

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

**155(6)b**

SIR TREVOR CHINN OF FLAT 29, 7 PRINCES GATE, KNIGHTSBRIDGE, LONDON SW7  
1QL

149120      Canary Wharf 3

~~XXXXXXXXXXXXXXXXXXXX~~ purpose of that acquisition. It (note 1)

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

ORDINARY SHARES OF £1 EACH

OFFICE IS 10 UPPER BANK STREET, LONDON E14 5JJ

SEE SCHEDULE 1

BETA ACQUISITION CO LIMITED WHOSE REGISTERED OFFICE IS 10 UPPER BANK STREET, LONDON E14 5JJ

SEE SCHEDULE 2

The value of any asset to be transferred to the person assisted is £ NIL

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

☒ 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) ☒ 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) ~~It is intended to commence the winding up of this company within 12 months of that date, and the~~  
~~delete to record 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 ☒ 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 111 The Strand  
London WC2R 0AG

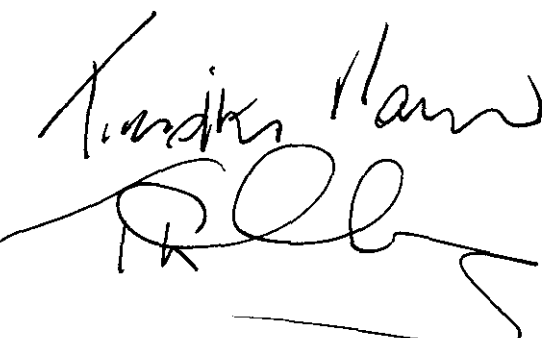
Declarants to sign below

on 

Day	Month	Year
30	09	2004

before me DAVID REARDON

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

## SCHEDULE 1

### Form of Financial Assistance

1. The execution and delivery by the Financial Assistance Company of, and performance by the Financial Assistance Company of its obligations under:
  - 1.1 an accession deed (to be dated on or about the date hereof) (the "**Mezzanine Accession Deed**") to a mezzanine loan agreement (the "**Mezzanine Loan Agreement**") and Intercreditor Deed between, among others, Beta Junior Mezzanine Co Limited (as Parent and Original Guarantor), Beta Acquisition Co Limited (as Original Borrower) Barclays Bank PLC (as Mandated Mezzanine Lead Arranger, Mezzanine Facility Agent, Security Agent and Original Mezzanine Lender) pursuant to which the Financial Assistance Company will guarantee to each Mezzanine Finance Party the obligations of the Obligors under the Mezzanine Finance Documents and agree to become an Obligor under the Intercreditor Deed and to be bound by the terms of the Intercreditor Deed as an Obligor. The moneys being borrowed under the Mezzanine Loan Agreement will be used by Beta Acquisition Co Limited to fund the acquisition of shares in the Financial Assistance Company's holding company, AA Corporation Limited;
  - 1.2 an accession deed (to be dated on or about the date hereof) (the "**Junior Mezzanine Accession Deed**") to a junior mezzanine credit agreement (the "**Junior Mezzanine Loan Agreement**") and Intercreditor Deed between, among others, Beta Junior Mezzanine Co Limited (as Parent and Original Guarantor), Beta Acquisition Co Limited (as Original Borrower), Barclays Bank PLC (as Mandated Mezzanine Lead Arranger, Mezzanine Facility Agent, Security Agent and Original Mezzanine Lender) pursuant to which the Financial Assistance Company will guarantee to each Junior Mezzanine Finance Party the obligations of the Obligors under the Junior Mezzanine Finance Documents and agree to become an Obligor under the Intercreditor Deed and to be bound by the terms of the Intercreditor Deed as an Obligor. The moneys being borrowed under the Junior Mezzanine Loan Agreement will be used by Beta Acquisition Co Limited to fund the acquisition of shares in the Financial Assistance Company's holding company, AA Corporation Limited;
  - 1.3 a guarantee increase deed (to be dated on or about the date hereof) entered into by the Financial Assistance Company and Barclays Bank PLC as Facility Agent pursuant to which the Financial Assistance Company confirms and acknowledges that guarantee and indemnity obligations undertaken by it under a senior credit agreement dated 25 June 2004 (the "**Senior Credit Agreement**") between, among others, Beta Junior Mezzanine Co Limited (as Parent and Original Guarantor) Beta Acquisition Co Limited (as Original Borrower), Barclays Bank PLC (as Mandated Lead Arranger, Facility Agent, Security Agent and Original Lender) are extended to include, without limitation, the Acquisition Obligations (as defined in paragraph 3 of Schedule 2 hereto), with effect from the date thereof (the "**Guarantee Increase Deed**").

