

€600,000,000

AMORTISING TERM LOAN FACILITY AGREEMENT

dated 31 July 2015

for

AERL HOLDING LIMITED
as Borrower

with

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.
as Original Guarantor

arranged by

LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE

with

LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE
as Agent

and

LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE
as Security Agent

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THIS AGREEMENT is dated 31 July 2015 and made between:

- (1) **AERL HOLDING LIMITED**, a private limited company incorporated in England with its registered office at 2 World Business Centre, Newall Road, London Heathrow Airport TW6 2SF with registered number 09481224 (the “**Borrower**”);
- (2) **INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.**, a Spanish company with its registered office at El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid, Spain registered with the Madrid Mercantile Registry under the Volume 27312, Folio 11, Page M-492129 and with Spanish Tax Identity Code number A85845535 (the “**Company**” or the “**Original Guarantor**”); and
- (3) **LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE** as mandated lead arranger, bookrunner and underwriter (the “**Arranger**”);
- (4) **THE INSTITUTIONS** listed in Schedule 1 as lenders (the “**Original Lenders**”);
- (5) **LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE** as security trustee for the Finance Parties (the “**Security Agent**”);
- (6) **LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE** as agent for the other Finance Parties (the “**Agent**”).

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Acceptable Bank**” means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or A2 or higher by Moody’s Investor Services Limited or a comparable rating from an internationally recognised credit rating agency.

“**Accession Letter**” means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

“**Acquisition**” means the acquisition by the Borrower of the Target by way of Offer or Scheme and on the terms of the Acquisition Documents.

“**Acquisition Circular**” means: (i) in relation to an Offer, the Offering Circular; or (ii) in relation to a Scheme, the Scheme Circular.

“Acquisition Documents” means: (i) in relation to an Offer, each of the Offer Documents; or (ii) in relation to a Scheme, each of the Scheme Documents.

“Acquisition Press Release” means: (i) in relation to an Offer, the Offer Press Release; or (ii) in relation to a Scheme, the Scheme Press Release.

“Acquisition Settlement Date” means: (i) in relation to an Offer, the first Offer Settlement Date; or (ii) in relation to a Scheme, the Scheme Settlement Date.

“Additional Guarantor” means a company which becomes an Additional Guarantor in accordance with Clause 24 (*Changes to the Obligors*).

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“Anti-Corruption Laws” means all laws, rules, and regulations from time to time, as amended, concerning or relating to bribery or corruption, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and all other applicable anti-bribery and corruption laws.

“Anti-Money Laundering Laws” has the meaning given in Clause 18.12 (*Anti-bribery and corruption*).

“Assignment Agreement” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

“Authorisation” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“Availability Period” means the period from and including the Signing Date to and including the date falling 180 days after 26 May 2015.

“Available Commitment” means a Lender’s Commitment minus:

- (a) the amount of its participation in any outstanding Loans; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date.

“Available Facility” means the aggregate for the time being of each Lender’s Available Commitment.

“Basel III” means:

- (a) the agreement on capital requirements, a leverage ratio and liquidity standards contained in "*Basel III: A global regulatory framework for more resilient banks and banking systems*", "*Basel III: International framework for liquidity risk measurement, standards and monitoring*" and "*Guidance for national authorities operating the countercyclical capital buffer*" published by the Basel Committee

on Banking Supervision in December 2010, each as amended, supplemented or restated;

- (b) the rules of global systemically important banks contained in "*Global systemically important banks; assessment methodology and the additional loss absorbency requirement – Rules text*" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"Bidco Share Pledge" means the first ranking charge dated 26 May 2015 granted by the Company in favour of the Security Agent over all of the issued shares of the Borrower.

"Break Costs" means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Bridge Facility" means the €1,400,000,000 bridge facility made available to the Borrower pursuant to the Bridge Facility Agreement.

"Bridge Facility Agreement" means the €1,400,000,000 bridge facility agreement dated 26 May 2015 between, among others, the Company, the Borrower and Banco Santander, S.A. as agent, as amended and restated from time to time.

"Bridge Facility Discharge Date" means the date on which all Senior Facility Liabilities (as defined in the Intercreditor Agreement) in respect of the Bridge Facility Agreement have been fully and finally discharged and the Creditors (as defined in the Intercreditor Agreement) are under no further obligation to provide financial accommodation to any of the Debtors (as defined in the Intercreditor Agreement) under the Bridge Finance Documents.

"Bridge Finance Documents" means 'Finance Documents' as defined in the Bridge Facility Agreement.

"British Airways" means British Airways Plc.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Frankfurt am Main and Madrid and which is a TARGET Day.

“**Certain Funds Default**” means an Event of Default (in each case excluding pursuant to any procurement obligation with respect to any member of the Target Group) specified in:

- (a) Clause 21.1 (*Non-payment*);
- (b) paragraph (a) of Clause 21.2 (*Other obligations*) in relation to a breach by an Obligor of:
 - (i) paragraph (a) or (b) of Clause 20.11 (*Acquisition undertakings*) if such breach would cause the consideration payable in respect of the Acquisition or under the Offer to be increased or varied, or the period during which the Borrower is obliged to make and complete the Offer to be extended, or would otherwise be materially prejudicial to the interests of the Lenders under this Agreement taken as a whole (and excluding, for this purpose, any Lender holding a Tranche A2 Commitment) or paragraph (i) of Clause 20.11 (*Acquisition undertakings*); or
 - (ii) Clause 20.3 (*Negative pledge*);
- (c) Clause 21.3 (*Misrepresentation*), but only to the extent arising from a representation under any of Clauses 18.1 (*Status*), 18.2 (*Binding obligations*), 18.3(a) or (b) (*Non-conflict with other obligations*) (but for the purpose of this paragraph (c) only, the term “Finance Documents” in Clause 19.2 (*Binding obligations*) shall mean only this Agreement, the Security Documents and the Intercreditor Agreement), 18.4 (*Power and authority*) or 18.5 (*Validity and admissibility in evidence*) not being true in all material respects by reference to the circumstances existing at the time when the representation is made or deemed to be made);
- (d) Clause 21.4 (*Insolvency*) (provided that, in the case of paragraph (b) of such Clause, such an event must materially prejudice the interests of the Lenders under this Agreement taken as a whole (and excluding, for this purpose, any Lender holding a Tranche A2 Commitment) in order to constitute a Certain Funds Default);
- (e) Clause 21.5 (*Insolvency proceedings*);
- (f) Clause 21.7 (*Unlawfulness*) but only if such unlawfulness could reasonably be expected to affect a payment or other material obligation of an Obligor;
- (g) Clause 21.8 (*Repudiation*); or
- (h) Clause 21.10 (*Majority control of the Borrower*).

“Certain Funds Period” means the period from and including the Signing Date to and including the earlier of: (i) the last day of the Availability Period; (ii) the Squeeze-out Settlement Date; and (iii) the Scheme Settlement Date.

“Charged Property” means the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

“Clean-up Period” means the period of 120 days from and including the Acquisition Settlement Date.

“Code” means the US Internal Revenue Code of 1986.

“Commitment” means a Tranche A1 Commitment or a Tranche A2 Commitment.

“Committed Financing Arrangement” means:

- (a) any utilisation or issuance under the Borrower’s existing undrawn or uncommitted financing arrangements existing at the Signing Date; or
- (b) any replacement or renewal of any of the Borrower’s existing financing arrangements for the same or a smaller amount existing at the Signing Date.

“Confidential Information” means all information relating to the Company, any Obligor, the Group, the Target, the Target Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 35 (*Confidential information*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
 - (C) known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware,

unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

- (ii) any Reference Bank Quotation or Funding Rate, but only to the extent such information is disclosed in accordance with paragraphs (b) and (c) of Clause 36.1 (*Confidentiality and disclosure*).

“Confidentiality Undertaking” means a confidentiality undertaking substantially in the applicable recommended form of the LMA or in any other form agreed between the Company and the Agent.

“Court” means the High Court of Ireland.

“Court Meeting” means the meeting of the holders of the Target Shares or any adjournment thereof to be convened by an order of the Court pursuant to Section 201 of the Irish Companies Act 1963 (or under Chapter 1 of Part 9 of the Irish Companies Act 2014 following the coming into force of such provisions under the Irish Companies Act 2014) to consider and, if thought fit, approve the Scheme (with or without amendment), together with any meeting held as a result of an adjournment or reconvention by the Court thereof.

“CRD IV” means:

- (a) Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2001/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

“Debt Purchase Transaction” means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Tranche A1 Commitment or amount outstanding in respect of a Tranche A1 Commitment under this Agreement.

“Default” means an Event of Default or any event or circumstance specified in Clause 21 (*Events of Default*) which would (with the expiry of a grace period, the giving of

notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“Defaulting Lender” means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Agent or the Company (which has notified the Agent) or has indicated publicly that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders’ participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and,

payment is made within five (5) Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Delisting Offer” means an offer made by the Target and/or the Borrower following the Offer Settlement Date in relation to the delisting of the shares of Target from any stock exchange in the Republic of Ireland or the United Kingdom.

