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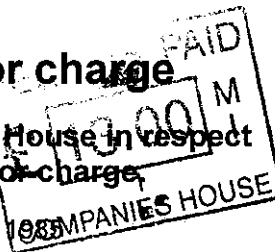
* insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985



395

150517 143

To the Registrar of Companies
(Address overleaf - Note 6)

For official use



Company number

2413321

Name of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

Date of creation of the charge

14 March 2006

Description of the instrument (if any) creating or evidencing the charge (note 2)

DEBENTURE dated 14 March 2006 between the Charging Companies and the Security Agent (the "Debenture")

Amount secured by the mortgage or charge

All money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor under any Finance Document, Mezzanine Finance Document and Junior Mezzanine Finance Document as at 14 March 2006 or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor and all losses incurred by any Secured Party in connection therewith except for any money or liability which, if it were so included, would cause the infringement of section 151 of the Companies Act 1985 or Article 58 of the Companies (Jersey) Law 1991 (the "Indebtedness").

Continued on Addendum 2/4

Names and addresses of the mortgagees or persons entitled to the charge

BARCLAYS BANK PLC, 7th Floor, 5 The North Colonnade, Canary Wharf, London, as security trustee for itself and the other Secured Parties (the "Security Agent").

Postcode E14 4BB

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

Ashurst
Broadwalk House
5 Appold Street
London EC2A 2HA

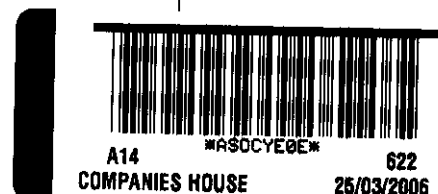
AMD/CFP/BAR04.00044/3962667

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1. CHARGING CLAUSE

1.1 Fixed Charges

The Company, as security for the payment of the Indebtedness, has charged in favour of the Security Agent with full title guarantee the following assets, both as at 14 March 2006 and in future, from time to time owned by it or in which it has an interest (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party):

(a) by way of first legal mortgage all freehold and leasehold property (including the property specified in schedule 2 to the Debenture as set out in schedule 2 hereto) together with all buildings and fixtures (including trade fixtures) on that property;

(b) by way of first fixed charge:

(i) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;

Continued on Addendum 4/4

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed

ASHURST

Date *24 March 2006*

On behalf of chargee[†]

*A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge.
(See Note 5)*

Notes

[†] delete as
appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Company number

2413321

Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

Addendum 1/4

1. Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

Addendum 2/4

2. Amount due or owing on the mortgage or charge (continued)

NOTE.

In this form:

"AAIS Debts" means "Debts" as defined in the Receivables Financing Facility Agreement;

"AAIS Receivables" means the following assets, both as at 14 March 2006 and in future, from time to time owned by Automobile Association Insurance Services Limited or in which it has an interest:

(a) all AAIS Debts to be assigned by Automobile Association Insurance Services Limited to Barclays Bank PLC pursuant to the Receivables Financing Facility Agreement;

(b) all AAIS Debts and the proceeds thereof to be held on trust by Automobile Association Insurance Services Limited for Barclays Bank PLC pursuant to the Receivables Financing Facility Agreement;

(c) all related rights of Automobile Association Insurance Services Limited to AAIS Recoveries relating to AAIS Debts, and the proceeds thereof, to be held on trust by Automobile Association Insurance Services Limited for Barclays Bank PLC pursuant to the Receivables Financing Facility Agreement; and

(d) all other assets of Automobile Association Insurance Services Limited to be assigned, transferred or otherwise disposed of to, or held on trust for, Barclays Bank PLC pursuant to the Receivables Financing Facility Agreement;

"AAIS Recoveries" means "Recoveries" as defined in the Receivables Financing Facility Agreement;

"Acquisition Documents" means the Sale and Purchase Agreement, the Disclosure Letter, the Transitional Services Agreement, the Seller Receivables Assignments, the Seller Payables Novations, the Tax Indemnity (as all such terms are defined in the Sale and Purchase Agreement) and all other documents and agreements entered into between the Vendor and any Group Company in connection with the Sale and Purchase Agreement;

"Assigned Agreements" means the Acquisition Documents, the Hedging Agreements the Insurances and the Transitional Services Agreement but, for the avoidance of doubt, does not include the Target Contract;

"Book Debts" means all book and other debts arising in the ordinary course of trading;

"Cash Collateral Accounts" means the Cash Collateral Accounts as defined in the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement;

"Cash Equivalents" has the meaning given to it in the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement;

"Charged Property" means the assets mortgaged, charged or assigned to the Security Agent by the Debenture;

"Charging Companies" means the Parent, each of the companies listed in schedule 1 to the Debenture, as set out in schedule 1 hereto, and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

