

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

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

For official use

Company number

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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03797747

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

Name of company

* AA Corporation Limited

* insert full name
of company

XWe Timothy Parker of Southwood East, Apollo Rise, Farnborough,
Hampshire GU14 0JW

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

AND

Paul Woolf of Freemantle, King Lane, Over Wallop, Hampshire SO20 8JE

† 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 of a person recognised by the Insurance Commission within the meaning of the Banking Act 1982~~
 (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] ☒ holding company of* Automobile Association Insurance Services Limited (Company No. 02414212) which is proposing to give financial assistance in connection with the acquisition of shares in [this company] []

[illegible]

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use
General Section

Post room



LD4
COMPANIES HOUSE

151
17/03/2006

2

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

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 1,100,010,982 Ordinary
Shares of £1 each

The assistance is to be given to: (note 2) AA Acquisition Co Limited whose registered
office is Fanum House, Basing View, Basingstoke, Hampshire RG21 4EA

The assistance will take the form of:

See Schedule 1

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

† delete as appropriate

AA Acquisition Co Limited whose registered office is Fanum House, Basing
View, Basingstoke, Hampshire RG21 4EA

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

See Schedule 2

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 £ See Schedule 3

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 within 8 weeks of today's date

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) [I/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)
- (b) ~~XXXXXX intended to commence the winding up of the company within 12 months of that date, and XXXX have formed the opinion that this company will be able to pay its debts within 12 months of the commencement of the winding up.~~ (note 3)

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

And I/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 Tanum Howe, Bang View
Barrytown, RG21 4EA

Declarants to sign below

on

Day	Month	Year
02	03	2006

before me Rhett Theron

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

AA CORPORATION LIMITED

COMPANY NUMBER: 03797747

**SCHEDULE 1 to Form 155(6)b in respect of its subsidiary Automobile Association
Insurance Services Limited (the "Financial Assistance Company")**

Form of Financial Assistance

1. The execution and delivery by the Financial Assistance Company of, and the performance by the Financial Assistance Company of its obligations under:
 - 1.1 an amendment and restatement agreement (the "**SCA Amendment Agreement**") (to be dated on or about the date hereof) with, among others, AA Junior Mezzanine Co Limited (the "**Parent**"), AA Senior Co Limited (the "**New Borrower**") and Barclays Bank PLC (in various capacities) relating to a senior credit agreement dated 25 June 2004 between (1) the Parent, (2) AA Acquisition Co Limited (formerly Beta Acquisition Co Limited) (the "**Purchaser**"), (3) Barclays Capital (the investment banking division of Barclays Bank PLC) as mandated lead arranger, (4) the financial institutions listed in schedule 1 thereto as lenders, (5) Barclays Bank PLC as facility agent and security agent and others (as amended and restated from time to time, the "**Senior Credit Agreement**");
 - 1.2 an amendment and restatement agreement (the "**MLA Amendment Agreement**") (to be dated on or about the date hereof) with, among others, the Parent, the New Borrower and Barclays Bank PLC (in various capacities) relating to a mezzanine loan agreement dated 25 June 2004 between (1) the Parent, (2) the Purchaser, (3) Barclays Capital (the investment banking division of Barclays Bank PLC) as mandated mezzanine lead arranger, (4) the financial institutions listed in schedule 1 thereto as lenders, (5) Intermediate Capital Group PLC as mezzanine facility agent and (6) Barclays Bank PLC security agent and others (as amended and restated from time to time, the "**Mezzanine Loan Agreement**"); and
 - 1.3 an amendment and restatement agreement (the "**JMLA Amendment Agreement**" and together with the SCA Amendment Agreement and MLA Amendment Agreement, the "**Amendment Agreements**") (to be dated on or about the date hereof) with, among others, the Parent, the New Borrower and Barclays Bank PLC (in various capacities) relating to a junior mezzanine loan agreement dated 25 June 2004 between (1) the Parent, (2) the Purchaser, (3) Barclays Capital (the investment banking division of Barclays Bank PLC) as mandated junior mezzanine lead arranger, (4) the financial institutions listed in schedule 1 thereto as lenders, (5) Intermediate Capital Group PLC as junior mezzanine facility agent and (6) Barclays Bank PLC as security agent and others (as amended and restated from time to time, the "**Mezzanine Junior Loan Agreement**" and together with the Senior Credit Agreement and Mezzanine Loan Agreement, the "**Facilities Agreements**"),

pursuant to which, *inter alia*, (A) the New Borrower assumes by way of novation all existing debt of the Purchaser under the Senior Credit Agreement and (B) additional

facilities under the Senior Credit Agreement amounting to an aggregate of £505,000,000 (the "**Additional Facilities**") will be made available to the New Borrower thereunder;

