal assignment, assignation or other fixed security over all or any of its Intellectual Property Rights or Receivables;
 - 3.3.4 a legal or equitable charge (at the Security Agent's option) over all or any of its Investment Securities and/or Derivative Rights;
 - 3.3.5 a chattel mortgage or other analogous security over such of its chattels, plant, machinery, computers and/or other equipment as the Security Agent may specify;
 - 3.3.6 a fixed charge or other fixed security over any Asset which is subject to a floating charge under the Debenture;
 - 3.3.7 where any Asset is situated outside England and Wales, such fixed security under the law of the place where the Asset is situated as the Security Agent may require; and
 - 3.3.8 such other documents as the Security Agent may in its discretion think fit further to secure the payment of the Secured Sums, or to perfect the security constituted by the Debenture, or to vest title to any Asset in it or its nominee or any purchaser; and
- 3.4 give various undertakings, covenants and indemnities, and agree to pay certain costs, fees and expenses to the Finance Parties.

In this paragraph 3 each capitalised term has the meaning given to it in the Debenture unless otherwise defined in this paragraph 3.

4. **Intercreditor Deed**

By executing the deed of accession to the Intercreditor Deed (as defined in Rider 2 above), the Company will, amongst other things:

- 4.1 acknowledge the arrangements made between the parties thereto;

- 4.2 covenant in favour of the Finance Parties to pay the Senior Debt and the Mezzanine Debt owed by it to the Security Agent as applicable when the same falls due for payment, provided that payment of the Senior Debt and / or the Mezzanine Debt direct to the relevant Finance Party under the relevant Finance Documents will be a good discharge of such covenant;
- 4.3 give various representations and warranties, undertakings, covenants and indemnities, and agree to pay certain costs, fees and expenses to the Finance Parties; and
- 4.4 jointly and severally with the other Obligors, irrevocably and unconditionally guarantee to each Hedging Bank, and indemnify each Hedging Bank in respect thereof, payment in full of the Hedging Debt owed to it by any other Obligor on the same terms as are set out in clause 20 (Guarantee and Indemnity) of the Facilities Agreement as if set out in the Intercreditor Deed in full.

In this paragraph 4 each capitalised term has the meaning given to it in the Intercreditor Deed unless otherwise defined in this paragraph 4.

5. **Standard Security**

By executing the Standard Security, the Company will, amongst other things, charge to the Security Agent its rights in the property and subjects described in Part 1 of the Schedule thereto.

The Directors
Tootal Group Limited
1 The Square
Stockley Park
Uxbridge
Middlesex
UB11 1TD

Dear Sirs,

**AUDITORS' REPORT TO THE DIRECTORS OF TOOTAL GROUP 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 26 March 2004 in connection with the proposal that the Company should give financial assistance relating to the refinancing of a loan facility entered into by Coats Holdings plc (formerly Avenue Acquisition plc, registered number 4620973) on 12 February 2003 to fund the purchase of all the ordinary shares of Coats Ltd, its ultimate parent company.

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.



Chartered Accountants and Registered Auditors
Manchester
26 March 2004