"Collection Accounts" means the accounts of the Charging Companies set out in schedule 6 to the Debenture (or schedule 6 of any Security Accession Deed) and/or such other accounts as are permitted by the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement or (following the occurrence of a Declared Default) as the Security Agent shall specify;

Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

"Declared Default" means an Event of Default under clauses 25.6 (Insolvency) to 25.8 (Creditors' Process) (inclusive) of the Senior Credit Agreement and the corresponding clauses of each of the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement or any other Event of Default which has resulted in the Facility Agent exercising any of its rights under clause 25.21 (Acceleration) of the Senior Credit Agreement, the Mezzanine Facility Agent exercising any of its rights under the corresponding clause of the Mezzanine Loan Agreement or the Junior Mezzanine Facility Agent exercising any of its rights under the corresponding clause of the Junior Mezzanine Loan Agreement;

"Distribution Rights" means all dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Events of Default" means Events of Default as defined in the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement;

"Excluded Accounts" means the accounts of the Charging Companies set out in schedule 7 (Excluded Accounts) of the Debenture, and any other account designated as an Excluded Account by the Security Agent pursuant to clause 7.2(b) (Excluded Accounts) of the Debenture;

"Excluded Assets" means the AAIS Receivables and the Target Contract;

"Facility Agent" means Barclays Bank PLC;

"Finance Documents" means the Finance Documents as defined in the Senior Credit Agreement;

"Floating Charge Asset" means an asset charged under clause 3.2 (Floating Charge) of the Debenture;

"Group" means the Parent and its Subsidiaries for the time being;

"Group Company" means a member of the Group;

"Hedging Agreements" means the Hedging Agreements as defined in the Senior Credit Agreement and the Mezzanine Loan Agreement;

"Insurances" means all policies of insurance (including those listed in schedule 3 (Insurances) to the Debenture) and all proceeds of them either as at 14 March 2006 or in the future held by, or written in favour of, the Company or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors and officers insurance;

"Intellectual Property Rights" means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world;

"Investment" means any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (whether or not marketable) whether owned directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Subsidiary Shares) but excluding the Cash Equivalents;

"Junior Mezzanine Facility Agent" means Barclays Bank PLC;

"Junior Mezzanine Finance Documents" means the Junior Mezzanine Finance Documents as defined in the Junior Mezzanine Loan Agreement;

Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

"Junior Mezzanine Finance Parties" means the Junior Mezzanine Finance Parties as defined in the Junior Mezzanine Loan Agreement;

"Junior Mezzanine Loan Agreement" means the junior mezzanine loan agreement dated 25 June 2004 (as the same may be amended, restated or novated from time to time) under which certain lenders have made available £75,000,000 of facilities to the Parent;

"Mezzanine Facility Agent" means Barclays Bank PLC;

"Mezzanine Finance Documents" means the Mezzanine Finance Documents as defined in the Mezzanine Loan Agreement;

"Mezzanine Finance Parties" means the Mezzanine Finance Parties as defined in the Mezzanine Loan Agreement;

"Mezzanine Loan Agreement" means the mezzanine loan agreement dated 25 June 2004 (as the same may be amended, restated or novated from time to time) under which certain lenders have made available £337,000,000 of facilities to AA Acquisition Co Limited;

"Obligors" means Obligors as defined in the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement;

"Parent" means AA Junior Mezzanine Co Limited (CRN: 5148845);

"Receivables Financing Facility Agreement" means the master debt purchase facility agreement dated on or around 14 March 2006 between Barclays Bank PLC and Automobile Association Insurance Services Limited;

"Sale and Purchase Agreement" means the agreement in the agreed form dated 25 June 2004 relating to the acquisition of the Target Assets made between, amongst others, AA Acquisition Co Limited (previously known as Beta Acquisition Co Limited) as purchaser and the Vendor;

"Secured Parties" means the Senior Finance Parties, the Mezzanine Finance Parties and the Junior Mezzanine Finance Parties;

"Security Accession Deed" means a deed executed by a Group Company substantially in the form set out in schedule 11 to the Debenture, with those amendments which the Security Agent may approve or reasonably require;

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Principles" means the security principles set out in schedule 15 (Security Principles) to the Senior Credit Agreement;

"Senior Credit Agreement" means the credit agreement dated on or about 25 June 2004 (as the same may be amended, novated or restated from time to time) under which certain lenders have made available £1,460,000,000 of facilities to the Parent and certain other Group Companies;

"Senior Finance Parties" means the Finance Parties as defined in the Senior Credit Agreement;

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985 and a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

"Subsidiary Shares" means all shares owned by the Company in its Subsidiaries including those (if any) identified against its name in schedule 8 to the Debenture, as set out in schedule 3 hereto;

"Target Contract" means a framework agreement dated 23 May 2005 between Automobile Association Insurance Services Limited and Target Group Limited; and

Company number

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Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

"Transitional Services Agreement" means the transitional services agreement dated 30 September 2004 between Centrica PLC and AA Corporation Limited.