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (including without limitation disruption of a technical or systems-related nature) to the treasury or payments operations of a Party preventing or severely inhibiting that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**EURIBOR**” means, in relation to any Loan:

- (a) the applicable Screen Rate as of the Specified Time for euro and for a period equal in length to the Interest Period of that Loan; or
- (b) as otherwise determined pursuant to Clause 10.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, EURIBOR shall be deemed to be zero.

“**Event of Default**” means any event or circumstance specified as such in Clause 21 (*Events of Default*).

“**Excluded Committed Financing Arrangement**” means any Committed Financing Arrangement, the principal amount of which, when aggregated with the principal amount of any Short Term Debt Issuance and any Treasury Transaction, does not exceed €100,000,000 (or its equivalent in any other currency) over the life of the Facility.

“**Excluded Short Term Debt Issuance**” means any Short Term Debt Issuance, the principal amount of which, when aggregated with the principal amount of any Committed Financing Arrangement and any Treasury Transaction, does not exceed €100,000,000 (or its equivalent in any other currency) over the life of the Facility.

“**Excluded Treasury Transaction**” means any Treasury Transaction, the principal amount of which, when aggregated with the principal amount of any Committed Financing Arrangement and any Short Term Debt Issuance, does not exceed €100,000,000 (or its equivalent in any other currency) over the life of the Facility.

“**Facility**” means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

“**Facility Office**” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**Fallback Interest Period**” means one (1) week.

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the Signing Date.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Fee Letter” means any letter or letters dated prior to or on or about the Signing Date setting out any of the fees referred to in Clause 11 (*Fees*).

“Finance Document” means this Agreement, any Fee Letter, the Intercreditor Agreement, any Security Document, any Accession Letter, any Spanish Public Document granted in relation to this Agreement or any other Finance Document, and any other document designated as such by the Agent and the Company in writing.

“Finance Party” means the Agent, the Security Agent, the Arranger or a Lender.

“Financial Indebtedness” means (without double-counting) any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP as in force and applied to the Original Financial Statements, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition which is classified as a borrowing under GAAP and which is primarily effected as a means of raising finance, excluding any amount raised by the issue of redeemable shares classified as a borrowing under GAAP unless redeemable (other than at the option of the issuer) before the Termination Date;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) in either case, as at the relevant date on which Financial Indebtedness is calculated, shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

“Funding Rate” means any individual rate notified by a Lender to the Agent pursuant to Clause 10.3(a)(ii).

“GAAP” means generally accepted accounting principles in the jurisdiction of incorporation of the Obligor in respect of which the relevant financial statements are delivered (including IFRS).

“General Meeting” means the general meeting of the holders of Target Shares (or any adjournment thereof) to be convened in connection with a Scheme.

“Group” means the Company and its Subsidiaries for the time being.

“Group Structure Chart” means the structure chart showing the Company and its directly held and certain indirectly held Subsidiaries as at the Signing Date.

“Guarantor” means the Original Guarantor or an Additional Guarantor.

“Historic Screen Rate” means, in relation to any Loan, the most recent applicable Screen Rate for the currency of that Loan and for a period equal in length to the Interest Period of that Loan and which is as of a day which is no more than five (5) days before the Quotation Day.

“Holding Company” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“HMRC” means HM Revenue & Customs.

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“Impaired Agent” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and
 payment is made within five (5) Business Days of its due date; or
- (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“Insolvency Event” in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law

affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Intercreditor Agreement" means the intercreditor agreement dated 26 May 2015, as amended and restated from time to time, between, amongst others, the Borrower, the Company, and the Security Agent.

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"Interpolated Historic Screen Rate" means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the most recent applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the most recent applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each for the currency of that Loan and each of which is as of a day which is no more than five (5) days before the Quotation Day.

“Interpolated Screen Rate” means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time for euro.

“ITA” means the Income Tax Act 2007.

“Lender” means:

- (a) the Original Lenders; and
- (b) any bank or financial institution (but not a trust, fund or other similar entity), which has become a Party in accordance with Clause 22 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“LMA” means the Loan Market Association.

“Loan” means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

“Loan Original Amount” means the principal amount of a Loan on the date such Loan was first drawn.

“Majority Lenders” means a Lender or Lenders whose Commitments aggregate more than $66\frac{2}{3}\%$ of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66\frac{2}{3}\%$ of the Total Commitments immediately prior to the reduction).

“Margin” means [REDACTED] per cent. per annum.

“Market Purchase” means any purchase of Target Shares by or on behalf of the Borrower carried out on a day to day basis on or after the Offer Settlement Date up to the earlier of: (i) the Termination Date; and (ii) the date of the announcement of any Delisting Offer.

“Material Adverse Effect” means a material adverse effect on the ability of the Obligors taken as a whole to comply with their payment obligations under the Finance Documents or the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents.

“Minimum Acceptance Condition” means receipt by the Borrower of such number of acceptances (that may not be withdrawn) from the shareholders of the Target pursuant to the Offer which, once settled, would result in the Borrower holding more than 50 per cent. of the voting shares in the Target on a fully diluted basis.

“Month” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) subject to paragraph (c) below if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

“Net Proceeds” means cash proceeds actually received by a member of the Group, net of all related fees, costs commissions, expenses and Taxes in each case incurred by a member of the Group with respect to the transaction giving rise to the relevant Net Proceeds.

“New Lender” has the meaning given to that term in Clause 22 (*Changes to the Lenders*).

“Obligor” means the Borrower or a Guarantor.

“OFAC” means the Office of Foreign Assets Control of the US Department of the Treasury.

“Offer” means the public offer to be made by the Borrower to acquire some or all of the Target Shares in the terms of the Offer Press Release.

“Offer Closing Certificate” means in respect of an Offer, a certificate from the Borrower confirming that:

- (a) the Minimum Acceptance Condition has been satisfied; and
- (b) all other conditions (except for any condition relating to the payment of the consideration in respect of the Acquisition) of the Offer have been satisfied or waived (and, to the extent waived, confirming that any such waiver does not, or will not upon becoming so effective, constitute or give rise to a Certain Funds Default).

“Offer Documents” means the Transaction Agreement, the Offering Circular, the Offer Press Release, any other announcement, press release or circular issued or filed by the Company or the Borrower in connection with an Offer, any other document despatched to the shareholders of the Target generally in relation to an Offer by the Company or the Borrower, and any other document designated as such by the Agent and the Company in writing.

“Offer Press Release” means the press announcement released pursuant to Rule 2.5 of the Takeover Rules by the Company, on 26 May 2015 announcing the terms and conditions of an Offer and confirming that, as at the date of such press release, the Acquisition was recommended to the Target shareholders by its board of directors.

“Offer Settlement Date” means the date on which the cash consideration is due to Target shareholders in relation to the Offer.

“Offering Circular” means the public offer document setting out the terms of the Offer published on 19 June 2015.

“Original Financial Statements” means the audited consolidated financial statements of the Group for the financial year ended 31 December 2014.

“Original Obligor” means the Borrower or the Original Guarantor.

“Participating Member State” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“Pre-Approved Transferee” means the entities listed in Schedule 8 (*Pre-Approved Transferees*).

“Qualifying Lender” has the meaning given to it in Clause 12 (*Tax gross-up and Indemnities*).

“Quotation Day” means, in relation to any period for which an interest rate is to be determined, two (2) TARGET Days before the first day of that period unless market practice differs in the Relevant Interbank Market in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank

Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

“**Reference Bank Quotation**” means any quotation supplied to the Agent by a Reference Bank in its capacity as a Reference Bank.

“**Reference Bank Rate**” means the arithmetic mean of the rates (rounded upwards to four (4) decimal places) as supplied to the Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank believes one prime bank is quoting to another prime bank for interbank term deposits in euro within the Participating Member States for the relevant period or, if different, as the rate (if any applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

“**Reference Banks**” means the principal office in Frankfurt am Main of Landesbank Hessen-Thüringen Girozentrale and any other two banks as may be appointed by the Agent in consultation with the Company from time to time provided each such bank confirms its willingness to act as a Reference Bank.

“**Relevant Interbank Market**” means the European interbank market.

“**Repeating Representations**” means each of the representations set out in Clauses 18.1 (*Status*) to 18.7 (*No Event of Default*) (inclusive).

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“**Restricted Person**” means a person:

- (a) which, at the relevant time, is listed on, or owned or controlled by a person listed on: (i) the Specially Designated Nationals and Blocked Persons list or the Foreign Sanctions Evaders list maintained by OFAC; (ii) the Consolidated List of Financial Sanctions Targets or Investment Ban List administered by HM Treasury in the United Kingdom; or (iii) any similar list maintained by the United States of America, the European Union, the United Nations or HM Treasury; or
- (b) located in, incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person located in or organised under the laws of, a country or territory that is the subject of country-wide or territory-wide sanctions that apply to the Borrower, the Secured Assets or with which a Finance Party must comply in the context of the transactions contemplated by the Finance Documents and which are administered, enacted or enforced by the United States of America, European Union, United Nations, United Kingdom or by their respective governmental institutions and agencies, including without limitation, OFAC, the United States Department of State and HM Treasury of the United Kingdom (together, the “**Sanctions Authorities**”).

