

## WAIVER REQUEST / NOTICE OF CANCELLATION

To: Banco Santander, S.A. as Agent

From: AERL Holding Limited

31 July 2015

Dear Sirs,

**€1,400,000,000 Bridge Facility Agreement dated 26 May 2015 (as amended and restated on 22 June 2015 and as further amended and restated on 16 July 2015, the “Agreement”)**

### 1. Introduction

- 1.1 We refer to the Agreement. Capitalised terms used in the Agreement have the same meaning when used in this letter unless expressly defined in this letter.
- 1.2 The Borrower and the Agent designate this letter a Finance Document in accordance with the Agreement.
- 1.3 We write to you with reference to Clause 35 (*Amendments and Waivers*) of the Agreement, to request that you agree to, and confirm the consent of all the Lenders (the “**Consent**”) in respect of the waivers as more particularly described in paragraph 3 (*Lenders’ consent*) of this letter (the “**Waivers**”).

### 2. Notice of cancellation

- 2.1 Subject to receipt of the Consent in respect of the Waivers, we hereby give you notice in accordance with Clause 8.9 (*Voluntary cancellation*) of the Agreement that we intend to cancel:
  - (A) €400,000,000 of the Tranche A2 Commitment (being the entirety of the Tranche A2 Commitment) for the purposes of effecting British Airway’s participation in a €600,000,000 term loan intended to cancel Commitments under the Facility (the “**Term Loan**”); and
  - (B) €200,000,000 of the Tranche A1 Commitment,

together, the “**Cancellation**”, such Cancellation to be immediately effective on the Borrower or the Original Guarantor notifying the Agent of receipt of a letter confirming the satisfaction of conditions precedent to utilisation under the Term Loan (the “**Cancellation Notification**”).

- 2.2 As a result of the Cancellation, and on the basis of the allocation of Commitments on the date of this letter, the Lenders under the Agreement as at the date of this letter will have the following Commitments immediately following the Cancellation Notification:

<b>Lender</b>	<b>Tranche A1</b>	<b>Tranche A2</b>
Banco Santander, S.A.	€220,000,000	-
UniCredit Bank AG	€220,000,000	-
CaixaBank, S.A.	€160,000,000	-
Bankia, S.A.	€120,000,000	-
BNP Paribas Fortis SA/NV	€80,000,000	-
British Airways Plc	-	€0
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Tranche Total	€800,000,000	€0
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Total	€800,000,000	

### 3. Lenders' consent

We hereby formally request the Agent to seek the agreement of each Lender that, notwithstanding any other provision of the Agreement, with effect from the Cancellation Notification:

- (A) the requirement in Clause 8.3 (*Refinancings*) of the Agreement that:
- (i) an amount equal to the Net Proceeds of a Financing is applied in full in prepayment of the outstanding Loans on the earlier of:
    - (a) the last day of the first Interest Period to end after receipt by the relevant member of the Group of the Net Proceeds of such Financing; and
    - (b) the date falling 30 days after receipt of such Net Proceeds; and
  - (ii) that following prepayment pursuant to the above, the Commitments shall be cancelled in an amount equal to the amount prepaid, and the Agent shall promptly notify the Company of such cancellation,

be waived in respect of the Term Loan, up to an amount of the Term Loan not exceeding €600,000,000.

- (B) the requirement in Clause 8.8(c) of the Agreement that, prior to the end of the Availability Period, if:
- (i) to the extent any event occurs which triggers a mandatory prepayment under and in accordance with Clause 8.2 (*Equity issues*), Clause 8.3 (*Refinancings*), Clause 8.4 (*[Redacted]*), Clause 8.5 (*[Redacted]*) or Clause 8.6 (*Target Group disposals*) of the Agreement; and
  - (ii) the amount of Net Proceeds to be applied in accordance with the relevant Clause referred to in sub-paragraph (i) above exceeds the aggregate amount of all outstanding Loans at the time of such prepayment,
- the Available Facility will immediately be cancelled in an amount equal to the amount of that excess, be waived in respect of the Term Loan, up to an amount of the Term Loan not exceeding €600,000,000; and
- (C) the requirement in Clause 8.9(a) that not less than three (3) Business Days' prior notice be given of a voluntary cancellation be waived in respect of the Cancellation, and that the Cancellation be effective on the Cancellation Notification.

#### **4. Confirmations**

- 4.1 Each Obligor confirms that, as at the date of this letter, the Repeating Representations to be made by each Obligor are true in all material respects.
- 4.2 The Original Guarantor confirms that as at the date of this letter, its guarantee and indemnity is in full force and effect and extends to the obligations of the Borrower under the Finance Documents (including as amended pursuant to this letter).

#### **5. Agreement**

By countersigning this letter, the Agent confirms that:

- (A) all the Lenders have consented in writing for the purposes of Clause 35.1 (*Required consents*) of the Agreement to the waivers set out in paragraph 3 (*Lenders' consent*) above and that the Agent's countersignature to this letter constitutes the Consent for the purpose of paragraph 1.3 of this letter; and
- (B) as at the date of its countersignature of this letter, the summary set out in paragraph 2.2 above correctly sets out the allocation of Commitments immediately following the Commitment Notification.

#### **6. Effectiveness**

The parties to this letter agree that the above consent is effective only in the instance and for the purpose for which it is given. Save as expressly provided in this letter, the

Agreement and each other Finance Document remains and shall continue in full force and effect.

**7. Counterparts**

This letter may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparty were on a single copy of the letter.

**8. Governing law**

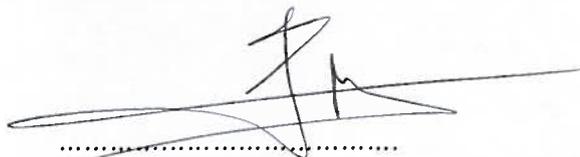
8.1 This letter, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

8.2 Clause 41 (*Enforcement*) of the Agreement is hereby incorporated into this letter by reference and shall apply, mutatis mutandis, to this letter.

Yours faithfully,



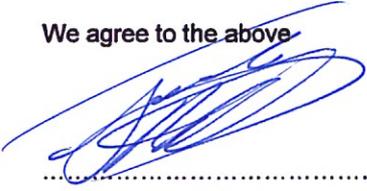
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For and on behalf of  
**AERL Holding Limited**



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For and on behalf of  
**International Consolidated Airlines Group, S.A.**

**Form of Acknowledgement**

We agree to the above



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For and on behalf of  
**Banco Santander, S.A. (as Agent)**  
MARC FONBOLLOSA RULLO  
Asociada



FERNANDO DE LA HERRA DE VERA  
Asociada