

ABP Liquidity Guarantee and Leases STID Proposal

From: Associated British Ports Holdings Limited (as “**Proposer**”)
2nd Floor, 25 Bedford Street
London
United Kingdom
WC2E 9ES

To: Deutsche Trustee Company Limited (as “**ABPA Security Trustee**”)
21 Moorfield
London
EC2Y 9DB

Attention: Managing Director

Copy: To the parties set out in Schedule 2 of this STID Proposal

Date: 18 October 2024

Liquidity Guarantee - STID Proposal

1 Background

1.1 Introduction

1.1.1 We refer to:

- (i) the master definitions agreement dated 14 December 2011 between, among others, the Proposer and the ABPA Security Trustee (as amended and/or restated from time to time) (the “**MDA**”);
- (ii) the common terms agreement dated 14 December 2011 between, among others, the Proposer and the ABPA Security Trustee (as amended and/or restated from time to time) (the “**CTA**”); and
- (iii) the security trust and intercreditor deed dated 14 December 2011 between, among others, the Proposer and the ABPA Security Trustee (as amended and/or restated from time to time) (the “**STID**”).

1.1.2 Capitalised terms that are not otherwise defined in this STID Proposal have the meanings given in the MDA or the STID (as applicable).

1.1.3 We are writing to you in our capacity as New Holdco Group Agent (in accordance with Clause 12.1 (*Instigation of a STID Proposal*) of the STID) to request the consent of the ABPA Security Trustee in connection with the matters set out herein.

1.1.4 The proposed amendments of certain provisions of the CTA, MDA and STID set out in paragraph 3 below (the “**Requested Amendments**”) constitute a STID Proposal within the meaning of Clause 12.1 (*Instigation of a STID Proposal*) (the “**STID Proposal**”).

1.2 Liquidity Guarantees

- 1.2.1 The New Holdco Group has been considering its liquidity management, including ensuring maintaining the Aggregate Available Liquidity required by the terms of the CTA. As part of this, the New HoldCo Group has been considering alternative sources of liquidity in addition to the bank liquidity facilities that are currently maintained by the New HoldCo Group, in particular liquidity guarantees. Liquidity guarantees are increasingly being used in the market to provide liquidity support in equivalent financing structures and the New HoldCo Group would like to amend their financing documents in order to permit the inclusion of liquidity guarantees in respect of both the Issuer and ABPA (together the “**Liquidity Guarantees**” and each a “**Liquidity Guarantee**”) as an eligible form of liquidity support. The New HoldCo Group are currently working with Assured Guaranty UK Limited and Assured Guaranty Inc. (together, “**Assured Guaranty**”) to provide a Liquidity Guarantee to each of ABPA and the Issuer pursuant to Assured Guaranty’s “co-guarantee” structure.
- 1.2.2 The Common Documents set out detailed provisions relating to the Covenantors’ obligations to maintain Liquidity Facilities, but Liquidity Guarantees were not contemplated as a potential option when the CTA was entered into. We therefore propose amendments to the Common Documents in order to facilitate the Liquidity Guarantees as a permitted form of liquidity support in order to enhance the New Holdco Group’s long term financial stability and allow the New Holdco Group to access a greater range of liquidity support more flexibly.
- 1.2.3 In order to achieve this at the level of ABPA, the Proposer proposes including a new obligation on ABPA to transfer an amount equal to the proportion of the Liquidity Shortfall guaranteed by Assured Guaranty at the ABPA level prior to the Payment Date to the ABPA Debt Service Reserve Account in order to create an obligation which is capable of being guaranteed by the ABPA Liquidity Guarantee. This funding obligation is then carved out of the Non-Payment Event of Default to ensure the failure of ABPA to fund pursuant to the new obligation (which is intended to result in a notice of demand being made in respect of the ABPA) does not cause an Event of Default, to align it with the position in respect of the drawing of liquidity facilities provided by a bank.
- 1.2.4 The Proposer is additionally proposing further changes in order to (i) bring forward by 1 Business Day the deadline for ABPA to make a debt service payment to the Issuer under the Initial IBLA (to facilitate sufficient time for a Liquidity Guarantee to be called upon), (ii) make certain changes to the mechanics relating to drawing on the Issuer Liquidity Facility and the Initial IBLA, and (iii) ensure consistency between the definitions of “Liquidity Shortfall” (in respect of both the Issuer and ABPA) and the respective definitions of “Aggregate ABPA Debt Service Payments” and “Aggregate Issuer Debt Service Payments” (the “**Liquidity Support Proposals**”).
- 1.2.5 Upon the amendments set out in this STID Proposal becoming effective, the Issuer intends to replace the Issuer Liquidity Facility Agreement with one or more Liquidity Guarantees. In order to do this, the Issuer intends to cancel all existing commitments under the Issuer Liquidity Facility Agreement in accordance with the provisions of Clause 8.2(c) thereunder such that the aggregate Available Commitment (as defined therein) in respect of the Issuer Liquidity Facility Agreement immediately following such cancellation shall be zero. Upon such cancellation, the Issuer intends to request the Note Trustee’s consent to terminate the Issuer Liquidity Facility