“**Sanctions Authority**” has the meaning given in limb (b) of the definition of “Restricted Person”.

“**Scheme**” means a scheme of arrangement under Section 201 of the Irish Companies Act 1963 or under Chapter 1 of Part 9 of the Irish Companies Act 2014 (if such scheme of arrangement is proposed following the coming into force of such provisions under the Irish Companies Act 2014) which is or may be proposed by the Target to its shareholders pursuant to which the Borrower will become the only shareholder of the Target in the terms of the Scheme Press Release.

“**Scheme Circular**” means the document to be issued by or on behalf of the Target to shareholders of the Target setting out the proposals for the Scheme stating the recommendation of the Scheme to the shareholders of Target by the board of directors of Target including the notice of General Meeting and the Court Meeting.

“**Scheme Documents**” means the Scheme Circular together with the notices of the Scheme which accompany that Scheme Circular, the Scheme Press Release, any other document despatched by or on behalf of the Target to its shareholders in connection with the Scheme, and any other document designated as such by the Agent and the Company in writing.

“**Scheme Press Release**” means the press announcement to be released by or on behalf of the Target and the Borrower pursuant to Rule 2.5 of the Takeover Rules to announce the terms of the Scheme and confirming that, as at the date of such press release, the Acquisition was recommended to the Target shareholders by its board of directors.

“**Scheme Settlement Date**” means the date which falls 14 days after the date on which the Scheme is effective under Irish law.

“**Screen Rate**” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

“**Secured Asset**” means an asset over which Security has been granted pursuant to the Security Documents.

“**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 Documents**” means the Bidco Share Pledge, the Target Share Pledge (from the date it is executed by all parties thereto) and any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its

assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

“Short Term Debt Issuance” means any debt securities or bonds (convertible or otherwise) with an original maturity of less than a year from their date of issue, incurred, borrowed or guaranteed by the Borrower and made after Signing Date and on or prior to the Termination Date.

“Signing Date” means the date of this Agreement.

“Spanish Capital Companies Law” means *Real Decreto Legislativo 1/2010, de 2 de Julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*.

“Spanish Civil Code” means the Spanish *Código Civil*.

“Spanish Civil Procedural Law” means *Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*.

“Spanish Commercial Code” means the Spanish *Código de Comercio*.

“Spanish Guarantor” means a Guarantor incorporated in Spain.

“Spanish Insolvency Law” means *Ley 22/2003, de 9 de julio, Concursal*.

“Spanish Obligor” means an Obligor incorporated in Spain.

“Spanish Public Document” means any Spanish *documento público*, being either any *escritura pública* granted or any *póliza intervenida* by a Spanish notary public.

“Specified Time” means a time determined in accordance with Schedule 7 (*Timetables*).

“Squeeze-out” means the acquisition by the Borrower of any Target Shares not acquired on the Offer Settlement Date to be made pursuant to Part 5 of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006.

“Squeeze-out Settlement Date” means the date on which the cash consideration is due to Target shareholders in relation to the Squeeze-out.

“Subsidiary” means a company in respect of which another company:

- (a) holds a majority of the voting rights;
- (b) is a member and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member and controls alone, pursuant to an agreement with other members, a majority of the voting rights,

or which is a Subsidiary of a company that is itself a Subsidiary of that other company.

“**Subsidiary Undertaking**” has the meaning given to it in section 1162 of the Companies Act 2006.

“**Takeover Panel**” means the Irish Takeover Panel, or any successor designated competent authority undertaking regulatory functions in the Republic of Ireland pursuant to the Directive of the European Parliament and Council on Takeover Bids (2004/25/EC).

“**Takeover Rules**” means the Irish Takeover Panel Act, 1997, the Takeover Rules, 2013 and the Substantial Acquisition Rules, 2007, as amended and in force from time to time.

“**Target**” means Aer Lingus Group Plc.

“**Target Group**” means the Target and its Subsidiaries from time to time.

“**Target Shares**” means all shares the subject of the Offer, any Squeeze-out and/or any Delisting Offer, being the shares in the capital of Target (including any shares of Target issued while the Offer remains open for acceptance and Treasury Stock) and any such shares issued or to be issued following the exercise of any options, warrants or other rights to receive Target Shares or, where relevant, all shares the subject of the Scheme.

“**Target Share Pledge**” means the first ranking charge to be granted by the Borrower, over all Target Shares held by it, in favour of the Security Agent, in the form agreed by the parties to the Bridge Facility Agreement.

“**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“**TARGET Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**Tax**” or “**Taxes**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Termination Date**” means the earlier of:

- (a) the date falling five years following the first Utilisation Date; and
- (b) the date falling 30 days prior to the first scheduled maturity date of any take-out refinancing (other than this Facility) which has been applied in repayment and cancellation of the Bridge Facility.

“**Total Commitments**” means the aggregate of the Commitments, being €600,000,000 at the Signing Date.

“**Tranche A1 Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Tranche A1 Commitment” in Schedule 1 (*The Original Lenders*) and the amount of any other Tranche A1 Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Tranche A1 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Tranche A2 Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Tranche A2 Commitment” in Schedule 1 (*The Original Lenders*) and the amount of any other Tranche A2 Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Tranche A2 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Transaction Agreement**” means the transaction agreement dated 26 May 2015 between the Company and the Target.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Finance Parties pursuant to the Security Documents.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**Treasury Stock**” means any issued share capital of the Target held by the Target.

“**Treasury Transaction**” means any loan for the purpose of the ordinary course treasury operations of the Group, incurred, borrowed or guaranteed by the Borrower and made after Signing Date and on or prior to the Termination Date.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**US**” means the United States of America.

“Utilisation” means a utilisation of the Facility.

“Utilisation Date” means the date of a Utilisation, being the date on which any Loan is to be made.

“Utilisation Request” means a notice substantially in the form set out in Part I of Schedule 3 (*Utilisation Request*).

“VAT” means:

- (a) any Tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other Tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, the Tax referred to in paragraph (a) above, or imposed elsewhere.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) the **“Agent”**, the **“Arranger”**, the **“Security Agent”**, any **“Finance Party”**, any **“Lender”**, any **“Obligor”** or any **“Party”** shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Document and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (ii) **“assets”** includes present and future properties, revenues and rights of every description;
 - (iii) a **“Finance Document”** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (iv) **“indebtedness”** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (v) a **“person”** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (vi) a **“regulation”** includes any regulation, rule, official directive, request or guideline (in relation to Clause 13 (*Increased Costs*) only, whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other similar authority or organisation;

- (vii) a document in “**agreed form**” is a document which is previously agreed in writing by and on behalf of the Company and the Agent;
 - (viii) a provision of law is a reference to that provision as amended or re-enacted; and
 - (ix) a time of day is a reference to Madrid time.
- (b) In this Agreement, a reference used in connection with any Spanish Obligor to:
- (i) an insolvency proceeding includes a *declaración de concurso* (either a *declaración de concurso necesario* or a *declaración de concurso voluntario*) and any petition filed under article 5 bis of the Spanish Insolvency Law or other equivalent provisions of Spanish law;
 - (ii) a winding-up, administration or dissolution includes, without limitation, *disolución, liquidación, procedimiento concursal* or the appointment of an administrator *judicial* or a *liquidador*;
 - (iii) a liquidator, trustee in bankruptcy, receiver, administrative receiver, administrator or the like includes, without limitation, *administración concursal, a liquidador* or any other person or entity performing an equivalent function under Spanish law;
 - (iv) a composition, compromise, assignment or arrangement with any creditor includes the celebration of a *convenio concursal* or *acuerdo extrajudicial de refinanciación*;
 - (v) a matured obligation includes, without limitation, any *crédito líquido, vencido y exigible*;
 - (vi) Security includes, without limitation, any *prenda* or *hipoteca*;
 - (vii) “**financial assistance**” means:
 - (A) in respect of a Spanish Obligor incorporated as a *Sociedad Anónima*, financial assistance under article 150 of the Spanish Capital Companies Law; and
 - (B) in respect of a Spanish Obligor incorporated as a *Sociedad de Responsabilidad Limitada*, financial assistance under article 143 of the Spanish Capital Companies Law; and
 - (viii) a person or entity being unable to pay its debts includes that person or entity being in a state of *insolvencia* or *concurso*, as provided for in the Spanish Insolvency Law.
- (c) Section, Clause and Schedule headings are for ease of reference only.

- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (e) A Default or an Event of Default is “**continuing**” if it has not been remedied or waived.

1.3 Currency symbols and definitions

“€”, “**EUR**” and “**euro**” denote the single currency of the Participating Member States.