Company number

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Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

Addendum 3/4

3. Names, addresses and description of the mortgagees or persons entitled to the charge (continued)

Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

Addendum 4/4

4. Short particulars of all the property mortgaged or charged (continued)

(ii) all other interests (not charged under clause 3.1(a) of the Debenture, as set out in clause 1.1(a) above) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;

(iii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;

(iv) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;

(v) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;

(vi) all monies standing to the credit of its accounts (including the Cash Collateral Accounts and the Collection Accounts) with any bank, financial institution or other person;

(vii) all its Intellectual Property Rights;

(viii) the benefit of all consents and agreements held by it in connection with the use of any of its assets;

(ix) its goodwill and uncalled capital;

(x) if not effectively assigned by clause 3.3 (Security Assignment) of the Debenture, as set out in clause 1.3 below, all its rights and interests in (and claims under) the Assigned Agreements,

but excluding the Excluded Assets.

1.2 Floating Charge

As further security for the payment of the Indebtedness, the Company has charged with full title guarantee in favour of the Security Agent by way of first floating charge all its assets as at 14 March 2006 and in future not effectively charged by way of first fixed charge under clause 3.1 (Fixed Charges) of the Debenture, as set out in clause 1.1 above or assigned under clause 3.3 (Security Assignment) of the Debenture, as set out in clause 1.3 below, including heritable property and all other assets in Scotland but excluding the Excluded Assets and the Excluded Accounts.

1.3 Security Assignment

(a) As further security for the payment of the Indebtedness, the Company has assigned absolutely with full title guarantee to the Security Agent all its rights, title and interest in the Assigned Agreements, provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as it shall direct).

(b) Until the occurrence of a Declared Default, but subject to clause 8.8 (Assigned Agreements) of the Debenture, the Company may continue to deal with the counterparties to the relevant Assigned Agreements.

1.4 Conversion of Floating Charge

If:

(a) a Declared Default has occurred; or

Name of company

* insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

(b) the Security Agent is reasonably of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy,

the Security Agent may, by notice to the Company, convert the floating charge created under the Debenture into a fixed charge as regards those assets which it specifies in the notice. The Company shall promptly execute a fixed charge or legal assignment over those assets in the form which the Security Agent requires, but on terms no more onerous to the Company than the Debenture.

1.5 Automatic Conversion of Floating Charge

If the Company creates (or purports to create) any Security Interest (except as permitted by the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement or with the prior consent of the Security Agent) on or over any Floating Charge Asset without the prior consent in writing of the Security Agent, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under the Debenture will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset.

2. FURTHER ASSURANCE

2.1 General

(a) The Company will, at its own expense, promptly following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may reasonably require:

- (i) to perfect the security created (or intended to be created) by the Debenture;
- (ii) to facilitate the realisation or enforcement of such security;
- (iii) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the Debenture; and/or
- (iv) subject to the Security Principles, to confer on the Security Agent security over any assets of the Company (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by the Debenture,

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

(b) Any security document required to be executed by the Company under clause 5.1 of the Debenture will contain clauses corresponding to and no more onerous than the provisions set out in the Debenture.

3. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Company may not:

- (a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Senior Credit Agreement, the Mezzanine Loan Agreement and the Junior Mezzanine Loan Agreement or with the prior consent of the Security Agent.

M395 Continuation

Company number

2413321

Name of company

* Insert full name
of company

* AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED (the "Company")

SCHEDULES

Schedule 1

Charging Companies

Name	Registered Number
AA Junior Mezzanine Co Limited	5148845
AA Acquisition Co Limited	5018987
AA Senior Co Limited	5663655
AA Corporation Limited	3797747
Automobile Association Developments Limited	1878835
Automobile Association Insurance Services Limited	2414212
AA The Driving School Agency Limited	2733119
Automobile Association Insurance Services Holdings Limited	2413321
Volkswagen Assistance Limited	4823689
Automobile Association Protection and Investment Planning Limited	2023217
Automobile Association Holdings Limited	3237629
The Automobile Association Limited	73356 (Jersey)

Schedule 2

Details of Properties

Registered Land

None as at 14 March 2006

Unregistered Land

None as at 14 March 2006

Schedule 3

Subsidiary Shares

Charging Company	Subsidiary	Number and class of shares	Details of nominees (if any) holding legal title to shares
Automobile Association Insurance Services Holdings Limited	AA Financial Services	2,000,000 ordinary shares of £1 each	

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02413321

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 14th MARCH 2006 AND CREATED BY AUTOMOBILE ASSOCIATION INSURANCE SERVICES HOLDINGS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY CHARGING COMPANY OR ANY OTHER OBLIGOR TO ANY SECURED PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 25th MARCH 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 29th MARCH 2006.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

R. Jam