Agreement in accordance with the provisions of paragraph 13 (*No variation and termination of the Issuer Transaction Documents*) of Schedule 2 (*Issuer Covenants*), Part 2 (*General Covenants*) of the Note Trust Deed.

- 1.2.6 The ABPA Secured Creditors and the Issuer Secured Creditors (including the Noteholders) should be aware that there are certain differences between the operation of the Liquidity Guarantees and the manner in which the current Liquidity Facility Agreements operate. In particular, if Assured Guaranty elects not to renew the Liquidity Guarantees, it is not required to provide continued liquidity coverage to ABPA or the Issuer via the equivalent of the Standby Drawings which currently benefit the ABPA Secured Creditors and Issuer Secured Creditors (including the Noteholders) under the Liquidity Facility Agreements. Details of these differences are set out in the presentation annexed to this STID Proposal at Schedule 3.
- 1.2.7 The Proposer's detailed rationale for requesting these amendments is summarised in the presentation annexed to this STID Proposal at Schedule 3.

1.3 Finance Leases

- 1.3.1 Furthermore, the Proposer wishes to make an amendment to the Common Documents in relation to pre-IFRS16 operating leases. Limb (v) of the definition of Permitted Financial Indebtedness enables the New HoldCo Group to incur Financial Indebtedness under any agreement treated as a finance or capital lease in accordance with the Accounting Standards, subject to agreed baskets. This limb was included in the Common Documents prior to IFRS16 (Leases) being implemented however, the New HoldCo Group did not seek an amendment on the introduction to IFRS16 (Leases) to this limb.
- 1.3.2 The Proposer wishes to make an amendment to the definition of Permitted Financial Indebtedness to permit the incurrence of pre-IFRS16 operating leases, and to return limb (v) of such definition to its original intended position whereby only finance or capital leases that were treated as such pre-IFRS16 are subject to the agreed baskets.
- 1.3.3 The Proposer notes that all finance and capital leases (on a post-IFRS16 basis) would continue to be treated as Consolidated Net Borrowings and interest service for the purpose of the financial covenants in accordance with the current Accounting Standards. The requested amendments are only in respect of the incurrence of such leases and the definition of Permitted Financial Indebtedness.
- 1.3.4 The Proposer's detailed rationale for requesting these amendments is summarised in the presentation annexed to this STID Proposal at Schedule 3.

2 Statement in respect of consents required for the STID Proposal

- 2.1 We refer to Clause 12.2.2 (*Minimum Content of STID Proposal*) and Clause 15 (*Extraordinary Voting Matters*) of the STID, and hereby certify to the ABPA Security Trustee that:
 - 2.1.1 this is a STID Proposal;
 - 2.1.2 this STID Proposal is in respect of certain Extraordinary Voting Matters; and
 - 2.1.3 this STID Proposal does not give rise to an Entrenched Right.

- 2.2** This STID Proposal shall constitute a certificate for the purposes of clauses 23.4.3 (*Certificate of Authorised Signatories or Directors*) of the STID and the New Holdco Group Agent acknowledges that the ABPA Security Trustee is entitled to rely on the contents of this STID Proposal on such basis.
- 2.3** We confirm that, as required by clause 12.3 (*Copies to Secured Participant Representatives*) of the STID, the New Holdco Group Agent shall, concurrently with the delivery of the STID Proposal to the ABPA Security Trustee, deliver a copy of the STID Proposal to the Secured Creditor Representative of each ABPA Secured Creditor and the Secured Creditor Representatives of the Issuer on behalf of the Issuer Secured Creditors.
- 2.4** We confirm that the Rating Agencies have provided a written confirmation that the long-term credit rating of the Notes would not be downgraded, withdrawn or qualified as a result of the amendments proposed in this STID Proposal.

3 Requested Amendments

The Proposer requests the ABPA Security Trustee to consent to the amendments set out at Schedule 1 to this STID Proposal.