1.4 Third Party Rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.5 Anti-boycott

- (a) In relation to any Finance Party that notifies the Agent to this effect (each a “**Restricted Finance Party**”), the representations in Clause 18.11 (*Sanctions*) and undertakings in Clause 20.7 (*Use of proceeds*) shall only apply for the benefit of that Restricted Finance Party to the extent that its provisions would not result in: (i) any violation of, conflict with or liability under EU Regulation (EC) 2271/96; or (ii) a violation or conflict with section 7 foreign trade rules (AWV) (*Außenwirtschaftsverordnung*) (in connection with section 4 paragraph 1 a no. 3 foreign trade law (AWG) (*Außenwirtschaftsgesetz*)) of the Federal Republic of Germany or a similar anti-boycott statute.
- (b) In connection with any amendment, waiver, determination or direction relating to any part of the representations in Clause 18.11 (*Sanctions*) or the undertakings in Clause 20.7 (*Use of proceeds*) of which a Restricted Finance Party does not have the benefit, the Commitments of that Restricted Finance Party will be excluded for the purpose of determining whether the consent of the Majority Lenders has been obtained or whether the determination or direction by the Majority Lenders has been made.

SECTION 2 THE FACILITY

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower a euro term loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Obligors' Agent

- (a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of the Borrower, the Utilisation Request), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, the Utilisation Request) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Company or given to the Company under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Company and any other Obligor, those of the Company shall prevail.

3. PURPOSE

3.1 Purpose

The Borrower shall, in its sole discretion, apply all amounts borrowed by it under the Facility towards:

- (a) financing or refinancing (as applicable):
 - (i) the purchase price payable for the Target Shares under the Acquisition Documents or pursuant to any Squeeze-out or any Market Purchases or pursuant to any Delisting Offer;
 - (ii) amounts paid, directly or indirectly, to or on behalf of holders of options, warrants or other rights to receive Target Shares, including without limitation any long term incentive plan awards or employee share option arrangements; and
 - (iii) amounts payable in respect of interest, fees, costs and expenses in relation to the Facility or the Acquisition or any Delisting Offer; and
- (b) (after payment of fees, costs, expenses and taxes incurred by the Group with respect to the Facility) in prepayment and/or cancellation of all Liabilities (as defined in the Intercreditor Agreement) owed by the Debtors (as defined in the Intercreditor Agreement) to the Creditors (as defined in the Intercreditor Agreement) under the Bridge Finance Documents (whether in whole or in part and to the extent so required by the Creditors (as defined in the Intercreditor Agreement) under the Bridge Finance Documents).

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

- (a) The Borrower may not deliver a Utilisation Request unless the Agent has received, or is satisfied that it will receive on or prior to the Utilisation Date, all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent acting reasonably. The Agent shall notify the Borrower, the Company and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
- (c) Each Utilisation shall initially, unless agreed otherwise between the Agent and the Company, be directly paid into the account specified in the relevant Utilisation Request.

4.2 Further conditions precedent

Subject to Clause 4.3 (*Certain Funds Period*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Loan; and
- (b) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Certain Funds Period

Subject to Clause 4.1 (*Initial conditions precedent*), but notwithstanding any other provision of the Finance Documents, during the Certain Funds Period, none of the Finance Parties shall be entitled to:

- (a) refuse to participate in or make available its participation in any Utilisation requested in accordance with this Agreement (a "**Certain Funds Utilisation**");
- (b) cancel any of its Commitments to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;
- (c) rescind, terminate or cancel this Agreement or the Facility or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;

- (d) exercise any right, power or discretion to terminate or cancel the obligation to make available any Certain Funds Utilisation;
- (e) exercise any right of set-off or counterclaim in respect of any Certain Funds Utilisation (save as expressly permitted by Clause 5.5(a)(iv) (*Pre-funding of Tranche A2 Commitments*));
- (f) take any steps to seek any repayment or prepayment of any advance made hereunder in any way; or
- (g) take any step to exercise (or to instruct the Agent or Security Agent to exercise) its rights under Clause 21.12 (*Acceleration*) or to enforce any Security in respect of any Certain Funds Utilisation or that part of the Commitments which may be used by way of any Certain Funds Utilisation,

in each case: (i) unless a Certain Funds Default has occurred and is continuing or would result from the making of such Utilisation; (ii) except for a Lender to the extent that Lender is entitled to do so solely by virtue of the provisions of Clause 7.1 (*Illegality*); or (iii) unless a Lender's Commitment is cancelled in accordance with paragraph (c) of Clause 7.4 (*Mandatory cancellation*). However, as soon as the Certain Funds Period ends, all such rights, remedies and entitlements shall, subject to Clause 21.13 (*Clean-up Period*), be available even though they have not been exercised or available during the Certain Funds Period.

4.4 Maximum number of Loans

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 10 or more Loans would be outstanding.

SECTION 3 UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by way of Loan, by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) the proposed Utilisation Date is a Business Day within the Availability Period;
- (b) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
- (c) the proposed Interest Period complies with Clause 9 (*Interest Period*).

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be euros.
- (b) The amount of the proposed Loan must be an amount which is not more than the Available Facility and which is a minimum of €5,000,000 or, if less, the Available Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office by no later than 2.00 p.m. London time.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) In respect of any Utilisation under the Facility, all undrawn and uncanceled Tranche A1 Commitments and Tranche A2 Commitments shall be drawn pro-rata and shall comprise a single Loan.
- (d) The Agent shall notify each Lender of the amount of each Loan and the amount of its participation in each Loan by the Specified Time.

5.5 Pre-funding of Tranche A2 Commitments

- (a) Where British Airways has a Tranche A2 Commitment, British Airways may, in anticipation of the Borrower submitting the first Utilisation Request under this Agreement, pay or have previously paid to the Borrower (by way of loan) an amount equal to the Tranche A2 Commitments (the “**Pre-Funded Amount**”). Where British Airways has pre-funded the Borrower in accordance with this Clause 5.5:
- (i) the Borrower shall place the Pre-Funded Amount on deposit in such account in the name of the Borrower as may be specified by the Borrower from time to time, and the Borrower shall pay to British Airways interest on the loan reflecting the Pre-Funded Amount calculated at the same rate as applies to the deposit made by the Borrower. Such interest shall be paid on the date or dates set out in paragraphs (iv) and (v) below (as applicable). For the avoidance of doubt, any such interest is not interest accruing on a Loan as calculated in accordance with Clause 9 (*Interest periods*) of this Agreement;
 - (ii) Clause 7 (*Prepayment and cancellation*) shall apply to the loan reflecting the Pre-Funded Amount as if the loan reflecting the Pre-Funded Amount were a Loan;
 - (iii) when a Utilisation Request is submitted by the Borrower, Clause 28.1 (*Payments to the Agent*) shall not apply in respect of British Airways’ participation in the Loan which is the subject of that Utilisation Request;
 - (iv) once the Borrower has submitted a Utilisation Request (which Utilisation Request shall specify the full amount of the Loan requested, including British Airways’ participation in the relevant Loan), the Borrower shall repay to British Airways, on the Utilisation Date specified in such Utilisation Request, such part of the loan reflecting the Pre-Funded Amount as is equal to British Airways’ participation in the relevant Loan calculated in accordance with Clause 5.4 (*Lenders’ participation*), provided that the obligation to make such repayment shall be set off against the obligation of British Airways to make its participation in the relevant Loan available under Clause 5.4 (*Lenders’ participation*), with the result that, on the relevant Utilisation Date, no payment shall be made by British Airways to the Borrower or by the Borrower to British Airways. The interest accrued pursuant to paragraph (i) above on such part of the loan reflecting the Pre-Funded Amount as is repaid pursuant to this paragraph (iv) shall be paid by the Borrower to British Airways on the first Interest Payment Date in respect of the relevant Loan. Any balance of the loan reflecting the Pre-Funded Amount, together with interest accrued pursuant to paragraph (i) above in relation to such balance, shall remain outstanding and subject to the rest of this Clause 5.5; and
 - (v) British Airways may by notice (a “**Pre-Funding Repayment Notice**”) in writing of not less than two (2) Business Days to the Borrower (with a

copy to the Company) demand that the Borrower repay any outstanding balance of the loan reflecting the Pre-Funded Amount (together with all amounts on account of interest accrued pursuant to paragraph (i) above in respect of such outstanding balance) (the “**Pre-Funding Repayment Amount**”) if and only if:

- (A) the Availability Period expires;
- (B) the Offer or Scheme lapses, or the Company or the Borrower publicly announces that the Offer is withdrawn or is abandoned, or the Target publicly announces that the Scheme has been withdrawn: (i) subject, in the case of any such lapse, withdrawal or abandonment, to the consent of the Takeover Panel (where required) having been obtained to such lapse, withdrawal or abandonment; and (ii) other than where the Company has provided a notice in accordance with Clause 19.4(a) (*Notification of change in Acquisition*); or
- (C) (without, for the avoidance of doubt, prejudice to British Airways’ obligations to make its participation in any Utilisation available in accordance with this Agreement should such Certain Funds Default cease to be continuing before or upon the delivery of a Utilisation Request following any repayment under this paragraph (v)) prior to the expiry of the Certain Funds Period (and subject to no Utilisation Request having been delivered by the Borrower in accordance with this Agreement), a Certain Funds Default has occurred and is continuing.

