

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

155(6)b

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L	-	L	-	L	-



20
27/10/2006

The assistance is for the purpose of ~~XXXXXXXXXX~~ [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: 281,528,633 ordinary shares

The assistance is to be given to: (note 2) FALCON BIDCO LIMITED, a company incorporated in the United Kingdom under the number 5879148 whose registered office is c/o Hackwood Securities Limited, One Silk Street, London EC2Y 8HQ

The assistance will take the form of:

See Paragraph 1 of Appendix B

The person who [has acquired] ~~XXXXXXXXXX~~ † the shares is:
Falcon Bidco Limited

† delete as appropriate

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

See Paragraph 2 of Appendix B

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 Par. 3.1 of Appendix B

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

The date on which the assistance is to be given is See Par. 3.2 of Appendix B

**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)

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

(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)

[illegible]

And ~~X~~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 BCA HOLDINGS LIMITED
BLACBUSH AIRPORT, CAMBERLEY
GUILF 9LG

Declarants to sign below

Day Month Year

on 2 | 0 1 | 0 2 | 0 | 0 | 6

before me L. E. Z. (Linda A. Quintan)

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

APPENDIX A – BCA Group Europe Limited

Name and Address of Directors signing this statutory declaration:

Simon Christopher Duncan Hosking

Middle House
Petworth Road
Chiddingfold
GU8 4UJ

Name and Address of Directors signing separate statutory declaration:

Jonathan Robert Olsen

10 Burstead Close
Cobham
Surrey
KT11 2NL

Appendix B

1 Form which assistance will take

1.1 In this Statutory Declaration the following expressions have, unless otherwise defined, the following meanings:

"Accession Letter" means an accession letter pursuant to which the Company agrees to be bound by the terms of the Facilities Agreement, the Intercreditor Deed and the Senior Finance Documents as an Additional Borrower and Additional Guarantor pursuant to the Facilities Agreement and as an Additional Obligor pursuant to the Intercreditor Deed;

"Acquisition" means the acquisition by Falcon Bidco Limited, a company incorporated in the United Kingdom under number 5879148, of the Target Shares;

"Additional Borrower" means a company which becomes a Borrower in accordance with Clause 30 (*Changes to the Obligors*) of the Facilities Agreement;

"Arranger" means The Royal Bank of Scotland plc;

"Assigned Agreements" means the following documents, each as further defined in the Facilities Agreement (unless otherwise specified in this Appendix B), the Acquisition Documents, the Hedging Agreements, the Insurances and any other agreement designated as an Assigned Agreement by the Company and the Security Agent in accordance with the terms of the Debenture;

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

"Borrower" means each of the companies listed in Part 1 of Schedule 1 (*The Original Parties*) of the Facilities Agreement or an Additional Borrower unless it has ceased to be a Borrower in accordance with the terms of the Facilities Agreement;

"Charged Property" means all of the assets of the Obligors which from time to time are, or expressed to be, the subject of the Transaction Security;

"Charging Companies" means the Company, each of the companies listed in schedule 1 of the Debenture and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed (as defined in the Debenture);

"Collection Accounts" means the accounts of the Charging Companies set out in schedule 5 of the Debenture and/or such other accounts of the relevant Charging Company and the Security Agent shall agree or (following the occurrence of a Declared Default (as defined in the Debenture) as the Security Agent shall specify;

"Company" means BCA Europe Limited;

"Creditor Accession Deed" means an accession deed pursuant to which the Company agrees to be bound by the terms of the Intercreditor Deed as an Intragroup Creditor;

"Debenture" means the debenture dated to be entered between, amongst others, the Company, the other Charging Companies and the Security Agent on or about the date of the Acquisition;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

"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);

"Facility Agent" means The Royal Bank of Scotland plc;

"Facilities Agreement" means the £379,500,000 facilities agreement dated 18 September 2006 between, amongst others, the Parent, Falcon Bidco Limited, the Facility Agent and the Security Agent as amended by an amendment and restatement agreement dated 19 October 2006;

