

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

155(6)b

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

[] [] [] [] [] [] [] []

00141976

*Insert full name
of company

Name of company

* McKechnie Limited

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

†We† Please see Appendix 1 attached

†Insert name(s) and
address(es) of all
the directors

§Delete as
appropriate

DA

~~the sole director~~ [all the directors]§ of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

The business of this company is:

†Delete whichever
is inappropriate

DA

- (a) ~~that of a recognised bank or licensed institution within the meaning of the Banking Act 1979~~†
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry
on insurance business in the United Kingdom~~†
(c) something other than the above†

This company is [the] (a) holding company of* McKechnie Overseas Limited

which is

proposing to give financial assistance in connection with the acquisition of shares
in [this company][

~~the holding company of this company is~~

Presentor's name address and
reference (if any):
Freshfields Bruckhaus Deringer
65 Fleet Street
London EC4Y 1HS
DX 23 LONDON/CHANCERY LANE

HMH22

For official use
General Section

Post room



LD5
COMPANIES HOUSE

0172
13/11/00

The assistance is for the purpose of ~~[that acquisition]~~ reducing or discharging a liability incurred for the purpose of that acquisition].* (note 1)

Please do not write in this margin

The number and class of the shares acquired or to be acquired is: Please see Appendix 2 attached

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

The assistance is to be given to: (note 2)

McKechnie Paxton Holdings Limited, McKechnie Holdings (UK) Limited, McKechnie Aerospace Holdings Limited, McKechnie EP Holdings Limited, McKechnie Investment Holdings and BlueAzure Limited of Leighswood Road, Aldridge, Walsall, WS9 8DS.

The assistance will take the form of:

Please see Appendix 3 attached

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

*Delete as appropriate

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

Please see Appendix 4 attached

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

Please do not
write in
this margin

The date on which the assistance is to be given is no later than eight weeks after the date of this
statutory declaration

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

1/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)

†Delete either (a) or
(b) as appropriate

(a) 1/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)

DA (b) ~~It is intended to commence the winding up of this company within 12 months of that date,~~
~~and 1/we 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 1/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 Loughwood Road
Aldridge W59 8DS

Day Month Year
on

07	11	2010
----	----	------

before me

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

Declarants to sign below

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

MCKECHNIE LIMITED
Company number 00141976

Stuart G. Moberley of Old Berrow Hill Farm, Feckenham, Worcestershire, B96 6QL

Derry K W Hanratty of Skallards Orchard, Kings End Road, Powick, Worcestershire,
WR2 4RF

Andrew J. Walker of The Brownsend, Bromsberrow, Gloucestershire, HRT8 1RX

D Allen
Shur

MCKECHNIE LIMITED
Company number 00141976

Number and class of shares acquired or to be acquired is 107,891,245 Ordinary Shares
of 25 pence each in the capital of McKechnie Limited;

*D Allen
Senior*

MCKECHNIE LIMITED
Company number 00141976

- (a) the £410,000,000 senior facility agreement entered into on 5 August 2000 between Mozart A Limited, Mozart SP Limited, Mozart MH Limited and Mozart EP Limited as Borrowers, the Guarantors (as defined therein), Morgan Stanley Senior Funding, Inc., Deutsche Bank AG, UBS Warburg as Joint Lead Arrangers, Morgan Stanley Senior Funding, Inc., Deutsche Bank AG London and UBS AG as Original Banks and Morgan Stanley Senior Funding, Inc. as Facility Agent and Security Agent, to be acceded to by way of accession deed (the *Accession Deed*) by McKechnie Overseas Limited and each of McKechnie Limited, Brandhill Limited, Hawke Cable Glands Ltd, Linread Limited, McKechnie Management Services Limited, McKechnie Components Limited, McKechnie Specialist Products Ltd and Albion Hardware (the *Subsidiaries* and each a *Subsidiary*) as a Guarantor (the *Senior Facility Agreement*);
- (b) the £40,000,000 senior subordinated facility agreement entered into on 5 April 2000 between Mozart A Limited, Mozart SP Limited, Mozart MH Limited and Mozart EP Limited as Borrowers, the Guarantors (as defined therein), Morgan Stanley Senior Funding, Inc., Deutsche Bank AG, UBS Warburg as Joint Lead Arrangers, Morgan Stanley Senior Funding, Inc., Deutsche Bank AG London and UBS AG as Original Banks and Morgan Stanley Senior Funding, Inc. as Facility Agent and Security Agent to be acceded to by way of accession deed (the *Senior Subordinated Accession Deed*) by McKechnie Overseas Limited, McKechnie Limited and each of the other Subsidiaries as a Guarantor (the *Senior Subordinated Facility Agreement*);
- (c) the debenture to be entered into on or about 7 November 2000 by McKechnie Overseas Limited, McKechnie Limited and each of the other Subsidiaries (as chargors) and Deutsche Bank AG London (as Security Agent for the Finance Parties as defined therein) (the *Debenture*);
- (d) the intercreditor deed dated 5 August 2000 between the Mozart Jersey Holdings No. 1 Limited, the Obligors, the Original Senior Subordinated Finance Parties, the Original Equity Investors (each as defined therein) and Morgan Stanley Senior Funding, Inc. as Senior Agent, Senior Subordinated Agent and Security Agent, to be acceded to way of accession deed (the *Intercreditor Accession Deed*) by McKechnie Overseas Limited and others as Obligors (the *Intercreditor Deed*);



D. Allen
Solicitor

- (e) the obligation, on demand, to enter into intra-group loans to each of the Borrowers (as defined in the Senior Facility Agreement and the Senior Subordinated Facility Agreement), McKechnie Investment Holdings or BlueAzure Limited pursuant to six intra-group loan agreements between McKechnie Specialist Products Limited, McKechnie Limited and the other Subsidiaries and (in each case by separate agreement) each of the Borrowers, McKechnie Investment Holdings and BlueAzure Limited to be dated on or about 7 November 2000 (the *Intra-Group Loan Agreements*); and
- (f) the share pledge to be entered into on or about 7 November 2000 between McKechnie Overseas Limited and Deutsche Bank AG London over the shares owned by McKechnie Overseas Limited in McKechnie Investments BV (the *Share Pledge*).