Any loan reflecting the Pre-Funded Amount shall not constitute a Loan or a Utilisation for the purposes of this Agreement (and, without prejudice to the generality of the foregoing, no Utilisation Date shall occur for the purposes of this Agreement or any Finance Document until the date specified in a Utilisation Request). For the avoidance of doubt, this Clause 5.5 is subject to Clause 4.3 (*Certain Funds Period*).

- (b) It is hereby acknowledged and agreed by the Borrower and British Airways that nothing in this Clause 5.5 shall be construed as giving rise to any relationship of agency or trust as between the Borrower and British Airways, and the parties hereby acknowledge that any Pre-Funded Amount shall be paid to the Borrower outright and be held by the Borrower entirely for its own account and not as trustee for, or otherwise for the account or benefit of, British Airways.

**SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION**

6. REPAYMENT

6.1 Repayment of Loan

- (a) The principal amount of each Loan shall be repaid by the Borrower in full in instalments, each such instalment to be in the amount of the relevant repayment instalment set forth in Schedule 9 (*Repayment Schedule*) opposite the relevant repayment date, as determined in accordance with the terms of Schedule 9 (*Repayment Schedule*).
- (b) Where the Termination Date is not the date falling five years following the first Utilisation Date, the Borrower shall repay each Loan in accordance with paragraph (a) above, save that the then remaining outstanding principal amount of each Loan shall be repaid on the Termination Date notwithstanding such Termination Date being prior to the fifth (or any other) anniversary of the first Utilisation Date.

6.2 Re-borrowing

The Borrower may not re-borrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to paragraph (d) of Clause 7.7 (*Right of replacement or repayment and cancellation in relation to a single Lender*), the Borrower shall repay that Lender's participation in the Loans on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be cancelled in the amount of the participations repaid.

7.2 Target Group disposals

- (a) From the Bridge Facility Discharge Date, the Company must procure that an amount equal to the Net Proceeds of any disposal of all or a material part of the Target Shares or any disposal of all or a material part of the assets of the Target Group, other than disposals:
- (i) made in the ordinary course of business of the disposing entity;
 - (ii) of assets in exchange for other assets (other than cash, cash equivalents or shares) comparable or superior as to type, value and quality;
 - (iii) of cash for purposes not otherwise prohibited by the Finance Documents;
 - (iv) comprising any dividend or distribution not otherwise prohibited by the Finance Documents;
 - (v) which constitutes Security or Quasi-Security and is not prohibited under Clause 20.3 (*Negative pledge*);
 - (vi) of obsolete or redundant assets or waste, on arm's length terms;
 - (vii) in respect of the Target Shares, to any member of the Group (subject to compliance with all provisions of Clause 24.4 (*Release of security*) including, without limitation, paragraph (b)(iii) thereof);
 - (viii) in respect of any assets other than the Target Shares, to any member of the Target Group;
 - (ix) made with the prior written consent of Majority Lenders; or
 - (x) for the purposes of re-equipment programmes or pursuant to one or more sale and leaseback transactions and provided further that such disposal is not reasonably expected to have a Material Adverse Effect,
- are applied in full in prepayment of the outstanding Loans on the earlier of: (i) the last day of the first Interest Period to end after receipt by any member of the Group of the Net Proceeds of such disposal; and (ii) the date falling 45 days after receipt of such Net Proceeds.
- (b) Following prepayment pursuant to Clause 7.2(a), the Commitments shall be cancelled in an amount equal to the amount prepaid, and the Agent shall promptly notify the Company of such cancellation.

7.3 Refinancings

- (a) From the Bridge Facility Discharge Date, the Borrower must procure that an amount equal to the Net Proceeds of:

- (i) any debt securities or bonds (convertible or otherwise) other than any Excluded Short Term Debt Issuance; or
- (ii) any loans, other than:
 - (A) any intra-Group loan of the proceeds of debt securities or bonds (convertible or otherwise) referred to in Clause 7.3(a)(i) (1) issued to refinance the Bridge Facility or (2) not exceeding €100,000,000 (or its equivalent in any other currency) over the life of the Facility if not an Excluded Committed Financing Arrangement;
 - (B) any Loan reflecting a Pre-Funded Amount (as defined in Clause 5.5 (*Pre-Funding of Tranche A2 Commitments*));
 - (C) any loan drawn under the Bridge Facility; and
 - (D) any Excluded Treasury Transaction,

in each case issued, incurred, borrowed or guaranteed by the Borrower and made after Signing Date and on or prior to the Termination Date (each a “**Financing**”), are applied in full in prepayment of the outstanding Loans on the earlier of: (i) 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 (ii) the date falling 30 days after receipt of such Net Proceeds.

- (b) Following prepayment pursuant to Clause 7.3(a), the Commitments shall be cancelled in an amount equal to the amount prepaid, and the Agent shall promptly notify the Company of such cancellation.

7.4 Mandatory cancellation

- (a) At 5.00 p.m. on the last day of the Availability Period, the undrawn Commitments of the Lenders shall be cancelled.
- (b) 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 7.2 (*Target Group disposals*) or Clause 7.3 (*Refinancings*); 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 be immediately cancelled in an amount equal to the amount of that excess.

- (c) If the Offer or Scheme lapses, or the Company or the Borrower has publicly announced that the Offer is withdrawn or is abandoned, or the Target has publicly announced that the Scheme has been withdrawn, then:
- (i) subject, in the case of any such lapse, withdrawal or abandonment, to the consent of the Takeover Panel (where required) having been obtained to any such lapse, withdrawal or abandonment; and
 - (ii) other than where the Company has provided a notice in accordance with Clause 19.4(a) (*Notification of change in Acquisition*),

the Commitments of the Lenders shall be automatically cancelled in full.

- (d) The Agent shall notify the Company and the Borrower of any cancellation under this Clause 7.4.
- (e) Any cancellation under this Clause 7.4 shall reduce the Commitments of the Lenders rateably.

7.5 Voluntary cancellation

- (a) From the Bridge Facility Discharge Date, the Borrower may, if it gives the Agent not less than three (3) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of €5,000,000 or its equivalent) of the Available Facility.
- (b) Any cancellation under this Clause 7.5 shall reduce the Commitments of the Lenders rateably.

7.6 Voluntary prepayment of Loan

From the Bridge Facility Discharge Date, the Borrower may, if it gives the Agent not less than three (3) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of €5,000,000 or its equivalent).

7.7 Right of replacement or repayment and cancellation in relation to a single Lender

- (a) From the Bridge Facility Discharge Date, if:
- (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Company under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased Costs*),

the Company may, whilst the circumstance giving rise to the requirement for that increase, indemnification or rate request continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the

repayment of that Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), the Borrower shall repay that Lender's participation in that Loan.
- (d) If:
 - (i) any of the circumstances set out in paragraph (a) above apply to a Lender; or
 - (ii) an Obligor becomes obliged to pay any amount in accordance with Clause 7.1 (*Illegality*) to any Lender,

the Company may, on not less than three (3) Business Days' prior notice to the Agent and that Lender (or such shorter period as that Lender may agree), replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 22 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or bank or financial institution that is licensed as a credit institution in a member state of the Organisation for Economic Co-operation and Development, selected by the Company, which confirms its willingness to assume and does assume all of the obligations of the transferring Lender in accordance with Clause 22 (*Changes to the Lenders*) for a purchase price in cash or other cash payment payable at the time of the transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 22.8 (*Pro rata Interest Settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents and
 - (iv) the Lender shall be obliged to transfer its rights and obligations pursuant to paragraph (d) above only once it has complied with all

necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to that transfer.

- (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Company when it has complied with those checks.
- (g)
 - (i) From the Bridge Facility Discharge Date, if any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent three (3) Business Days’ notice of (A) cancellation of each Available Commitment of that Lender and the date thereof and, if it so wishes, (B) its intention to procure the repayment of that Lender’s participation in the Loans and the date thereof.
 - (ii) On the notice referred to in paragraph (i)(A) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
 - (iii) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (i) above, notify all the Lenders.
 - (iv) On the last day of each Interest Period which ends after the Company has given notice of repayment under paragraph (i) above (or, if earlier, the date specified by the Company in that notice), the Borrower shall repay that Lender’s participation in that Loan.
- (h) For the avoidance of doubt, paragraphs (a) and (d) do not limit the obligations of any Finance Party under Clause 15.1 (*Mitigation*).

7.8 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) The Borrower may not reborrow any part of the Facility which is prepaid.
- (d) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

- (e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.
- (g) If all or part of any Lender's participation in a Loan is repaid or prepaid, an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

7.9 Application of prepayments

Any prepayment of a Loan pursuant to Clause 7.2 (*Target Group disposals*), Clause 7.3 (*Refinancings*), Clause 7.6 (*Voluntary prepayment of Loan*) or Clause 7.8(g) shall be applied *pro rata* to each Lender's participation in that Loan, and any cancellation under such Clauses shall reduce the Commitments of the Lenders rateably.

**SECTION 5
COSTS OF UTILISATION**

8. INTEREST

8.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) EURIBOR.

8.2 Payment of interest

The Borrower shall pay accrued interest on each Loan, on the last day of each Interest Period (and, if the Interest Period is longer than six (6) Months, on the dates falling at six (6) monthly intervals after the first day of the Interest Period).