- 1.4 a debenture (the "**New Debenture**") (to be dated on or about the date hereof) to be made in favour of Barclays Bank PLC as security agent (the "**Security Agent**") for the Secured Parties as defined in the Debenture pursuant to which the Financial Assistance Company will give security for the obligations of the Purchaser or the New Borrower (as the case may be) under the Facilities Agreements as amended by the relevant Amendment Agreements;
- 1.5 an amendment and restatement agreement (the "**Intra-Group Loan Amendment Agreement**") (to be dated on or about the date hereof) relating to the Intra-Group Loan Agreement dated 30 September 2004 between the Purchaser (as Borrower) and the Financial Assistance Company, Automobile Association Developments Limited, AA Corporation Limited, The Automobile Association Limited, AA The Driving School Agency Limited, Automobile Association Holdings Limited, Volkswagen Assistance Limited, Automobile Association Insurance Services Holdings Limited, Automobile Association Protection and Investment Planning Limited (the "**Subsidiaries**") (as Lenders) pursuant to which the Financial Assistance Company and the other Lenders will make available a facility to the New Borrower to, among other things, assist it to comply with its obligations under the Facilities Agreements as amended and restated by the respective Amendment Agreements; and
- 1.6 an up-stream intercompany loan agreement (the "**Up-stream Intercompany Loan Agreement**") between the Purchaser (as Borrower) and the Financial Assistance Company as (Lender) pursuant to which, *inter alia*, the Financial Assistance Company will lend the proceeds of the sale of certain receivables held by AAIS together with certain rights relating to those receivables to Barclays Bank PLC;

(each of those documents being in such form as may be amended, supplemented, novated and/or replaced from time to time) (the "**Documents**") together with the performance by the Financial Assistance Company of other acts in connection with the acquisition of the shares and the financing of that acquisition.

2. Terms not otherwise defined herein shall have the meaning given to them in the relevant Document(s).

SCHEDULE 2 to Form 155(6)b

Principal Terms on which the Financial Assistance will be given

SCA Amendment Agreement

1. By executing the SCA Amendment Agreement (and thereby, inter alia, giving the guarantee and indemnity contained in the SCA Amendment Agreement) the Financial Assistance Company will, inter alia:
 - 1.1 irrevocably and unconditionally and jointly and severally (with the other Guarantors):
 - 1.1.1 guarantee to each Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents;
 - 1.1.2 undertake with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal Obligor under the Senior Credit Agreement;
 - 1.1.3 indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if the guarantee or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal or is not performed on its due date. The amount of the cost, loss or a liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover;
 - 1.1.4 agree that its guarantee and indemnity obligations will not be affected by (inter alia) any act, circumstance, omission, matter or thing which would otherwise reduce, release or prejudice any obligation guaranteed by it or prejudice or diminish any such obligations; and
 - 1.1.5 agree that any Finance Party may set off any matured obligation due from the Financial Assistance Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Financial Assistance Company, regardless of the place of payment, booking branch or currency of either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.
 - 1.2 give certain representations, undertakings and indemnities to the Finance Parties.
 - 1.3 All capitalised terms in this paragraph 1 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Senior Credit Agreement as amended by the SCA Amendment Agreement.