"Guarantor" means the Parent, Falcon Bidco Limited, and any company that accedes as a guarantor to the Facilities Agreement, unless that party has ceased to be a guarantor;

"Insurances" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Charging 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" means the Intellectual Property Rights owned or used by Group Companies (as defined in the Facilities Agreement) throughout the world or the interests of any Group Company in any of those Intellectual Property Rights, together with the benefit of all agreements entered into or the benefit of which is enjoyed by any Group Company relating to the use or exploitation of any of those Intellectual Property Rights;

"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 branch 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;

"Intercreditor Deed" means the intercreditor deed dated 18 September 2006 and made between, amongst others, the Parent, Falcon Bidco Limited, the Security Agent, The Royal Bank of Scotland plc as senior facility agent and The Royal Bank of Scotland plc as mandated lead arranger;

"Intra-Group Loan Agreement" means the loan agreement to be entered into between the Parent, Falcon Bidco Limited, the Company, BCA Finance Limited, BCA Holdings Limited, BCA Group Europe Limited, The British Car Auction Group Limited, BCA Trading Limited and British Car Auctions Limited on or about the date of the Acquisition.

"Investments" 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 a Charging Company or by any trustee, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Subsidiary Shares);

"Nominated Account" has the meaning given to it in clause 8.4(a) (Collection of Book Debts and other Debts) of the Debenture;

"Obligor" means a Borrower or Guarantor;

"Parent" means Falcon Opholdco Limited, a company incorporated in the Cayman Islands;

"Propco Facility Agreement" means the facilities agreement to be entered into on or about the date of the acquisition between, amongst others, Falcon Propco Limited and the Royal Bank of Scotland Plc;

"Receiver" means a receiver, receiver and manager or administrative receiver of the whole or part of the Charged Property;

"Secured Parties" means each Senior Finance Party from time to time party to the Facilities Agreement and any Receiver or Delegate;

"Security" 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 Agent" means The Royal Bank of Scotland plc;

"Senior Finance Document" means the following documents, each as further defined in the Facilities Agreement (unless otherwise specified in this Appendix B), the Mandate Letter, any Accession Letter, any Ancillary Document, the Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Deed, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Senior Finance Document" by the Parent and the Facility Agent;

"Senior Finance Party" means the following parties, each as further defined in the Facilities Agreement (unless otherwise specified in this Appendix B) the Facility Agent, an Arranger, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty, a Fronting Ancillary Lender, a Fronted Ancillary Lender and any Ancillary Lender;

"Subordination Deed" means the subordination deed to be entered into between amongst others, the Company, Falcon Propco Limited and The Royal Bank of Scotland Plc;

"Subsidiary Shares" means all shares owned by a Charging Company in its Subsidiaries (each as defined in the Debenture) including those listed in Schedule 3 to the Debenture;

"Target Shares" means all of the shares in the Company and all warrants and options in respect of the share capital of the Company acquired by Falcon Bidco Limited pursuant to the Acquisition; and

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents (as defined in the Facilities Agreement).

1.2 The Acquisition was financed, in part, by the Facilities Agreement, which requires the Company, following the whitewash procedure, to provide certain financial assistance as described in paragraph 1.3 for the purpose of reducing or discharging the liabilities incurred in respect of the Acquisition.

1.3 The financial assistance referred to in paragraph 1.2 will take the form of execution, delivery and performance by the Company of (which includes all notices, certificates and any other documents required under the following):

1.3.1 a guarantee of the Company in accordance with the terms of the Facilities Agreement;

1.3.2 obligations undertaken in accordance with the terms of the Intercreditor Deed;

1.3.3 security provided in respect of its obligations under the Senior Finance Documents pursuant to the Debenture; and

1.3.4 the Intra-Group Loan Agreement.

1.4 Further in order to assist with the financing of the Acquisition, the Propco Facility Agreement will be entered into by Falcon Propco Limited, the availability of which is subject to the Company, following the whitewash procedure, providing certain financial assistance for the purposes of reducing or discharging the liabilities incurred in respect of the Acquisition.