8.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 1.00 per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 8.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 1.00 per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.
- (d) If a Spanish Obligor fails to pay any interest under this Agreement (including interest under Clause 8 (*Interest*)), that interest shall, on its due date, be added to the principal amount outstanding in respect of which it has accrued and shall

be capitalised and accordingly, bear interest from that date at the applicable default rate, in accordance with article 317 of the Spanish Commercial Code.

8.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Company of the determination of a rate of interest under this Agreement.

9. INTEREST PERIODS

9.1 Selection of Interest Periods

- (a) The Borrower (or the Company on behalf of the Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (b) Subject to this Clause 9, the Borrower (or the Company) shall select an Interest Period in a Utilisation Request of three (3) or six (6) Months or any other period agreed between the Borrower or the Company and the Agent (acting on the instructions of all the Lenders).
- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. CHANGES TO THE CALCULATION OF INTEREST

10.1 Unavailability of Screen Rate

- (a) Interpolated Screen Rate: If no Screen Rate is available for EURIBOR for the Interest Period of a Loan, the applicable EURIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.
- (b) Shortened Interest Period: If no Screen Rate is available for EURIBOR for:
 - (i) the currency of a Loan; or
 - (ii) the Interest Period of a Loan and it is not possible to calculate the Interpolated Screen Rate,

the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable EURIBOR for that shortened Interest Period shall be determined pursuant to the definition of "EURIBOR".

- (c) Shortened Interest Period and Historic Screen Rate: If the Interest Period of a Loan is, after giving effect to paragraph (b) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Screen Rate is available for EURIBOR for:
- (i) the currency of that Loan; or
 - (ii) the Interest Period of that Loan and it is not possible to calculate the Interpolated Screen Rate,
- the applicable EURIBOR shall be the Historic Screen Rate for that Loan.
- (d) Shortened Interest Period and Interpolated Historic Screen Rate: If paragraph (c) above applies but no Historic Screen Rate is available for the Interest Period of the Loan, the applicable EURIBOR shall be the Interpolated Historic Screen Rate for a period equal in length to the Interest Period of that Loan.
- (e) Reference Bank Rate: If paragraph (d) above applies but it is not possible to calculate the Interpolated Historic Screen Rate, the Interest Period of that Loan shall, if it has been shortened pursuant to paragraph (b) above, revert to its previous length and the applicable EURIBOR shall be the Reference Bank Rate as of the Specified Time for a period equal in length to the Interest Period of that Loan.

10.2 Absence of quotations

Subject to Clause 10.3 (*Market disruption*), if EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

10.3 Market disruption

- (a) If a Market Disruption Event occurs in relation to the Loan for any Interest Period, then the rate of interest on each Lender's share of the Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
- (i) the Margin; and
 - (ii) the weighted average of the rates notified to the Agent by each Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.

The Agent will notify the Company promptly upon the occurrence of a Market Disruption Event.

- (b) In this Agreement "**Market Disruption Event**" means:

- (i) at or about noon on the Quotation Day for the relevant Interest Period EURIBOR is to be determined by the Reference Banks but none or only one of the Reference Banks supplies a rate to the Agent to determine EURIBOR for the relevant Interest Period; or
- (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in the Loan exceed 30 per cent. of the Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of EURIBOR.

10.4 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

10.5 Break Costs

- (a) The Borrower shall, within 10 Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue and showing their calculation.

11. FEES

11.1 Arrangement fee

The Borrower shall pay to the Arranger an arrangement fee in the amount and at the times agreed in a Fee Letter.

11.2 Agency fees

The Borrower shall pay to the Agent (for its own account) agency fees in the amount and at the times agreed in a Fee Letter.

11.3 Security agency fees

The Borrower shall pay to the Security Agent (for its own account) security agency fees in the amount and at the times agreed in a Fee Letter.

11.4 Commitment fee

- (a) The Borrower shall pay to the Agent for the account of each Lender a commitment fee in euro calculated at the rate of [REDACTED] per cent. of the Margin per annum. Commitment fee shall accrue on a daily basis on the Available Commitment of each Lender under the Facility during the Availability Period.
- (b) Accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

12. TAX GROSS-UP AND INDEMNITIES

12.1 Definitions

(a) In this Agreement:

“**Borrower DTTP Filing**” means HMRC’s Form DTTP2 duly completed and filed by the relevant Borrower, which:

- (i) where it relates to a Treaty Lender that is an Original Lender, contains the scheme reference number and jurisdiction of Tax residence stated opposite that Lender’s name in Schedule 1 (*The Original Lenders*) and is filed with HM Revenue & Customs within 30 days of the Signing Date; or
- (ii) where it relates to a Treaty Lender that is a New Lender, contains the scheme reference number and jurisdiction of Tax residence stated in respect of that Lender in the relevant Transfer Certificate or Assignment Agreement and is filed with HM Revenue & Customs within 30 days of the Transfer Date; or

“**CTA**” means the Corporation Tax Act 2009.

“**Protected Party**” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Qualifying Lender**” means:

- (i) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
 - (A) a Lender:
 - (1) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or
 - (2) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United

Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

- (B) a Lender which is:
 - (1) a company resident in the United Kingdom for United Kingdom Tax purposes;
 - (2) a partnership each member of which is:
 - (a) a company resident in the United Kingdom for Tax purposes; or
 - (b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;
 - (3) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
- (C) a Treaty Lender; or
- (ii) a Lender which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Finance Document.

“Tax Confirmation” means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

- (i) a company resident in the United Kingdom for United Kingdom Tax purposes;
- (ii) a partnership each member of which is:
 - (A) a company resident in the United Kingdom; or
 - (B) a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA)

the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

- (iii) a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of the company.

“Tax Credit” means a credit against, relief or remission for, or repayment of, any Tax.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“Tax Payment” means either the increase in a payment made by an Obligor to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*) or a payment under Clause 12.6 (*Stamp taxes*).

“Treaty Lender” means a Lender which:

- (i) is treated as a resident of a Treaty State for the purposes of the relevant Treaty;
- (ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected; and
- (iii) meets all other conditions in the Treaty for full exemption from United Kingdom taxation on interest which relates to the Lender (including its Tax or other status, the manner in which or the period for which it holds any rights under the Agreement, the reasons or purposes for its acquisition of such rights and the nature of any arrangements by which it disposes of or otherwise turns to account such rights),

except that for this purpose it is assumed that there are fulfilled:

- (A) any condition contained in the Treaty which relates (expressly or by implication) to the amount or terms of the Loan;
- (B) any condition contained in the Treaty which relates (expressly or by implication) to there being or not being a special relationship between the Borrower and a Finance Party or between both of them and another person by reason of which the amount of interest paid exceeds the amount which would have been paid in the absence of such relationship; and
- (C) any necessary procedural formalities.

“**Treaty State**” means a jurisdiction having a double taxation agreement (a “**Treaty**”) with the United Kingdom which makes provision for full exemption from Tax imposed by the United Kingdom on interest.

“**UK Non-Bank Lender**” means:

- (i) where a Lender becomes a Party on the day on which this Agreement is entered into, a Lender listed in Part II of Schedule 1 (*The Original Lenders*); and
 - (ii) where a Lender becomes a Party after the day on which this Agreement is entered into, a Lender which gives a Tax Confirmation in the Assignment Agreement or Transfer Certificate which it executes on becoming a Party.
- (b) Unless a contrary indication appears, in this Clause 12 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

12.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender, it shall promptly notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom if, on the date on which the payment falls due:
 - (i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender (assuming that, in the case of a Treaty Lender, the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488)), but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or

any published practice or published concession of any relevant taxing authority; or

(ii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (i)(B) of the definition of Qualifying Lender; and:

(A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a “**Direction**”) under section 931 of the ITA which relates to the payment and that Lender has received from the Obligor making the payment or from the Company a certified copy of that Direction; and

(B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or

(iii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (i)(B) of the definition of Qualifying Lender and:

(A) the relevant Lender has not given a Tax Confirmation to the Borrower; and

(B) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Borrower, on the basis that the Tax Confirmation would have enabled the Borrower to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA; or

(iv) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) or (h) (as applicable) below.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g)

(i) Subject to paragraph (ii) below, a Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that

Obligor to obtain authorisation to make that payment without a Tax Deduction.

(ii)

(A) A Treaty Lender which becomes a Party on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of Tax residence opposite its name in Part II of Schedule 1 (*The Original Lenders*); and

(B) a New Lender that is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of Tax residence in the Transfer Certificate or Assignment Agreement which it executes,

and, having done so, that Lender shall be under no obligation pursuant to paragraph (i) above.

(h) If a Lender has confirmed its scheme reference number and its jurisdiction of Tax residence in accordance with paragraph (g)(ii) above and:

(i) the Borrower has not made a Borrower DTTP Filing in respect of that Lender; or

(ii) the Borrower has made a Borrower DTTP Filing in respect of that Lender but:

(A) that Borrower DTTP Filing has been rejected by HM Revenue & Customs; or

(B) HM Revenue & Customs has not given the Borrower authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing,

and in each case, the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for the Borrower to obtain authorisation to make that payment without a Tax Deduction.