- 1.4 an accession deed to be entered into by the Financial Assistance Company, Beta Junior Mezzanine Co Limited and Barclays Bank PLC (to be dated on or about the date hereof) (the "**Debenture Accession Deed**") to a debenture (the "**Debenture**") (to be dated on or about the date hereof) granted by Beta Junior Mezzanine Co Limited and Beta Acquisition Co Limited (as Charging Companies) in favour of Barclays Bank PLC (as Security Agent) pursuant to which the Financial Assistance Company will grant security for the obligations of any Charging Company or any Obligor under each or any of the Finance Documents, Mezzanine Finance Documents and Junior Mezzanine Finance Documents;
- 1.5 an intercreditor deed (the "**Intercreditor Deed**") (to be dated on or about the date hereof) between, among others, the Parent, the Financial Assistance Company (as Obligors), Barclays Bank PLC (as Senior Facility Agent, Mezzanine Facility Agent and Junior Mezzanine Facility Agent and Security Agent), the Senior Lenders, Mezzanine Lenders and Junior Mezzanine Lenders named therein and the Hedging Lenders pursuant to which, among other things, the Financial Assistance Company will agree to certain provisions governing the priorities between the Senior Lenders, the Mezzanine Lenders, the Junior Mezzanine Lenders, the Hedging Lenders, the Investors and the Obligors;
- 1.6 an intra-group loan agreement (the "**Intra-Group Loan Agreement**") (to be dated on or about the date hereof) between Beta Acquisition Co Limited (as borrower) and the Financial Assistance Company and others (as Lenders) pursuant to which the Financial Assistance Company will make available a facility to Beta Acquisition Co Limited to, among other things, assist it to comply with its obligations under the Senior Facility Agreement, the Mezzanine Facility Agreement and the Junior Mezzanine Facility Agreement; and
- 1.7 a final draft of the novation deed relating to the liability in respect of a Seller TFA Payable (to be dated on or about the date hereof) (the "**Seller Payables Novation**") between GB Gas Holdings Limited as Seller, Centrica Plc as the Seller's Group Company, Beta Acquisition Co Limited as Purchaser and the Company as Target Group Company pursuant to which Centrica Plc is to be released and discharged from the Liability and the Target Group Company is, upon the terms of the Purchaser's undertaking, to assume the Liability and to be bound by it in place of Centrica 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. By executing the Mezzanine Accession Deed and Junior Mezzanine Accession Deed, the Financial Assistance Company accedes to and agrees to be bound by the terms of the Mezzanine Loan Agreement, Junior Mezzanine Loan Agreement and Intercreditor Deed as if it had originally been a party to such documents.

3. By executing the Debenture Accession Deed the Financial Assistance Company accedes to and agrees to be bound by all of the terms of the Debenture as if it had originally been a party thereto.
4. Terms not otherwise defined herein shall have the meaning given to them in the relevant Document(s).

## **SCHEDULE 2**

### **Principal Terms on which the Financial Assistance will be given**

#### **Mezzanine Accession Deed**

1. By executing the Mezzanine Accession Deed (and thereby, inter alia, giving the guarantee and indemnity contained in the Mezzanine Loan 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 Mezzanine Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Mezzanine Finance Documents;
    - 1.1.2 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, the Financial Assistance Company shall immediately on demand pay that amount as if it was the principal Borrower under the Mezzanine Loan Agreement;
    - 1.1.3 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;
    - 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 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.
  - 1.2 give certain representations, undertakings and indemnities to the Mezzanine 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 Mezzanine Loan Agreement.