1.5 The financial assistance referred to in paragraph 1.4 will take the form of the execution, delivery and performance by the Company of [which includes all notices, certificates and other documents required under] the Subordination Deed.

2 Principal terms of the assistance

2.1 By executing the Accession Letter, the Creditor Accession Deed, the Debenture, the Intra-Group Loan Agreement and the Subordination Deed, the Company will, among other things:

2.1.1 in relation to the Facilities Agreement:

- (i) together with each Guarantor, jointly and severally and irrevocably and unconditionally:
 - (a) guarantee to each Senior Finance Party punctual performance by each other Obligor of all that Obligor's payment obligations under the Senior Finance Documents;
 - (b) undertake with each Senior Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Senior Finance Document, it shall immediately on demand pay that amount as if it were the principal obligor;
 - (c) indemnify each Senior Finance Party immediately on demand against any cost, loss or liability suffered by that Senior Finance Party if any payment obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Senior Finance Party would otherwise have been entitled to recover; and
 - (d) indemnify the Arranger and each other Secured Party against any cost, loss or liability arising out of or as a result of the conversion of any sum due from an Obligor under the Senior Finance Documents or any order, judgment or award given or made in relation to such sum, which has to be converted from the currency in which such sum is payable into another currency for the purpose of: (i) making or filing a claim or proof against that Obligor; or (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings;
- (ii) permit any Senior Finance Party to set off any matured obligation due by the Company to that Senior Finance Party against any matured obligation owed by that Senior Finance Party to the Company;

- (iii) agrees that its guarantee and indemnity obligations will not be affected by (amongst other things) any act, omission, matter or thing which would otherwise reduce, release or prejudice any of its obligations;
- (iv) make a number of representations and warranties to each Senior Finance Party; and
- (v) undertake to comply with certain undertakings, including an undertaking not to create or allow to exist any Security over any of its assets or to dispose of any of its assets (subject to certain exceptions);

2.1.2 in relation to the Debenture:

- (i) covenant to the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Indebtedness (as defined in the Debenture) when it falls due for payment in accordance with the terms of the relevant Senior Finance Documents;
- (ii) as security for the payment of all Indebtedness, charge in favour of the Security Agent 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:
 - (a) by way of first legal mortgage:
 - (I) 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; and
 - (II) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;
 - (b) by way of first fixed charge:
 - (I) all other interests 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;
 - (II) all plant, machinery, vehicles, computer, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
 - (III) all Book Debts and all rights and claims against third parties and against any security in respect of those Book Debts;
 - (IV) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of those debts and claims;
 - (V) all monies standing to the credit of its accounts (including the Cash Collateral Accounts, the Nominated Accounts and the Collection Accounts) with any bank, financial institution or other person and all rights related to those accounts;

- (VI) all its Intellectual Property and Intellectual Property Rights;
 - (VII) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
 - (VIII) its goodwill and uncalled capital;
 - (IX) all its rights and interests in (and claims under) the Assigned Agreements;
- (c) with full title guarantee, 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*) or assigned under Clause 3.3 (*Security Assignment*) of the Debenture;
- (iii) undertake to do all such acts or execute all such documents as the Security Agent reasonably requires to:
- (a) perfect the Security created or intended to be created under or evidenced by the Debenture or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the Secured Parties provided by or pursuant to the Debenture or by law;
 - (b) confer on the Security Agent or on the Secured Parties Security over any property and assets of the Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Debenture; and/or
 - (c) facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by the Debenture;
- (iv) undertake not to create or permit to subsist any Security over any Charged Property, nor do anything else prohibited by Clause 27.14 (*Negative Pledge*) of the Facilities Agreement, except as permitted by that clause; and
- (v) permit any Senior Finance Party to set off any matured obligation due by the Company to that Senior Finance Party against any matured obligation owed by that Senior Finance Party to the Company.
- 2.1.3** in relation to the Intercreditor Deed, be bound by the terms and payment regulations and to agree to the arrangements thereunder. The Intercreditor Deed is the mechanism which sets out the priority of security between the parties thereto and the Company acknowledges the priority of security between the parties and the subordination of their respective rights as creditors and agrees to turn over all amounts and distributions received in respect of such subordinated claims (other than in accordance with the terms of the Subordination Deed) to the Facility Agent.