MLA Amendment Agreement

2. By executing the MLA Amendment Agreement (and thereby, inter alia, giving the guarantee and indemnity contained in the MLA Amendment Agreement) the Financial Assistance Company will, inter alia:
 - 2.1 irrevocably and unconditionally and jointly and severally (with the other Obligors):
 - 2.1.1 guarantee to each Mezzanine Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Mezzanine Finance Documents;
 - 2.1.2 undertake with each Mezzanine Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, that Obligor shall immediately on demand pay that amount as if it was the principal Obligor under the Mezzanine Loan Agreement;
 - 2.1.3 indemnify each Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Mezzanine Finance Party if the guarantee or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal or is not performed on its due date. The amount of the cost, loss or a liability shall be equal to the amount which that Mezzanine Finance Party would otherwise have been entitled to recover;
 - 2.1.4 agree that its guarantee and indemnity obligations will not be affected by (inter alia) any act, circumstance, omission, matter or thing which would otherwise reduce, release or prejudice any obligation guaranteed by it or prejudice or diminish any such obligations; and
 - 2.1.5 agree that any Mezzanine Finance Party may set off any matured obligation due from the Financial Assistance Company under the Mezzanine Finance Documents (to the extent beneficially owned by that Mezzanine Finance Party) against any matured obligation owed by that Mezzanine Finance Party to the Financial Assistance Company, regardless of the place of payment, booking branch or currency of either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.
 - 2.2 give certain representations, undertakings and indemnities to the Mezzanine Finance Parties.
 - 2.3 All capitalised terms in this paragraph 2 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Mezzanine Loan Agreement as amended by the MLA Amendment Agreement.

JMLA Amendment Agreement

3. By executing the JMLA Amendment Agreement (and thereby, inter alia, giving the guarantee and indemnity contained in the JMLA Amendment Agreement) the Financial Assistance Company will, inter alia:
 - 3.1 irrevocably and unconditionally and jointly and severally (with the other Obligors):

- 3.1.1 guarantee to each Junior Mezzanine Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Junior Mezzanine Finance Documents;
 - 3.1.2 undertake with each Junior Mezzanine Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Junior Mezzanine Finance Document, that Obligor shall immediately on demand pay that amount as if it was the principal Obligor under the Junior Mezzanine Loan Agreement;
 - 3.1.3 indemnify each Junior Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Junior Mezzanine Finance Party if the guarantee or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal or is not performed on its due date. The amount of the cost, loss or a liability shall be equal to the amount which that Junior Mezzanine Finance Party would otherwise have been entitled to recover;
 - 3.1.4 agree that its guarantee and indemnity obligations will not be affected by (inter alia) any act, circumstance, omission, matter or thing which would otherwise reduce, release or prejudice any obligation guaranteed by it or prejudice or diminish any such obligations; and
 - 3.1.5 agree that any Junior Mezzanine Finance Party may set off any matured obligation due from the Financial Assistance Company under the Junior Mezzanine Finance Documents (to the extent beneficially owned by that Junior Mezzanine Finance Party) against any matured obligation owed by that Junior Mezzanine Finance Party to the Financial Assistance Company, regardless of the place of payment, booking branch or currency of either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.
- 3.2 give certain representations, undertakings and indemnities to the Junior Mezzanine Finance Parties.
- 3.3 All capitalised terms in this paragraph 3 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Junior Mezzanine Loan Agreement as amended by the JMLA Amendment Agreement.

New Debenture

4. By executing the New Debenture, the Financial Assistance Company agrees to be a Charging Company under the New Debenture and to be bound by all of the terms of the New Debenture and among other things, will:
- 4.1 covenant with the Security Agent as primary obligor (for the benefit of itself and the other Secured Parties) that it will on demand pay the Indebtedness (being all money or liabilities due, owing or incurred to any Secured Party by any Charging Company

under any Finance Document, Mezzanine Finance Document or Junior Mezzanine Finance Document) when it falls due for payment.

- 4.2 charge in favour of the Security Agent, as security for the payment of the Indebtedness, with full title guarantee the following assets, both present and 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):

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

4.2.2 by way of first fixed charge:

- (a) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;
- (b) all other interests (not charged under clause 3.1(a)) of the New Debenture 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;
- (c) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
- (d) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;
- (e) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;
- (f) 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;
- (g) all its Intellectual Property Rights;
- (h) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
- (i) its goodwill and uncalled capital;
- (j) if not effectively assigned by clause 3.3 (*Security Assignment*) of the New Debenture, all its rights and interests in (and claims under) the Assigned Agreements.

- 4.3 charge as further security for the payment of the Indebtedness with full title guarantee in favour of the Security Agent by way of first floating charge all its present and future

assets not effectively charged by way of first fixed charge under clause 3.1 (*Fixed Charges*) of the New Debenture or assigned under clause 3.3 (*Security Assignment*) of the New Debenture, including heritable property and all other assets in Scotland.

