

Company Number: 06252749

SPRING & ALPHA MIDCO LIMITED
(the "Company")

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY
HELD BY MEANS OF TELEPHONE CONFERENCE CALL
ON 12 SEPTEMBER 2007**

PRESENT: **Robin Peveril Hooper**
Charles Nigel Cross Sherwood

IN ATTENDANCE: **Kumar Tewari**
Ricky Sharma

WEDNESDAY



1 Chairman, Quorum and Directors' Interests

- 1 1 **IT WAS RESOLVED** that Robin Peveril Hooper be appointed chairman of the meeting. The chairman declared that a quorum was present and that due notice of the meeting had been given to all directors.
- 1 2 Each director with an interest in the business to be transacted at the meeting declared it in accordance with section 317 of the Companies Act 1985 (the "Act").

2 Purpose

- 2 1 The chairman reminded the meeting that on 26 June 2007, the Company's wholly owned subsidiary Spring & Alpha Bidco Limited (Company number 06252535) ("Bidco") made an offer (the "Saga Offer") to acquire the entire issued share capital of, and warrants issued by, Saga Holdings Limited (company number 05245832) ("Saga") and made a separate inter-conditional offer (the "AA Offer" and, together with the Saga Offer, the "Offers") to acquire the entire issued share capital of, and warrants issued by, AA Limited (company number 05149111) ("AA" and, together with Saga, the "Targets") and the subordinated preference certificates ("SPCs") issued by AA SPC Co Limited and, by virtue thereof, all of the Targets' subsidiaries (the "Acquisition").
- 2 2 The chairman explained to the meeting that the deadline for returning forms of acceptance ("Forms of Acceptance") to accept the Offers was 5 p.m. on Friday 17 August 2007. The chairman noted that Forms of Acceptance had been received in respect of virtually all of the shares and warrants issued by the Targets and the SPCs. The chairman went on to explain that the shares and SPCs held by shareholders who

did not return a Form of Acceptance would nevertheless be acquired by Bidco pursuant to compulsory purchase provisions in the relevant Target's articles of association and that the warrants held by such shareholders would be cancelled and/or lapse immediately following completion of the Acquisition

- 2 3 The chairman further reminded the meeting that, in order to fund the Acquisition, it was intended that the Company would enter into certain financing arrangements with various banks, including the entry into of certain senior and mezzanine financing arrangements as well as certain intercreditor and security arrangements (the "**Financing**")

- 2 4 The chairman explained to the meeting that the provision of senior facilities would be provided pursuant to a ~~£4,320,000,000~~ ^{£4,420,000,000} senior facilities agreement to be entered into between, amongst others, the Company as parent, the Company and Bidco as original borrowers and original guarantors and Barclays Bank PLC as facility agent (the "**Senior Facilities Agreement**")

- 2 5 The chairman went on to explain the provision of mezzanine facilities would be provided pursuant to a £650,000,000 mezzanine facility agreement to be entered into between, amongst others, the Company as parent and original borrower and Mizuho Corporate Bank, Ltd as mezzanine facility agent (the "**Mezzanine Facility Agreement**")

- 2 6 The chairman explained that it was a condition precedent to the availability of the Financing that the Company enter into an intercreditor agreement to assist the banks who were lending money to finance the Acquisition to regulate the relationship between, amongst others, the senior and mezzanine facilities and that such agreement would be entered into between, amongst others, the Company, Barclays Bank PLC as facility agent and security trustee and Mizuho Corporate Bank, Ltd as the mezzanine facility agent (the "**Intercreditor Agreement**")

- 2 7 The chairman noted that, as an additional condition precedent, the Company and Bidco were also required to enter into a debenture in favour of Barclays Bank PLC as security trustee as security in respect of the continuing obligations of the Obligors (as defined in the Senior Facilities Agreement) to the Security Trustee (the "**Debenture**")

- 2 8 The chairman further noted that the Company and Bidco were also required to enter into an inter-company loan agreement in their capacities as borrowers and lenders whereby the Company would initially on-lend to Bidco the proceeds of the senior facilities (pursuant to the Senior Facilities Agreement) and the mezzanine facility (pursuant to the Mezzanine Facility Agreement) for the purposes of enabling Bidco to complete the Acquisition (the "**Intercompany Loan Agreement**")

3 Documents to be Approved

- 3 1 The chairman continued by explaining that the purpose of the meeting was therefore to consider and, if thought fit, approve the execution of the following draft documents

- 3 1 1 the Senior Facilities Agreement,
- 3 1 2 the Mezzanine Facility Agreement,
- 3 1 3 the Intercreditor Agreement;
- 3 1 4 the Debenture; and
- 3 1 5 the Intercompany Loan Agreement,

together, the "**Documents**" Terms not otherwise defined shall have the meaning given to them in the Documents

- 3 2 The chairman reminded the meeting that the entering into of the Documents was a condition precedent to the availability of the facilities to be made available to the Company pursuant to the Senior Facilities Agreement.