2.2 By executing the Intra-Group Loan Agreement, the Company together with other members of the Group will among other things, grant a loan facility to the borrowers on the terms and conditions thereof, enabling the borrowers to utilise loans made thereunder in order to assist the borrowers to comply with their obligations under the Facilities Agreement (including without limitation, repayment of principal and payment of interest), pay the fees and expenses incurred in connection with the Acquisition and fund any dividend payments.

- 2.3** By executing the Subordination Deed, the Company together with other members of the Group will agree to be bound by the terms and payment regulations and to agree to the arrangements thereunder. The Company will agree to subordinate its claims against Falcon Propco Limited and agrees to turn over all amounts and distributions received in respect of such subordinated claims (other than in accordance with the terms of the Subordination Deed) to the Facility Agent.
- 2.4** The Company's obligations as described above continue in relation to the Senior Finance Documents as they may be amended modified, varied or restated from time to time.

3 Further information

- 3.1** The amount of cash to be transferred to the person assisted is nil at the time of the giving of the financial assistance however cash may become payable under the Intra-Group Loan Agreement from time to time.
- 3.2** The date on which the assistance is to be given is any date prior to eight weeks from the date of this Statutory Declaration.

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

155(6)b

A06905284

The assistance is for the purpose of ~~reducing or discharging a liability incurred 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

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

The number and class of the shares acquired or to be acquired is: 281,528,633 ordinary shares

The assistance is to be given to: (note 2) FALCON BIDCO LIMITED, a company incorporated in the United Kingdom under the number 5879148 whose registered office is c/o Hackwood Securities Limited, One Silk Street, London EC2Y 8HQ

The assistance will take the form of:

See Paragraph 1 of Appendix B

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

Falcon Bidco Limited

† delete as appropriate

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

See Paragraph 2 of Appendix B

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 Par. 3.1 of Appendix B

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

The date on which the assistance is to be given is See Par. 3.2 of Appendix B

~~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) XXX
XXX
XXX (note 3)

And ~~X~~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

Declarants to sign below

AL QASIR HOTEL DUBAI
UAE

Day Month Year

on 20 10 2006

before me N. D. Simpson

~~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

APPENDIX A – BCA Group Europe Limited

Name and Address of Directors signing this statutory declaration:

Jonathan Robert Olsen

10 Burstead Close

Cobham

Surrey

KT11 2NL

Name and Address of Directors signing separate statutory declaration:

Simon Christopher Duncan Hosking

Middle House

Petworth Road

Chiddingfold

GU8 4UJ



Appendix B

1 Form which assistance will take

1.1 In this Statutory Declaration the following expressions have, unless otherwise defined, the following meanings:

"Accession Letter" means an accession letter pursuant to which the Company agrees to be bound by the terms of the Facilities Agreement, the Intercreditor Deed and the Senior Finance Documents as an Additional Borrower and Additional Guarantor pursuant to the Facilities Agreement and as an Additional Obligor pursuant to the Intercreditor Deed;

"Acquisition" means the acquisition by Falcon Bidco Limited, a company incorporated in the United Kingdom under number 5879148, of the Target Shares;

"Additional Borrower" means a company which becomes a Borrower in accordance with Clause 30 (*Changes to the Obligors*) of the Facilities Agreement;

"Arranger" means The Royal Bank of Scotland plc;

"Assigned Agreements" means the following documents, each as further defined in the Facilities Agreement (unless otherwise specified in this Appendix B), the Acquisition Documents, the Hedging Agreements, the Insurances and any other agreement designated as an Assigned Agreement by the Company and the Security Agent in accordance with the terms of the Debenture;

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

"Borrower" means each of the companies listed in Part 1 of Schedule 1 (*The Original Parties*) of the Facilities Agreement or an Additional Borrower unless it has ceased to be a Borrower in accordance with the terms of the Facilities Agreement;