### **Junior Mezzanine Accession Deed**

2. By executing the Junior Mezzanine Accession Deed (and thereby, inter alia, giving the guarantee and indemnity contained in the Junior Mezzanine Loan Agreement) the Financial Assistance Company will, inter alia:
  - 2.1 irrevocably and unconditionally and jointly and severally (with the other Guarantors):
    - 2.1.1 guarantee to each Junior Mezzanine Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Junior Mezzanine Finance Documents;
    - 2.1.2 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, the Financial Assistance Company shall immediately on demand pay that amount as if it was the principal Borrower under the Junior Mezzanine Loan Agreement; and
    - 2.1.3 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, less a liability shall be equal to the amount which that Junior Mezzanine Finance Party would otherwise be 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 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.
  - 2.2 give certain representations, undertakings and indemnities to the Junior 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 Junior Mezzanine Loan Agreement.

### **Guarantee Increase Deed**

3. By executing the Guarantee Increase Deed and thereby, inter alia, increasing the amount guaranteed given by it in the Senior Credit Agreement to include obligations to

be incurred for the purposes of paying the purchase price for the entire issued share capital of AA Corporation Limited and paying all fees, costs, commissions and expenses incurred by the Obligors for the purpose of or in connection with such acquisition (the "**Acquisition Obligations**"):

- 3.1.1 the Financial Assistance Company will, inter alia, irrevocably and unconditionally and jointly and severally (with the other guarantors)
- (a) guarantee to each Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents;
  - (b) undertake with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, the Financial Assistance Company shall immediately on demand pay that amount as if it were the Principal Borrower under the Senior Credit Agreement;
  - (c) 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 reliability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover;
  - (d) 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
  - (e) agrees that any Finance Party may set off any obligation owed by the Financial Assistance Company to such Finance Party against any obligation (following the occurrence of an Event of Default which is continuing) owed by that Finance Party to the Financial Assistance Company
- 3.2 all capitalised terms in this paragraph 3 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Senior Credit Agreement.

#### **Debenture Accession Deed**

4. By executing the Debenture Accession Deed the Financial Assistance Company agrees to be a Charging Company under the Debenture and to be bound by all of the terms of the Debenture as if it had originally been a party to the Debenture as a Charging Company 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 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 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 Debenture or assigned under clause 3.3 (Security Assignment) of the 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 Company re-assign the Assigned Agreements to the 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 or with the prior consent of the Security Agent.

- 4.6 The Debenture contains a covenant for further assurance whereby 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:

- 4.6.1 to perfect the security created (or intended to be created) by the 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 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 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 Debenture.

### **Intercreditor Deed**

5. By executing the Intercreditor Deed, the Financial Assistance Company will, inter alia:
  - 5.1 subordinate its rights to repayment of monies due from Beta Acquisition Co Limited to it pursuant to the Intra-Group Loan Agreement and to the ranking of priority between certain Creditors;
  - 5.2 indemnify the Creditors for certain costs, claims, expenses and liabilities under the Intercreditor Deed; and
  - 5.3 covenant to pay the amounts owing under the Finance Documents, Mezzanine Finance Documents and Junior Mezzanine Finance Documents.
  - 5.4 all capitalised terms in this paragraph 5 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Intercreditor Deed.

### **Intra-Group Loan Agreement**

6. By executing the Intra-Group Loan Agreement the Financial Assistance Company, together with certain other companies, will agree to grant to Beta Acquisition Co Limited as borrower a revolving loan facility of up to £2,600,000,000 to assist Beta Acquisition Co Limited to:
  - 6.1 make payments when due under the Facilities 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 Intra-Group Loan Agreement.

### **Seller Payables Novation**

7. Under the Seller Payables Novation, the Company, among others things, will release and discharge Centrica Plc from all claims and demands whatever, whenever arising, in respect of the Liability and accepts the liability of the Purchaser in respect of the Liability in lieu of the liability of Centrica Plc.

All capitalised terms in this paragraph 7 shall (unless otherwise defined in the Form 155 (and appendices)) be as defined in the Seller Payables Novation.

**Amendments**

8. 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, modified, varied or restated from time to time.

### **SCHEDULE 3**

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

**PricewaterhouseCoopers LLP**  
1 Embankment Place  
London WC2N 6RH  
Telephone +44 (0) 20 7583 5000  
Facsimile +44 (0) 20 7822 4652

The Directors  
AA Corporation Limited  
Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

30 September 2004

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 30 September 2004 in connection with the proposal that the Company's subsidiary undertaking, AA Underwriting Limited, should give financial assistance for the purchase of 1,100,010,982 of the ordinary shares of the Company. 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*

PricewaterhouseCoopers LLP  
*Chartered Accountants and Registered Auditors*