(i) If a Lender has not confirmed its scheme reference number and jurisdiction of Tax residence in accordance with paragraph (g)(ii) above, no Obligor shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment or its participation in any Loan unless the Lender otherwise agrees.

- (j) The Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Agent for delivery to the relevant Lender.
- (k) Each Lender which becomes a Party on the day which this Agreement is entered into confirms that it is a Qualifying Lender by entering into this Agreement.
- (l) A UK Non-Bank Lender which becomes a Party on the day on which this Agreement is entered into gives a Tax Confirmation to the Company by entering into this Agreement.
- (m) A UK Non-Bank Lender shall promptly notify the Company and the Agent if there is any change in the position from that set out in the Tax Confirmation.

12.3 Tax indemnity

- (a) The Company shall (within 10 Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident or as having a permanent establishment for Tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*);
 - (B) would have been compensated for by an increased payment under Clause 12.2 (*Tax gross-up*) but was not so compensated for solely because one of the exclusions in paragraph (d) of Clause 12.2 (*Tax gross-up*) applied;
 - (C) is compensated for by a payment under Clause 12.6 (*Stamp taxes*) or would have been compensated for by an increased

payment under Clause 12.6 (*Stamp taxes*) but was not so compensated for solely because of the exclusion therein;

(D) is compensated for by a payment under Clause 12.7 (*VAT*); or

(E) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3, notify the Agent.

12.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the circumstances giving rise to that Tax Payment not arisen.

12.5 Lender status confirmation

Each Lender which becomes a Party to this Agreement after the Signing Date shall indicate, in the Transfer Certificate or Assignment Agreement which it executes on becoming a Party which of the following categories it falls in:

(a) not a Qualifying Lender;

(b) a Qualifying Lender (other than a Treaty Lender); or

(c) a Treaty Lender.

If a New Lender fails to indicate its status in accordance with this Clause 12.5, then such New Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Company). For the avoidance of doubt, a Transfer Certificate or Assignment Agreement shall not be invalidated by any failure of a Lender to comply with this Clause 12.5.

12.6 Stamp taxes

The Company shall pay, and, within 10 Business Days of demand, indemnify each Finance Party against, any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document except such as may be payable on the transfer of rights under a Finance Document (other than pursuant to Clause 7.7 (*Right of replacement or repayment and cancellation in relation to a single Lender*) or Clause 15 (*Mitigation by the Lenders*)).

12.7 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any amount in respect of VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant taxing authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **“Supplier”**) to any other Finance Party (the **“Recipient”**) under a Finance Document, and any Party other than the Recipient (the **“Relevant Party”**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration)):
 - (i) (where the Supplier is the person required to account to the relevant taxing authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant taxing authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant taxing authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant taxing authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents an amount in respect of VAT,

save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment for such amount in respect of VAT from the relevant taxing authority.

- (d) Any reference in this Clause 12.7 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

12.8 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within 10 Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or

- (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

12.9 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

13. INCREASED COSTS

13.1 Increased costs

- (a) Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within 10 Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; (ii) compliance with any law or regulation made after the Signing Date; or (iii) the implementation or application or compliance with Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.
- (b) In this Agreement “**Increased Costs**” means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its

Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs and setting out the calculation of the amount.

13.3 Exceptions

Clause 13.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by an Obligor;
- (b) attributable to a FATCA Deduction required to be made by a Party;
- (c) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated for solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied);
- (d) compensated for by Clause 12.6 (*Stamp taxes*) (or would have been compensated for under Clause 12.6 (*Stamp taxes*) but was not so compensated solely because of the exclusion therein);
- (e) attributable to the non-compliance by the relevant Finance Party or its Affiliates with any law or regulation; or
- (f) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Signing Date (but excluding any amendment arising out of Basel III) (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

14. OTHER INDEMNITIES

14.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (i) making or filing a claim or proof against that Obligor;
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within 10 Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

The Company shall (or shall procure that an Obligor will), within 10 Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a direct result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 27 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in the Loan requested by the Borrower in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

14.3 Indemnity to the Agent

The Company shall indemnify the Agent within 10 Business Days of demand against any cost, loss or liability incurred by the Agent (acting reasonably) as a direct result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised by.

14.4 Acquisition indemnity

- (a) The Company, on its own behalf and on behalf of each other member of the Group, agrees to indemnify and hold harmless each Finance Party, each

Affiliate of a Finance Party and each director, officer and employee of a Finance Party (each an “**Indemnified Person**” and, together, the “**Indemnified Persons**”) against any and all loss, damage, liability, cost and/or expense (“**Losses**”) directly incurred by that Indemnified Person in connection with or arising out of any claim, litigation, investigation or proceeding (a “**Proceeding**”) relating to the Acquisition or the funding of the Acquisition (including, without limitation, all fees, expenses and disbursements of legal counsel properly incurred in connection with the investigation of, preparation for and defence of any pending or threatened claim and/or any litigation or other proceeding arising in connection with the Acquisition, whether or not any Indemnified Person is a party), provided, however, that there shall be excluded from such indemnification any such Losses to the extent to which they arise directly out of any action or failure to act by such Indemnified Person that is finally judicially determined to constitute fraud, wilful default or gross negligence on the part of such Indemnified Person.

- (b) Each Party will inform the other Parties (and will procure that each other member of their respective groups will inform such other Parties) as soon as reasonably practicable if it becomes aware of any claim or potential claim which might give rise to a claim against any Indemnified Person in relation to the Acquisition. Neither the Company nor any other member of the Group will, without the prior written consent of each relevant Finance Party (such consent not to be unreasonably withheld or delayed), settle any litigation or proceeding in respect of which indemnification may be sought under this indemnity, regardless of whether or not any Indemnified Person is an actual or potential party to the Facility Agreement, unless such settlement: (i) includes an express, complete and unconditional release of each Indemnified Person with respect to all claims asserted in such litigation or proceeding, such release to be set forth in an instrument signed by all parties to such settlement; and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.
- (c) No member of the Group shall be liable for any settlement of any Proceeding (or solely in respect of such settlement) effected without its consent (which consent shall not be unreasonably withheld, delayed or conditioned) but if settled with such member of the Group’s written consent or if there is a final judgment against an Indemnified Person in any such Proceeding, the Company shall indemnify and hold harmless each Indemnified Person to the extent and in the manner set forth above.
- (d) This Clause 14.4:
 - (i) confers a benefit on the Indemnified Persons, and is intended to be enforceable by the Indemnified Persons by virtue of the Contracts (Rights of Third Parties) Act 1999 in accordance with the provisions of Clause 1.4 (*Third Party Rights*);
 - (ii) does not intend that any term of this Agreement should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any

person who is not a Party, apart from the enforcement of this Clause 14.4 by an Indemnified Person.

15. MITIGATION BY THE LENDERS

15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax gross-up and Indemnities*) or Clause 13 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 Limitation of liability

- (a) The Company shall within 10 Business Days of demand indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*) to the extent that the relevant Finance Party has not otherwise been indemnified in respect of such costs and expenses pursuant to another provision of this Agreement.
- (b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16. COSTS AND EXPENSES

16.1 [Redacted]

16.2 Amendment costs

If:

- (a) an Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 28.10 (*Change of currency*),

the Borrower shall, within 10 Business Days of demand, reimburse the Agent for the amount of all documented costs and expenses (including legal and notarial fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement costs

The Borrower shall, within 10 Business Days of demand, pay to each Finance Party the amount of all documented costs and expenses (including legal fees) incurred by that

Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

SECTION 7 GUARANTEE

17. GUARANTEE AND INDEMNITY

17.1 Guarantee and indemnity

- (a) Each Guarantor irrevocably and unconditionally jointly and severally:
- (i) guarantees to each Finance Party punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents;
 - (ii) undertakes with each Finance Party that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
 - (iii) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 17 if the amount claimed had been recoverable on the basis of a guarantee.
- (b) Each Spanish Guarantor acknowledges that the rights of exclusion, order and division (*beneficios de excusión, orden y división*) under articles 1,830 *et seq.* of the Spanish Civil Code will not apply to each of the guarantees under this Clause 17.1.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 17 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.4 Waiver of defences

The obligations of each Guarantor under this Clause 17 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 17 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any insolvency or similar proceedings; or
- (h) any waiver by a Spanish Obligor of any right of exclusion, order and/or division (*beneficio de excusión, order and/or division*) under Article 1830 of the Spanish Civil Code.

17.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 17.

17.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and Indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 28 (*Payment mechanics*).