"Charged Property" means all of the assets of the Obligors which from time to time are, or expressed to be, the subject of the Transaction Security;

"Charging Companies" means the Company, each of the companies listed in schedule 1 of the Debenture and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed (as defined in the Debenture);

"Collection Accounts" means the accounts of the Charging Companies set out in schedule 5 of the Debenture and/or such other accounts of the relevant Charging Company and the Security Agent shall agree or (following the occurrence of a Declared Default (as defined in the Debenture) as the Security Agent shall specify;

"Company" means BCA Europe Limited;

"Creditor Accession Deed" means an accession deed pursuant to which the Company agrees to be bound by the terms of the Intercreditor Deed as an Intragroup Creditor;

"Debenture" means the debenture dated to be entered between, amongst others, the Company, the other Charging Companies and the Security Agent on or about the date of the Acquisition;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

"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);

"Facility Agent" means The Royal Bank of Scotland plc;

"Facilities Agreement" means the £379,500,000 facilities agreement dated 18 September 2006 between, amongst others, the Parent, Falcon Bidco Limited, the Facility Agent and the Security Agent as amended by an amendment and restatement agreement dated 19 October 2006;

"Guarantor" means the Parent, Falcon Bidco Limited, and any company that accedes as a guarantor to the Facilities Agreement, unless that party has ceased to be a guarantor;

"Insurances" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Charging 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" means the Intellectual Property Rights owned or used by Group Companies (as defined in the Facilities Agreement) throughout the world or the interests of any Group Company in any of those Intellectual Property Rights, together with the benefit of all agreements entered into or the benefit of which is enjoyed by any Group Company relating to the use or exploitation of any of those Intellectual Property Rights;

"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 branch 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;

"Intercreditor Deed" means the intercreditor deed dated 18 September 2006 and made between, amongst others, the Parent, Falcon Bidco Limited, the Security Agent, The Royal Bank of Scotland plc as senior facility agent and The Royal Bank of Scotland plc as mandated lead arranger;

"Intra-Group Loan Agreement" means the loan agreement to be entered into between the Parent, Falcon Bidco Limited, the Company, BCA Finance Limited, BCA Holdings Limited, BCA Group Europe Limited, The British Car Auction Group Limited, BCA Trading Limited and British Car Auctions Limited on or about the date of the Acquisition.

"Investments" 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 a Charging Company or by any trustee, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Subsidiary Shares);

"Nominated Account" has the meaning given to it in clause 8.4(a) (Collection of Book Debts and other Debts) of the Debenture;

"Obligor" means a Borrower or Guarantor;

"Parent" means Falcon Opholdco Limited, a company incorporated in the Cayman Islands;

"Propco Facility Agreement" means the facilities agreement to be entered into on or about the date of the acquisition between, amongst others, Falcon Propco Limited and the Royal Bank of Scotland Plc;

"Receiver" means a receiver, receiver and manager or administrative receiver of the whole or part of the Charged Property;

"Secured Parties" means each Senior Finance Party from time to time party to the Facilities Agreement and any Receiver or Delegate;

"Security" 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 Agent" means The Royal Bank of Scotland plc;

"Senior Finance Document" means the following documents, each as further defined in the Facilities Agreement (unless otherwise specified in this Appendix B), the Mandate Letter, any Accession Letter, any Ancillary Document, the Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Deed, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Senior Finance Document" by the Parent and the Facility Agent;

"Senior Finance Party" means the following parties, each as further defined in the Facilities Agreement (unless otherwise specified in this Appendix B) the Facility Agent, an Arranger, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty, a Fronting Ancillary Lender, a Fronted Ancillary Lender and any Ancillary Lender;

"Subordination Deed" means the subordination deed to be entered into between amongst others, the Company, Falcon Propco Limited and The Royal Bank of Scotland Plc;

"Subsidiary Shares" means all shares owned by a Charging Company in its Subsidiaries (each as defined in the Debenture) including those listed in Schedule 3 to the Debenture;

"Target Shares" means all of the shares in the Company and all warrants and options in respect of the share capital of the Company acquired by Falcon Bidco Limited pursuant to the Acquisition; and

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents (as defined in the Facilities Agreement).