4 Notification of Decision

- 4.1** Pursuant to clause 12.5 (*Deemed Agreement*) of the STID, if the ABPA Security Trustee is not instructed to serve a Determination Dissenting Notice or an Entrenched Right Dissenting Notice within 7 Business Days of receipt of this STID Proposal, the ABPA Security Trustee and the Qualifying ABPA Secured Creditors (including, in the case of the Issuer, the Issuer Secured Creditors) shall be deemed to have consented to the voting category and the Decision Period proposed in this STID Proposal or, as applicable, agreed as to whether this STID Proposal gives rise to any further Entrenched Right.
- 4.2** Pursuant to clauses 12.2.4 (*Minimum requirements of a STID Proposal*) of the STID, the vote of each relevant Qualifying ABPA Secured Creditor (through its respective Secured Creditor Representative, where applicable) for or against the modifications and waivers proposed in this STID Proposal must be received by the ABPA Security Trustee by no later than 15 Business Days following delivery of this STID Proposal.
- 4.3** In accordance with Clause 15 (*Extraordinary Voting Matters*) of the STID, we request that the ABPA Security Trustee provides its confirmation that it has received sufficient votes from the Participating Qualifying ABPA Secured Creditors to pass the Extraordinary STID Resolution required to effect the amendments referred to in paragraph 3 of this STID Proposal, by executing a copy of this STID Proposal and returning it to Shaun Kennedy, Group Treasurer of the Proposer on or before 12.00 noon (London time) on 8 November 2024 (or such other period as may be agreed between the Proposer and the ABPA Security Trustee) at:

Associated British Ports Holdings Limited
2nd Floor, 25 Bedford Street
London
United Kingdom
WC2E 9ES

E-mail: shaun.kennedy@abports.co.uk

5 Implementation of the STID Proposal

- 5.1 Upon confirmation (i) in respect of the Common Documents Amendment Deed (as defined below) by the ABPA Security Trustee that it has received the requisite votes from the Participating Qualifying ABPA Secured Creditors for the implementation of the amendments sought to be made pursuant to Clause 15 (*Extraordinary Voting Matters*) of the STID; and (ii) in respect of the IBLA Amendment Deed (as defined below) the consent of the Note Trustee and the Security Trustee (as further described in paragraph 6 (*IBLA Amendment*)) the proposed amendment(s) will be implemented by way of:
- 5.1.1 a deed of amendment to the CTA, the MDA and the STID to be entered into by all of the parties thereto substantially in the form set out in Schedule 4 (*Common Documents Amendment Deed*) (the "**Common Documents Amendment Deed**"); and
- 5.1.2 a deed of amendment to the IBLA to be entered into by all of the parties thereto substantially in the form set out in Schedule 5 (*IBLA Amendment Deed*) (the "**IBLA Amendment Deed**" and, together with the Common Documents Amendment Deed, the "**Amendment Deeds**").
- 5.2 The amendments set out in the Common Documents Amendment Deed shall become effective (i) in the case of the Requested Amendments in Part 1 of Schedule 1 (*Proposed Amendments – Liquidity Guarantee*), upon the Proposer delivering a notice in writing to the ABPA Security Trustee to that effect, in order to enable the Proposer to implement such Requested Amendments on the same date as its entry into new liquidity facilities and/or renewal of existing liquidity facilities, such date being the "**Effective Date**" and (ii) in the case of the Requested Amendments in Part 2 of Schedule 1 (*Proposed Amendments – Finance Leases*), on and from the date of the Common Documents Amendment Deed. The amendments set out in the IBLA Amendment Deed shall become effective on the Effective Date referred to above in paragraph 5.2(i).
- 5.3 Pursuant to Clause 13.6 (*Implementation of STID Proposal in respect of an Extraordinary Voting Matter*) and Clause 13.7 (*Binding Force and Authority to sign*) of the STID, the Amendment Deeds will bind the ABPA Secured Creditors and all parties to the STID (other than a New Holdco Subordinated Creditor or a member of the New Holdco Group).
- 5.4 We shall notify each ABPA Secured Creditor (or its Secured Creditor Representative, where applicable) of the result of the Extraordinary STID Resolution on 11 November 2024 or (if earlier) following the date on which the ABPA Security Trustee has received votes sufficient to pass the Extraordinary STID Resolution pursuant to clause 15.4 (*Notification of Extraordinary STID Resolution*) of the STID.