4.4 assign as further security for the payment of the Indebtedness 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 Financial Assistance Company re-assign the Assigned Agreements to the Financial Assistance Company (or as it shall direct).

4.5 covenant that it shall not:

4.5.1 create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;

4.5.2 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

4.5.3 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 (each as amended and restated by the SCA Amendment Agreement, MLA Amendment Agreement and JMLA Amendment Agreement respectively) or with the prior consent of the Security Agent.

4.6 The New Debenture contains a covenant for further assurance whereby the Financial Assistance 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:

4.6.1 to perfect the security created (or intended to be created) by the New Debenture;

4.6.2 to facilitate the realisation or enforcement of such security;

4.6.3 to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the New Debenture; and/or

4.6.4 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 New 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.

- 4.7 All capitalised terms in this paragraph 4 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the New Debenture.

Intra-Group Loan Amendment Agreement

5. By executing the Intra-Group Loan Amendment Agreement the Financial Assistance Company together with certain other companies, will agree to grant to the New Borrower as borrower a revolving loan facility of up to £3,600,000,000 to assist the New Borrower to:

- 5.1 make payments when due under the Facilities Agreements as amended and restated by each of the respective Amendment Agreements;
- 5.2 to pay costs and expenses incurred by the Borrower directly or indirectly in connection with the acquisition by the Borrower (directly or indirectly) of any shares in the capital of any of the Lenders; and
- 5.3 to pay any other liability incurred directly or indirectly for the purpose of or otherwise in connection with any such acquisition (including, for the avoidance of doubt, the repayment of any existing indebtedness to the seller and/or any affiliate company of the seller (other than the Lenders),

in each case where the Borrower is obliged (in accordance with and as permitted by the Facilities Agreements, the Intercreditor Deed, the articles of association of the Borrower or other contractual arrangement (as the case may be)) to make such payment.

- 5.4 All capitalised terms in this paragraph 5 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Intra-Group Loan Amendment Agreement.

Up-stream Intercompany Loan Agreement

6. By executing the Up-stream Intercompany Loan Agreement the Financial Assistance Company will agree to grant to the Purchaser as borrower a facility of up to £110,000,000 to assist the Purchaser to:

- 6.1 make payments when due under the Facilities Agreements as amended and restated by each of the respective Amendment Agreements;
- 6.2 to pay costs and expenses incurred by the Borrower directly or indirectly in connection with the acquisition by the Borrower (directly or indirectly) of any shares in the capital of any of the Lenders; and
- 6.3 to pay any other liability incurred directly or indirectly for the purpose of or otherwise in connection with any such acquisition (including, for the avoidance of doubt, the repayment of any existing indebtedness to the seller and/or any affiliate company of the seller (other than the Lenders),

in each case where the Borrower is obliged (in accordance with and as permitted by the Facilities Agreements, the Intercreditor Deed, the articles of association of the Borrower or other contractual arrangement (as the case may be)) to make such payment;

- 6.4 All capitalised terms in this paragraph 6 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Up-stream Intercompany Loan Agreement.

Amendments

7. The Financial Assistance Company's obligations as described above continue in relation to the Finance Documents, Mezzanine Finance Documents and Junior Mezzanine Finance Documents as they may be amended, varied or restated from time to time.

SCHEDULE 3 to Form 155(6) b

Cash to be transferred at the time of giving of the financial assistance is nil. However cash may become payable under the Intra-Group Loan Amendment Agreement and/or other Documents.

STRICTLY PRIVATE AND CONFIDENTIAL

The Directors
AA Corporation Limited
Fanum House
Basing View
Basingstoke
Hampshire
RG21 4EA

2 March 2006

Dear Sirs

Auditors' report to the directors of AA Corporation Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of AA Corporation Limited (the "Company") dated 2 March 2006 in connection with the proposal that the Company's subsidiary undertaking, Automobile Association Insurance Services Limited, should give financial assistance for the refinancing of the Company's holding company, AA Corporation 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.

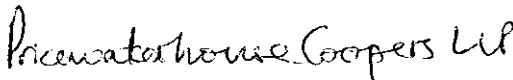
Basis of opinion

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