- 3 3 The chairman also noted that all directors of the Company had been sent drafts of the Documents prior to this meeting

4 **The Senior Facilities Agreement**

The chairman outlined the principal terms upon which the Senior Facilities Agreement was to be entered into and explained by way of additional background that the facilities thereto were to be made available for, amongst other things, the purposes of the Acquisition and for the general corporate purposes of Bidco, the Company and, at a later date, the Targets and their subsidiaries

5 **The Mezzanine Facility Agreement**

The chairman also outlined the principal terms upon which the Mezzanine Facility Agreement was to be entered into and explained by way of additional background that the facilities were to be made available for, amongst other things, the purposes of the Acquisition.

6 **The Intercreditor Agreement**

The chairman then outlined the principal terms upon which the Intercreditor Agreement would be entered into and explained that the Company would, amongst other things, subordinate its rights to repayment of any Intra-Group Debt (as defined therein) in certain circumstances and to the ranking of priority between certain creditors of Bidco and its subsidiaries.

7 **The Debenture**

The chairman further outlined the principal terms upon which the Debenture would be entered into and explained that in addition to the Company granting the Security Trustee various fixed and floating charges over, amongst other things, any freehold and leasehold property, all plant and machinery, all Book Debts (as defined therein) and all

Intellectual Property Rights (as defined therein), the Company would also grant security over the Subsidiary Shares (as defined therein)

8 Adjournment

The meeting was then adjourned for the directors to consider the draft Documents

9 Execution and delivery of the Documents

9.1 The meeting then resumed. After due and careful consideration of the terms of the Documents, the board was unanimously of the opinion that the execution and delivery by or on behalf of the Company of the Documents, and the exercise by the Company of any of its rights or the performance by the Company of any of its obligations thereunder,

9.1.1 would not result in any breach of any restriction imposed by the memorandum and articles of association of the Company or any agreement to which the Company is a party or by which the Company is bound, and


9.1.2 would benefit the Company and be bona fide in the best interests of the Company and would be for the purpose of carrying on its business

9.2 Accordingly, IT WAS UNANIMOUSLY RESOLVED THAT:

9.2.1 the entering into of each of the Documents by the Company and the entering into of any documents ancillary to the Documents be and is hereby approved;

9.2.2 the terms and conditions of each of the Documents in the form of the drafts produced to the meeting and the execution, delivery and performance by or on behalf of the Company of each of those Documents and any ancillary documents (in such form or with such amendments thereto including manuscript amendments as the person executing or sealing them pursuant to the authority conferred by these resolutions, may in his or her absolute discretion think fit) and the exercise by the Company of its rights and the performance by the Company of its obligations thereunder be and are hereby approved,

9.2.3 the following directors of the Company (each an "Authorised Signatory") be and are (or, in the case of the execution of deeds, any two Authorised Signatories are) hereby severally authorised to sign and deliver on behalf of the Company the Documents (as deeds or otherwise) and any related documents with such amendments thereto as such Authorised Signatory may in his or her absolute discretion think fit and the signature appearing opposite his or her name below is the true and genuine signature of the director

| NAME | SIGNATURE |
|----------------------|--|
| Robin Peveril Hooper |  |

X

| | |
|------------------------------|--|
| Malcolm Offord | |
| Charles Nigel Cross Sherwood | |

9 2 4 each Authorised Signatory be and is (or, in the case of any deeds, any two Authorised Signatories are) hereby severally authorised to do all acts and things necessary or desirable to give effect to these resolutions and to sign and deliver on behalf of the Company any and all documents as deeds or otherwise (including, if relevant, any fees letter, director's certificate, utilisation request, selection notice or the giving of any other notices) which may be required pursuant to or in connection with the Documents in each case in such manner or form as such Authorised Signatory may in his or her absolute discretion think fit;

9 2 5 the execution of the Documents by an Authorised Signatory shall be conclusive evidence of such Authorised Signatory's approval of any amendments which may have been made thereto

10 APPOINTMENT OF DIRECTORS

10 1 IT WAS RESOLVED THAT.

10 1 1 Robert Lucas, James Arnell and Philip Sebastian Muelder, be appointed directors of the Company with effect from the close of the meeting,

10 1 2 these appointments be recorded in the Company's books


11 COMPANY SECRETARY

11 1 IT WAS RESOLVED THAT the secretary of the Company be and is hereby authorised to issue and certify as true and up-to-date, copies of the certificate of incorporation, any certificate(s) of incorporation on change of name, the memorandum and articles of association of the Company and copies of the resolutions and minutes of this meeting and to certify that the resolutions passed at this meeting remain in full force and effect.

11 2 The secretary was instructed to arrange for the filing of notices of appointments of directors (forms 288a) with the Registrar of Companies.

12. Close of Meeting

There being no other business the chairman declared the meeting closed.



Chairman