6 IBLA Amendment

- 6.1 We note, for completeness, that the amendment to bring forward the deadline for ABPA to make a debt service payment to the Issuer under the Initial IBLA by 1 Business Day to facilitate sufficient time for a Liquidity Guarantee to be called upon (the "**IBLA Amendment**") requires the consent of the Issuer Security Trustee and the Note Trustee as the Initial IBLA is an Issuer Transaction Document.
- 6.2 The Issuer intends to ask the Note Trustee to exercise its discretion (without seeking the consent or sanction of the Noteholders or any other Issuer Secured Creditor) pursuant to clause 18.1 (*Consent, waiver and instructions*) of the Note Trust Deed to give the required

direction to the Issuer Security Trustee pursuant to clause 33.3 (*Variation*) of the Issuer Deed of Charge to consent to the IBLA Amendment on the basis that the IBLA Amendment is not materially prejudicial to the interests of the holders of the Notes then outstanding (where "materially prejudicial" means such modification, consent or waiver would have a material adverse effect on the ability of the Issuer to perform its payment obligations to the Noteholders under the Issuer Transaction Documents). The Proposer considers that moving the deadline for ABPA to make payments to the Issuer under the Initial IBLA forward by 1 Business Day is beneficial to the Noteholders. The IBLA Amendment will be documented by a deed of amendment substantially in the form set out at Schedule 5 (*IBLA Amendment Deed*) of this STID Proposal. The Issuer Security Trustee and the Note Trustee will also separately sign a consent letter to document their consent to the IBLA Amendment.

7 Miscellaneous

7.1 Save as expressly set out in this STID Proposal:

7.1.1 the CTA, the STID, the MDA and other Common Documents remain in full force and effect; and

7.1.2 nothing in this STID Proposal or the Amendment Deeds shall constitute or be construed as a waiver or compromise of any other term or condition of the Common Documents or any of the ABPA Security Trustee's rights in relation to them which for the avoidance of doubt shall continue to apply in full force and effect.

7.2 We shall, as soon as practicable after the amendments set out in the Amendment Deeds become effective, give written notice of the amendments to each ABPA Secured Creditor (through its Secured Creditor Representative), the Issuer Security Trustee and the Rating Agencies in accordance with Clause 13.3 (*Notification of ABPA Secured Creditors*) of the STID.

7.3 This STID Proposal may be executed in any number of counterparts and all those counterparts taken together shall be deemed to constitute one and the same STID Proposal. Delivery of a counterpart of this STID Proposal by e-mail attachment or telecopy shall be an effective mode of delivery.

7.4 This STID Proposal and any non-contractual obligations arising out of or in relation to this STID Proposal are governed by English law.

Yours faithfully



M. Alcock

Director
for and on behalf of
Associated British Ports Holdings Limited
as New Holdco Group Agent

Confirmation of Consent – Extraordinary STID Resolution

We hereby confirm to the New Holdco Group Agent that we have received the requisite votes from the Participating Qualifying ABPA Secured Creditors for the implementation of the Extraordinary STID Resolution in respect of this STID Proposal

for and on behalf of
Deutsche Trustee Company Limited
as ABPA Security Trustee

Date: _____

Schedule 1

Part 1

Proposed Amendments – Liquidity Guarantee

1 MDA

We propose the following amendments to the MDA:

1.1 Amendments to the following definitions in Part 1 (*Common Definitions*) of Schedule 1 (*Common Definitions*) of the MDA (deletions shown in red strikethrough; additions shown in blue underline):

1.1.1 “**ABPA Liquidity Facility**” means a liquidity facility or guarantee made available under an ABPA Liquidity Facility Agreement and “**ABPA Liquidity Facilities**” means all of them.

1.1.2 “**ABPA Liquidity Facility Agent**” means the Initial ABPA Facility Agent and any other entity acting as agent under the relevant ABPA Liquidity Facility Agreement, or any equivalent function under any ABPA Liquidity Guarantee, or any of its successors thereto.

1.1.3 “**ABPA Liquidity Facility Agreement**” means each liquidity facility agreement the terms of which shall require that the relevant liquidity facility provider has the Requisite Ratings and which shall be:

(a) substantially in the form of the Initial ABPA Liquidity Facility Agreement; or

(b) any ABPA Liquidity Guarantee.

in each case having regard to:

(i) customary market practice for such liquidity facilities or guarantees; and

(ii) the requirements of the Rating Agencies then rating any Financial Indebtedness under any Authorised Credit Facility or the Notes.

1.1.4 “**ABPA Liquidity Facility Provider**” means the Initial ABPA Liquidity Facility Provider and any bank or financial institution or other provider of a guarantee which has become a Party to an ~~the~~ ABPA Liquidity Facility Agreement in accordance with clause 27 (Changes to Parties) thereto or otherwise is or has become a Party to an ABPA Liquidity Guarantee, and which in each case has not ceased to be a Party in accordance with the terms of such ~~the~~ ABPA Liquidity Facility Agreement.