- 1.2 The Acquisition was financed, in part, by the Facilities Agreement, which requires the Company, following the whitewash procedure, to provide certain financial assistance as described in paragraph 1.3 for the purpose of reducing or discharging the liabilities incurred in respect of the Acquisition.
- 1.3 The financial assistance referred to in paragraph 1.2 will take the form of execution, delivery and performance by the Company of (which includes all notices, certificates and any other documents required under the following):
 - 1.3.1 a guarantee of the Company in accordance with the terms of the Facilities Agreement;
 - 1.3.2 obligations undertaken in accordance with the terms of the Intercreditor Deed;

1.3.3 security provided in respect of its obligations under the Senior Finance Documents pursuant to the Debenture; and

1.3.4 the Intra-Group Loan Agreement.

1.4 Further in order to assist with the financing of the Acquisition, the Propco Facility Agreement will be entered into by Falcon Propco Limited, the availability of which is subject to the Company, following the whitewash procedure, providing certain financial assistance for the purposes of reducing or discharging the liabilities incurred in respect of the Acquisition.

1.5 The financial assistance referred to in paragraph 1.4 will take the form of the execution, delivery and performance by the Company of [which includes all notices, certificates and other documents required under] the Subordination Deed.

2 Principal terms of the assistance

2.1 By executing the Accession Letter, the Creditor Accession Deed, the Debenture, the Intra-Group Loan Agreement and the Subordination Deed, the Company will, among other things:

2.1.1 in relation to the Facilities Agreement:

- (i) together with each Guarantor, jointly and severally and irrevocably and unconditionally:
 - (a) guarantee to each Senior Finance Party punctual performance by each other Obligor of all that Obligor's payment obligations under the Senior Finance Documents;
 - (b) undertake with each Senior Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Senior Finance Document, it shall immediately on demand pay that amount as if it were the principal obligor;
 - (c) indemnify each Senior Finance Party immediately on demand against any cost, loss or liability suffered by that Senior Finance Party if any payment obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Senior Finance Party would otherwise have been entitled to recover; and
 - (d) indemnify the Arranger and each other Secured Party against any cost, loss or liability arising out of or as a result of the conversion of any sum due from an Obligor under the Senior Finance Documents or any order, judgment or award given or made in relation to such sum, which has to be converted from the currency in which such sum is payable into another currency for the purpose of: (i) making or filing a claim or proof against that Obligor; or (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings;
- (ii) permit any Senior Finance Party to set off any matured obligation due by the Company to that Senior Finance Party against any matured obligation owed by that Senior Finance Party to the Company;

- (iii) agrees that its guarantee and indemnity obligations will not be affected by (amongst other things) any act, omission, matter or thing which would otherwise reduce, release or prejudice any of its obligations;
- (iv) make a number of representations and warranties to each Senior Finance Party; and
- (v) undertake to comply with certain undertakings, including an undertaking not to create or allow to exist any Security over any of its assets or to dispose of any of its assets (subject to certain exceptions);

2.1.2 in relation to the Debenture:

- (i) covenant to the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Indebtedness (as defined in the Debenture) when it falls due for payment in accordance with the terms of the relevant Senior Finance Documents;
- (ii) as security for the payment of all Indebtedness, charge in favour of the Security Agent 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:
 - (a) by way of first legal mortgage:
 - (I) 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; and
 - (II) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;
 - (b) by way of first fixed charge:
 - (I) all other interests 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;
 - (II) all plant, machinery, vehicles, computer, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
 - (III) all Book Debts and all rights and claims against third parties and against any security in respect of those Book Debts;
 - (IV) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of those debts and claims;
 - (V) all monies standing to the credit of its accounts (including the Cash Collateral Accounts, the Nominated Accounts and the Collection Accounts) with any bank, financial institution or other person and all rights related to those accounts;