*D. Allen
Solicitor*

MCKECHNIE LIMITED
Company number 00141976
(the Company)

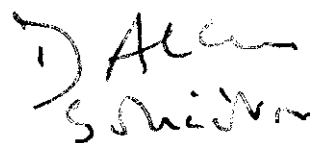
1. Under the terms each of the Senior Facility and Senior Subordinated Facility Agreement, McKechnie Overseas Limited is to irrevocably and unconditionally.

- (a) guarantee to each Senior Finance Party and each Senior Subordinated Finance Party as a principal obligor the performance by each other Obligor of all its obligations under the Senior Finance Documents and the Senior Subordinated Finance Documents respectively and the payment when due by each other Obligor of all sums payable under the Senior Finance Documents and the Senior Subordinated Finance Documents respectively;
- (b) undertake with each Senior Finance Party and each Senior Subordinated Finance Party that if any of the Obligors fails to pay any of the indebtedness referred to in paragraph (a) above on its due date it shall pay that sum on demand; and
- (c) indemnify each Senior Finance Party and each Senior Subordinated Finance Party on demand against all losses, damages, costs and expenses incurred by such Senior Finance Party and each Senior Subordinated Finance Party arising as a result of any obligation of any Obligor under the Senior Finance Documents and the Senior Subordinated Finance Documents being or becoming unenforceable, invalid or illegal.

Defined terms used in the above paragraph are as defined in the Senior Facility Agreement.

2. Under the terms of the Debenture, McKechnie Overseas Limited:

- (a) as security for the payment of all Liabilities (as defined in the Debenture), charges in favour of the Security Agent (for the benefit of itself and the other Finance Parties as defined therein) with full title guarantee all its assets and undertakings, both present and future, from time to time owned by McKechnie Overseas Limited or (to the extent of its legal and beneficial interest therein) in which McKechnie Overseas Limited is from time to time interested;
- (b) as a further security for the payment of the Liabilities, charges with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Finance Parties) by way of first floating charge all its assets and undertakings both present and future not otherwise effectively mortgaged, charged or assigned by way of security; and



- (c) as a further security for the payment of the Liabilities, assigns by way of security to the Security Agent (for the benefit of itself and the other Finance Parties) all rights, title, interests and benefits present and future of McKechnie Overseas Limited in, under or in respect of the Relevant Documents.

Defined terms used in the above paragraph are as defined in the Debenture.

3. The Intercreditor Deed sets out the priorities for the repayment of the Priority Senior Debt, the Senior Debt and the Senior Subordinated Debt, the Investor Debt and the Intra-Group Debt (each as defined in the Intercreditor Deed). The order of priority for repayment is as follows: firstly the Priority Senior Debt, secondly the Senior Subordinated Debt, thirdly the remainder of the Senior Debt, fourthly the Investor Debt and fifthly the Intra-Group Debt.

Defined terms in the above paragraph are as defined in the Intercreditor Deed.

4. Pursuant to the Intra-Group Loan Agreements, where any of the Borrowers (as defined in the Senior Facility Agreement and Senior Subordinated Facility Agreement), McKechnie Investment Holdings or BlueAzure Limited requires cash to service or repay debt incurred in financing the acquisition of McKechnie plc and to the extent that any of the Borrowers, McKechnie Investment Holdings or BlueAzure Limited considers that the most appropriate source of cash is surplus cash within McKechnie Overseas Limited and that the most efficient way of obtaining that cash is via an intra-group loan between McKechnie Overseas Limited and the relevant Borrower, McKechnie Investment Holdings or BlueAzure Limited, McKechnie Overseas Limited will be obliged, on demand, to make a loan to the relevant Borrower, McKechnie Investment Holdings or BlueAzure Limited on the terms detailed therein.

5. Pursuant to the Share Pledge, McKechnie Overseas Limited will grant a pledge in favour of Deutsche Bank AG London over its shares in McKechnie Investments BV.

*D Allen
Solicitor*



ARTHUR ANDERSEN

Auditors' report to the directors of McKechnie 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 7 November 2000 in connection with the proposal that the Company's subsidiary, McKechnie Overseas Limited, should give financial assistance for the purpose of reducing or discharging the liability incurred in relation to the acquisition of 100% of the shares in the Company.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the statutory declaration in accordance with applicable United Kingdom law. It is our responsibility as established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance, to review the bases for the declaration, based on our enquiries into the state of the Company's affairs, and to provide a report to the directors.

Basis of opinion

We have enquired into the state of the Company's affairs so far as necessary for us 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.

Arthur Andersen

**Arthur Andersen
Chartered Accountants**

1 Surrey Street
London
WC2R 2PS

7 November 2000