1.1.5 “**Aggregate ABPA Available Liquidity**” means the sum of undrawn or otherwise available commitment under ~~the~~ any ABPA Liquidity Facility Agreements, and the balance (if any) on the ABPA Debt Service Reserve Account at such Accounting Date.

1.1.6 “**Aggregate Issuer Available Liquidity**” means the sum of undrawn or otherwise available commitment under ~~the~~ any Issuer Liquidity Facility Agreements, and the balance (if any) on the Issuer Debt Service Reserve Account at such Accounting Date.

- 1.1.7 **“Issuer Liquidity Facility”** means a facility or guarantee made available to the Issuer under an Issuer Liquidity Facility Agreement, and **“Issuer Liquidity Facilities”** means all of them.
- 1.1.8 **“Issuer Liquidity Facility Agent”** means the Initial Issuer Facility Agent and any other entity acting as agent under the relevant Issuer Liquidity Facility Agreement, or any equivalent function under any Issuer Liquidity Guarantee, or any of its successors thereto.
- 1.1.9 **“Issuer Liquidity Facility Agreement”** means each liquidity facility agreement the terms of which shall require that the relevant liquidity facility provider has the Requisite Ratings and which shall be:
- (a) substantially in the form of the Initial Issuer Liquidity Facility Agreement; or
 - (b) any Issuer Liquidity Guarantee,
in each case having regard to:
 - (i) customary market practice for such liquidity facilities, or guarantees; and
 - (ii) the requirements of the Rating Agencies then rating the Notes.
- 1.1.10 **“Issuer Liquidity Facility Provider”** means the Initial Issuer Liquidity Facility Provider, and any bank or financial institution or other provider of a guarantee which has become a Party to an Issuer Liquidity Facility Agreement in accordance with clause 27 (Changes to Parties) of such Issuer Liquidity Facility Agreement or otherwise is or has become a Party to an Issuer Liquidity Guarantee, and which in each case has not ceased to be a Party in accordance with the terms of such agreement.
- 1.1.11 **“Requisite Ratings”** means:
- (i) in respect of any Liquidity Facility, in respect of any person:
 - (a) such person's long term unsecured debt obligations or insurer financial strength rating being rated by at least two of the ~~following~~ Rating Agencies at least at the following levels, in the case of S&P, "A-", in the case of Moody's "A3" and in the case of Fitch, "A-" (or any equivalent rating of any other Rating Agency), ~~or such lower rating as may be agreed upon any subsequent renewal of such Liquidity Facility provided that such lower rating would not lead to any downgrade of or the placing on credit watch negative (or equivalent) of the then current ratings ascribed to any Tranche of Notes~~ or such lower rating or different type of rating as may be agreed with the Rating Agencies which would not lead to any downgrade of or the placing on credit watch negative (or equivalent) of the then current ratings ascribed to any Tranche of Notes; or
 - (b) such person's obligations under the applicable Liquidity Facility provided by that person being unconditionally and irrevocably guaranteed by a person whose long term unsecured debt obligations or insurer financial strength rating being rated by at least two of the Rating Agencies at least at the following levels, in the case of S&P, "A-", in the case of Moody's "A3" and in the case of Fitch, "A-" (or any

equivalent rating of any other Rating Agency), or such lower rating or different type of rating as may be agreed with the Rating Agencies which would not lead to any downgrade of or the placing on credit watch negative (or equivalent) of the then current ratings ascribed to any Tranche of Notes; and

(ii) in respect of all other Finance Documents, the Minimum Short Term Rating.