- (VI) all its Intellectual Property and Intellectual Property Rights;
 - (VII) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
 - (VIII) its goodwill and uncalled capital;
 - (IX) all its rights and interests in (and claims under) the Assigned Agreements;
- (c) with full title guarantee, 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*) or assigned under Clause 3.3 (*Security Assignment*) of the Debenture;
- (iii) undertake to do all such acts or execute all such documents as the Security Agent reasonably requires to:
- (a) perfect the Security created or intended to be created under or evidenced by the Debenture or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the Secured Parties provided by or pursuant to the Debenture or by law;
 - (b) confer on the Security Agent or on the Secured Parties Security over any property and assets of the Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Debenture; and/or
 - (c) facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by the Debenture;
- (iv) undertake not to create or permit to subsist any Security over any Charged Property, nor do anything else prohibited by Clause 27.14 (*Negative Pledge*) of the Facilities Agreement, except as permitted by that clause; and
- (v) permit any Senior Finance Party to set off any matured obligation due by the Company to that Senior Finance Party against any matured obligation owed by that Senior Finance Party to the Company.

2.1.3 in relation to the Intercreditor Deed, be bound by the terms and payment regulations and to agree to the arrangements thereunder. The Intercreditor Deed is the mechanism which sets out the priority of security between the parties thereto and the Company acknowledges the priority of security between the parties and the subordination of their respective rights as creditors and agrees to turn over all amounts and distributions received in respect of such subordinated claims (other than in accordance with the terms of the Subordination Deed) to the Facility Agent.

2.2 By executing the Intra-Group Loan Agreement, the Company together with other members of the Group will among other things, grant a loan facility to the borrowers on the terms and conditions thereof, enabling the borrowers to utilise loans made thereunder in order to assist the borrowers to comply with their obligations under the Facilities Agreement (including without limitation, repayment of principal and payment of interest), pay the fees and expenses incurred in connection with the Acquisition and fund any dividend payments.

- 2.3** By executing the Subordination Deed, the Company together with other members of the Group will agree to be bound by the terms and payment regulations and to agree to the arrangements thereunder. The Company will agree to subordinate its claims against Falcon Propco Limited and agrees to turn over all amounts and distributions received in respect of such subordinated claims (other than in accordance with the terms of the Subordination Deed) to the Facility Agent.
- 2.4** The Company's obligations as described above continue in relation to the Senior Finance Documents as they may be amended modified, varied or restated from time to time.

3 Further information

- 3.1** The amount of cash to be transferred to the person assisted is nil at the time of the giving of the financial assistance however cash may become payable under the Intra-Group Loan Agreement from time to time.
- 3.2** The date on which the assistance is to be given is any date prior to eight weeks from the date of this Statutory Declaration.

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The Directors
BCA Group Europe Limited
Expedier House
Portsmouth Road
Hindhead
Surrey GU26 6TJ

20 October 2006

Dear Sirs

Auditors' report to the directors of BCA Group Europe Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of BCA Group Europe Limited (the "Company") dated 20 October 2006 in connection with the proposal that the Company's subsidiary undertaking, BCA Europe Limited, should give financial assistance for the purchase of 100% of the share capital of the Company's ultimate holding company, BCA Holdings Ltd. 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.

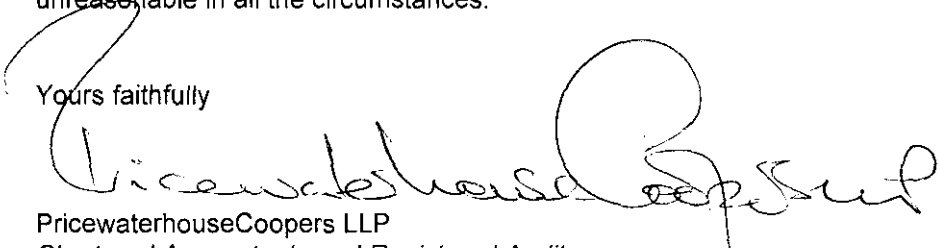
Basis of opinion

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