- 1.2** The existing definition of “Liquidity Shortfall” in Part 1 (*Definitions*) of Schedule 1 (*Common Definitions*) to the MDA is deleted in its entirety and replaced by the definition of “Liquidity Shortfall” in paragraph 1.4 below.
- 1.3** The existing definition of “Aggregate Issuer Debt Service Payments” in Part 1 (*Definitions*) of Schedule 1 (*Common Definitions*) to the MDA is deleted in its entirety and replaced by the definition of “Aggregate Issuer Debt Service Payments” in paragraph 1.4 below.
- 1.4** The following definitions are included in Part 1 (*Definitions*) of Schedule 1 (*Common Definitions*) to the MDA (in alphabetical order):
- 1.4.1** “**ABPA Liquidity Guarantee**” means a guarantee between, *inter alios*, the liquidity facility provider (as set out therein) and a beneficiary, which shall not be the ABPA Security Trustee, in respect of providing liquidity support in relation to the ABPA Senior Debt.
- 1.4.2** “**ABPA Liquidity Guarantee Pre-Funding Amount**” has the meaning given to it in paragraph 34 (ABPA Liquidity Shortfall) of Schedule 2 (New Holdco Group Covenants) Part 3 (General Covenants) of the Common Terms Agreement.
- 1.4.3** “**ABPA Liquidity Guarantee Pre-Funding Obligation**” has the meaning given to it in paragraph 34 (ABPA Liquidity Shortfall) of Schedule 2 (New Holdco Group Covenants) Part 3 (General Covenants) of the Common Terms Agreement.
- 1.4.4** “**ABPA Liquidity Guarantee Relevant Proportion**” means, in respect of an ABPA Liquidity Guarantee and a Liquidity Shortfall, an amount equal to a fraction expressed as a percentage:
- (a) *the numerator of which is the Available Commitment as defined in such ABPA Liquidity Guarantee; and*
- (b) *the denominator of which is the aggregate sum of all Available Commitments under each ABPA Liquidity Facility Agreement.*
- 1.4.5** “**ABPA Liquidity Guaranteed Amount**” has the meaning given to it in paragraph 34 (ABPA Liquidity Shortfall) of Schedule 2 (New Holdco Group Covenants) Part 3 (General Covenants) of the Common Terms Agreement.
- 1.4.6** “**ABPA Determination Date**” means the date which is four (4) Business Days prior to each Payment Date.
- 1.4.7** “**Aggregate Issuer Debt Service Payments**” means the aggregate of any of the amounts scheduled to be paid in respect of items (a) to (f) of the Issuer Pre-Enforcement Priority of Payments (excluding any principal exchange payments, termination payments, accretion payments, Issuer tax liabilities, any payment of penalty or default interest and all other unscheduled amounts payable to any Issuer Hedge Counterparty) for the 12 months following the most recently occurring Accounting Date.

- 1.4.8** *“Cash Available to ABPA” means in respect of any ABPA Determination Date, the aggregate amount of (i) the aggregate net credit balance on the operating accounts of ABPA on such ABPA Determination Date; and (ii) (without double counting) cash committed to be upstreamed to ABPA by any member of the New Holdco Group on or prior to such Payment Date for the purpose of discharging ABPA’s scheduled debt service obligations under any Outstanding Supported ABPA Senior Debt.*
- 1.4.9** *“Issuer Liquidity Guarantee” means the guarantee between, inter alios, the liquidity facility provider (as set out therein) and a beneficiary, which shall not be the Issuer Security Trustee, in respect of providing liquidity support in relation to the Issuer Senior Debt.*
- 1.4.10** *“Liquidity Shortfall” means:*
- (a) in respect of ABPA Senior Debt and any ABPA Liquidity Facility Agreement, with respect to any Payment Date, after taking into account any funds available for drawing from the ABPA Debt Service Reserve Account (and excluding any amounts available pursuant to any ABPA Liquidity Facility) and following any requisite exchange of any sterling amounts into euro or U.S. dollars or any other relevant currency pursuant to the Cross Currency Hedging Agreements, the Cash Available to ABPA in respect of such Payment Date as determined by the Cash Manager is less than the aggregate of any amounts scheduled to be paid on such Payment Date in respect of: (i) recurring fees and expenses, interest and equivalent finance charges payable in connection with the ABPA Senior Debt (excluding amounts due under any IBLA, and any payment of penalty or default interest and any payments of principal, inflation, accretion or termination payments under any Treasury Transaction), (ii) netting payments under any ABPA Hedging Agreement (excluding accretions due under index-linked hedging, principal exchanges under any Cross-Currency Hedging Agreements, and termination payments and all other unscheduled amounts payable to any ABPA Hedge Counterparty), and (iii) any ABPA Liquidity Facility Agreement (without double counting), and the amount of any such Liquidity Shortfall in respect of a Payment Date shall mean the amount by which the sum of (i)-(iii) inclusive exceeds the Cash Available to ABPA in respect of such Payment Date); and*
 - (b) in respect of the Issuer Senior Debt and any Issuer Liquidity Facility Agreement, (after taking into account any funds available for drawing from the Issuer Debt Service Reserve Account and excluding any amounts available pursuant to any Issuer Liquidity Facility) with respect to any Interest Payment Date and (as determined by the Issuer Cash Manager on the Business Day immediately preceding the Issuer Determination Date) there will be insufficient funds (following any requisite exchange of any sterling amounts into euro or U.S. dollars or any other relevant currency pursuant to the Cross Currency Hedging Agreements) in the Issuer Payments Account to pay on such Interest Payment Date any of the amounts scheduled to be paid in respect of items (a) to (f) of the Issuer Pre-Enforcement Priority of Payments (excluding any principal exchange payments, termination payments, accretion payments, Issuer tax liabilities, any payment of penalty or default interest and all other unscheduled amounts payable to any Issuer*

Hedge Counterparty, without double counting, and the amount of any such Liquidity Shortfall in respect of an Interest Payment Date shall mean the amount by which such funds are insufficient).

- 1.4.11 “**Outstanding Supported ABPA Senior Debt**” means, at any time, the aggregate of (a) the principal amount outstanding of ABPA Senior Debt (excluding any ABPA Senior Debt outstanding under any IBLA or ABPA Liquidity Facility) and (b) the outstanding notional amount of ABPA Hedging Transactions, including, in each case, all accretions in respect of indexation at such time.

2 Common Terms Agreement

- 2.1 We propose the amendment of sub-paragraph (b)(xiii) of Paragraph 16 (*Financial Indebtedness*) of Part 3 (*General Covenants*) of Schedule 2 (*New Holdco Group Covenants*) of the Common Terms Agreement such that paragraph reads as follows (deletions shown in red strikethrough; additions shown in blue underline):

“(b) Sub-paragraph (a) above does not apply to the following (each of the following being a “**Permitted Financial Indebtedness**”):

...

- (xiii) any Financial Indebtedness incurred by a member of the New Holdco Group or the Issuer under a Liquidity Facility provided that any drawing under a Liquidity Facility may only be used for the purpose of funding ~~an ABPA~~ Liquidity Shortfall in respect of ABPA (including for the avoidance of doubt, the repayment of outstanding Liquidity Loan Drawings) or ~~Issuer~~-Liquidity Shortfall in respect of the Issuer (including for the avoidance of doubt, the repayment of outstanding Liquidity Loan Drawings), as applicable;

- 2.2 We propose the amendment of Paragraph 1 (*Non-Payment*) of Schedule 4 (*Loan Events of Default*) of the Common Terms Agreement such that those paragraphs read as follows (deletions shown in red strikethrough; additions shown in blue underline):

1. Non Payment

A Covenantor does not pay on the due date any amount payable by it under the Finance Documents in the manner required under such documents unless payment is made within 5 Business Days of the due date, provided that (i) no Loan Event of Default shall occur as a result of a breach of the ABPA Liquidity Guarantee Pre-Funding Obligation and (ii) in respect of an IBLA, a Loan Event of Default will only occur if a utilisation request and/or notice of demand under one or more Issuer Liquidity Facilities has not been delivered by or on or behalf of the Issuer in accordance with the relevant Issuer Liquidity Facility on the applicable due date in respect of the full amount not paid by the relevant Covenantor under such IBLA on such due date. The “**due date**” for the purpose of any payment under an IBLA shall be the date on which such payment is required to be made to the Issuer even if it is in advance of the applicable Interest Payment Date.

- 2.3 We propose the insertion of the following covenant at Schedule 2 (*New Holdco Group Covenants*) Part 3 (*General Covenants*) of the Common Terms Agreement:

34 ABPA Liquidity Shortfall

Where a Liquidity Facility Agreement is provided by way of an ABPA Liquidity Guarantee, in respect of ABPA:

- (a) prior to any Payment Date on which the Cash Manager has determined that a Liquidity Shortfall (for the purposes of an ABPA Liquidity Guarantee) will occur, as soon as reasonably practicable prior to such Payment Date, and in any event no less than five Business Days prior to such Payment Date, ABPA (or the Cash Manager on its behalf) shall immediately pre-fund an amount equal to the ABPA Liquidity Guarantee Relevant Proportion of such Liquidity Shortfall (the “**ABPA Liquidity Guarantee Pre-Funding Amount**”) to the ABPA Debt Service Reserve Account (the “**ABPA Liquidity Guarantee Pre-Funding Obligation**”);
- (b) upon the earlier of (A) the Cash Manager determining that ABPA is unable to satisfy the ABPA Liquidity Guarantee Pre-Funding Obligation and (B) the ABPA Liquidity Guarantee Pre-Funding Amount not being received in the ABPA Debt Service Reserve Account within one Business Day from the determination referred to in paragraph (a) above, ABPA (or the Cash Manager on its behalf) shall make a demand under the ABPA Liquidity Guarantee for an amount equal to the ABPA Liquidity Guarantee Pre-Funding Amount (the “**ABPA Liquidity Guaranteed Amount**”); and
- (c) on receipt of the ABPA Liquidity Guaranteed Amount, such amounts shall be immediately credited to the ABPA Debt Service Reserve Account and applied towards payment of the ABPA Senior Debt on the relevant Payment Date.

3 IBLA

- 3.1 We propose the following amendment to Clause 5.1 of the Initial IBLA (deletions shown in red strikethrough; additions shown in blue underline):

“The Borrower shall pay the accrued interest on each Advance made to it to the Issuer Lender by noon on the Business Day falling ~~three~~ four Business Days prior to the applicable Interest Payment Date.”

- 3.2 We propose the following amendment to Clause 6 of the Initial IBLA (deletions shown in red strikethrough; additions shown in blue underline):

“Unless otherwise repaid earlier, the Borrower shall repay each outstanding Advance made to it in full at its principal amount on the day falling ~~three~~ four Business Days prior to the relevant Scheduled Redemption Date (if applicable to the corresponding terms of the Notes) or Final Maturity Date as the case may be together with any accrued but unpaid interest and interest which is payable until the end of the corresponding Interest Period and any unpaid Ongoing Facility Fee which shall accrue to the end of the corresponding Interest Period taking into account the liabilities of the Issuer Lender as at such date and in the case of any Index Linked Advance, the amount equal to any amount of indexation payable in respect of the corresponding Notes pursuant to Condition 7 (Indexation) on the Scheduled Redemption Date (if applicable to the corresponding terms of the Notes) or the Final Maturity Date as the case may be of those Notes or the amount payable on those Notes which takes into account the amounts payable and receivable by the Issuer Lender in respect of the relevant index-linked Treasury Transaction entered into pursuant to ~~a~~ an Issuer Hedging Agreement.”

4 STID

4.1 We propose the amendment of paragraph (iii) and paragraph (iv) of Schedule 2 (*ABPA Post-Default Priority of Payments*) of the STID such that paragraph reads as follows (deletions shown in red strikethrough; additions shown in blue underline):

(iii) third, pro rata according to the respective amounts thereof, in or towards satisfaction of:

(a) any fees, commissions and interest (or other accrued amounts equivalent to interest in respect of an ABPA Liquidity Guarantee) due and payable or overdue under ~~the~~ any ABPA Liquidity Facility Agreement;

(b) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of any fees, commissions and interest (or other accrued amounts equivalent to interest in respect of an Issuer Liquidity Guarantee) due and payable or overdue by the Issuer under ~~the~~ any Issuer Liquidity Facility Agreement;

(iv) fourth, pro rata according to the respective amounts thereof, in or towards satisfaction of:

(a) all amounts of principal (or any other amounts including by way of reimbursement payments) due or overdue in respect of ~~the~~ any ABPA Liquidity Facility Agreement;

(b) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of all amounts of principal ~~and all other amounts~~ (or any other amounts including by way of reimbursement payments) not covered in paragraph (iii)(b) above due or overdue in respect of ~~the~~ any Issuer Liquidity Facility Agreement.

Part 2 Proposed Amendments – Finance Leases

1 MDA

We propose the following definition is included in Part 1 (*Definitions*) of Schedule 1 (*Common Definitions*) to the MDA (in alphabetical order):

“Permitted Operating Lease” means a contract which would, in accordance with the Accounting Standards in force immediately before the adoption of IFRS 16 (*Leases*), have been treated as an operating lease.

2 Common Terms Agreement

2.1 We propose the amendment of sub-paragraph (b)(v) and a new sub-paragraph (b)(xv) of Paragraph 16 (*Financial Indebtedness*) of Part 3 (*General Covenants*) of Schedule 2 (*New Holdco Group Covenants*) of the Common Terms Agreement such that paragraph reads as follows (deletions shown in red strikethrough; additions shown in blue underline):

“(b) Sub-paragraph (a) above does not apply to the following (each of the following being a **“Permitted Financial Indebtedness”**):

...

(v) any Financial Indebtedness under any agreement treated as a finance or capital lease in accordance with the Accounting Standards which is not a Permitted Operating Lease, provided that the aggregate capital value of all such items so leased under outstanding leases by Covenantors or Non-Material Subsidiaries does not exceed the higher of: (I) £20,000,000 (Indexed) (or its equivalent); and (II) 8 per cent. of the Threshold Amount, (or such other amount as the ABPA Security Trustee and ABPA may agree from time to time) prior to the Final Maturity Date provided that if the Financial Indebtedness under finance leases leased to a lessor exceeds the higher of: (I) £10,000,000 (Indexed) (or its equivalent); and (II) 4 per cent. of the Threshold Amount prior to the Final Maturity Date, then that lessor accedes to the Common Terms Agreement as a Finance Party and to the STID as an ABPA Secured Creditor on terms acceptable to the ABPA Security Trustee;

...

(xiv) any Financial Indebtedness (pursuant to limb (e) of the definition of Financial Indebtedness) incurred under or in respect of the SGL Concession Agreement~~;~~

(xv) any Financial Indebtedness under any Permitted Operating Lease.