17.8 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

17.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

17.10 Spanish law limitations

- (a) The obligations and liabilities under Clause 17 (*Guarantee and Indemnity*) of any Spanish Guarantor incorporated or organised as a *sociedad anónima* under the laws of Spain (a "**Spanish SA Guarantor**") shall be deemed not to be undertaken or incurred by a Spanish SA Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of article 150 of the Spanish Capital Companies Law and, therefore, shall not extend to any obligation incurred by any Obligor as a result of such Obligor borrowing (or guaranteeing the borrowing of) funds (but only in respect of those funds) under this Agreement to the extent utilised for the purposes of:
 - (i) acquiring shares (*acciones*) representing the share capital of such Spanish SA Guarantor or quotas (*participaciones sociales*) or shares (*acciones*) representing the share capital of its holding company, and/ or
 - (ii) refinancing a previous debt incurred by any Obligor for the purposes of (i) above.
- (b) For the purposes of the paragraphs above, a reference to a holding company of a Spanish SA Guarantor shall mean the company which, directly or indirectly, owns the majority of the voting rights of such Spanish SA Guarantor or that may have a dominant influence on such Spanish SA Guarantor.
- (c) The obligations under this Agreement of any Additional Guarantor incorporated or organised as a *sociedad anónima* under the laws of Spain will be subject to

Clause 17.10(a) and references made in Clause 17.10(a) to Spanish SA Guarantor shall be deemed to be made also to such Additional Guarantor.

- (d) The obligations undertaken under this Agreement by any Additional Guarantor incorporated or organized as a *sociedad limitada* under the laws of Spain (a “**Spanish SL Guarantor**”) shall be deemed not to be undertaken or incurred by a Spanish SL Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of article 143 of the Spanish Capital Companies Law and, therefore, shall not extend to any obligation incurred by any Obligor as a result of such Obligor borrowing (or guaranteeing the borrowing of) funds (but only in respect of those funds) under this Agreement to the extent utilised for the purposes of
 - (i) acquiring quotas (*participaciones sociales*) representing the share capital of such Spanish SL Guarantor or quotas (*participaciones sociales*) or shares (*acciones*) representing the share capital of a company within its Group, or
 - (ii) refinancing a previous debt incurred by any Obligor for the purposes of (i) above.
- (e) For the purposes of the paragraphs above, a reference to the Group of a Spanish Guarantor shall mean such Spanish Guarantor and any other companies constituting a unity of decision. It shall be presumed that there is unity of decision when any of the scenarios set out in section 1 of article 42 of the Spanish Commercial Code are met.
- (f) The obligations under this Agreement of any Additional Guarantor incorporated or organised as a *sociedad limitada* (S.L.) under the laws of Spain will be subject to Clause 17.10(d) and references made in this Clause 17.10(d) to Spanish SL Guarantor shall be deemed to be made also to such Additional Guarantor.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

18. REPRESENTATIONS

Each Obligor (unless expressly stated otherwise) makes the representations and warranties set out in this Clause 18 to each Finance Party on the Signing Date.

18.1 Status

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted and, if it is a Spanish Obligor, it is not in a situation which would require it to be dissolved (*causa de disolución patrimonial*).

18.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*) or Clause 24 (*Changes to the Obligors*), legal, valid, binding and enforceable obligations.

18.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) (assuming the accession of the Finance Parties to the Intercreditor Agreement on the Signing Date) any agreement or instrument binding upon it or any of its assets.

18.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

18.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

18.6 Governing law and enforcement

- (a) The choice of English law as the governing law of the Finance Documents (other than the Target Share Pledge) and Irish law as the governing law of the Target Share Pledge, will, in each case, be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgment obtained in England in relation to a Finance Document (other than the Target Share Pledge) and Ireland in relation to the Target Share Pledge, will, in each case, be recognised and enforced in its jurisdiction of incorporation.

18.7 No Event of Default

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might have a Material Adverse Effect.

18.8 Financial statements

- (a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) The Original Financial Statements fairly represent its financial condition as at the end of the relevant financial year and operations during the relevant financial year (on a consolidated basis).
- (c) Its most recent financial statements delivered pursuant to Clause 19.1 (*Financial statements*):
 - (i) have been prepared in accordance with GAAP consistently applied; and
 - (ii) give a true and fair view (if audited) or fairly represent (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.

18.9 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been

started or threatened against it or any member of the Group (excluding any member of the Target Group).

18.10 Acquisition arrangements

- (a) The Acquisition Circular contains all the material terms and, if applicable, conditions of the Acquisition.
- (b) No representation or warranty given by any member of the Group in the Acquisition Documents is untrue or misleading in any material respect.
- (c) The Borrower has complied in all material respects with applicable laws and regulations relevant to an offer or a scheme or arrangement, the Takeover Rules (except to the extent the consent of the Takeover Panel has been obtained) and applicable laws and regulations in relation to the Acquisition.
- (d) The Borrower, in respect of the Finance Parties, has not issued any press release or made any statement or announcement which references the Finance Parties in the context of the Acquisition, except with the applicable party's prior written consent (such consent not required in the case of references required by the Takeover Rules or applicable laws or regulations in relation to the Acquisition or the rules of any securities exchange or regulatory authority).
- (e) The performance by it of, and the transactions contemplated by, the Acquisition Documents do not and will not conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its constitutional documents; or
 - (iii) any agreement or instrument binding upon it or any of its assets.
- (f) It has the power to perform, and has taken all necessary action to authorise its performance of, the Acquisition Documents to which it is a party and the transactions contemplated by those Acquisition Documents.
- (g) All Authorisations required or desirable to enable it lawfully to exercise its rights and comply with its obligations in the Acquisition Documents to which it is a party have been obtained or effected and are in full force and effect.

18.11 Sanctions

Neither it nor any of its Subsidiaries nor any of its or its Subsidiaries' respective directors or officers or, to the best of its knowledge, employees or agents:

- (a) is a Restricted Person; or
- (b) is engaging, directly or indirectly, in any trade, business or other activities in violation of any applicable sanctions administered or enforced by a Sanctions Authority.

18.12 Anti-bribery and corruption

- (a) The operations of the Borrower and each member of the Group are conducted in compliance with applicable financial recordkeeping and reporting requirements and applicable anti-money laundering statutes, rules and regulations issued, administered or enforced by any relevant governmental agency (collectively, the “**Anti-Money Laundering Laws**”) and to the best knowledge of the Borrower no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Borrower or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending.
- (b) No funds or other consideration that the Borrower contributes in connection with any transaction under this Agreement will be related to or derived from any activity that constitutes or would give rise to a violation of applicable Anti-Money Laundering Laws.

18.13 Security

Subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*) or Clause 24 (*Changes to the Obligors*), each Security Document to which it is a party creates the security interests which that Security Document purports to create and those security interests are valid and effective.

18.14 Deduction of Tax

It is not required to make any Tax Deduction (as defined in Clause 12.1 (*Definitions*)) from any payment it may make under any Finance Document to a Lender which is:

- (a) a Qualifying Lender:
 - (i) falling within paragraph (i)(A) of the definition of “Qualifying Lender”;
 - (ii) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (i)(B) of the definition of “Qualifying Lender”; or
 - (iii) falling within paragraph (ii) of the definition of “Qualifying Lender”; or
- (b) a Treaty Lender in circumstances where the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).

18.15 No filing

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction.

18.16 Repetition

- (a) The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:
 - (i) the date of each Utilisation Request, each Utilisation Date and the first day of each Interest Period; and
 - (ii) in the case of an Additional Guarantor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Guarantor.
- (b) Clause 18.8 (*Financial statements*) is deemed to be made by each Obligor on the date on which each set of financial statements are delivered pursuant to Clause 19.1 (*Financial statements*).
- (c) Clause 18.11 (*Sanctions*) shall be made by the Obligors in respect of each member of the Group (excluding the Target Group).
- (d) Clause 18.13 (*Security*) is deemed to be made in respect of the Target Share Pledge on the date that the Target Share Pledge is entered into.

19. INFORMATION UNDERTAKINGS

The undertakings in this Clause 19 remain in force from the Signing Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

19.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within 180 days after the end of each of its financial years:
 - (i) its audited consolidated financial statements for that financial year; and
 - (ii) the financial statements of the Borrower for that financial year; and
- (b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years, its consolidated financial statements for that financial half year.

19.2 Requirements as to financial statements

The Company shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 19.1 (*Financial statements*) is prepared in accordance with GAAP, unless an explanation of the relevant deviation from GAAP is included in the relevant financial statements. Any reference in this Agreement to those financial statements shall

be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

19.3 Information: miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by the Company to its shareholders (or any class of them) or creditors generally at the same time as they are dispatched;
- (b) promptly, such further information regarding the Acquisition and/or the financial condition, business and operations of any Obligor as any Finance Party (through the Agent) may reasonably consider relevant to the Finance Documents and the transactions contemplated thereby (including the Acquisition); and
- (c) promptly upon receipt of the same, a copy of any Pre-Funding Repayment Notice.

19.4 Notification of change in Acquisition

- (a) Where the Acquisition is to be undertaken by way of a Scheme but then changes to an Offer (or vice versa), the Company shall promptly notify the Agent of such change and the Agent shall notify the Lenders of the same.
- (b) Following any change in the way in which the Acquisition is to be undertaken, as notified by the Company under paragraph (a) above, each reference to "Acquisition Documents" in this agreement shall be construed accordingly.

19.5 Notification of Event of Default

- (a) Each Obligor shall notify the Agent of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by two (2) of its directors or senior officers on its behalf certifying that no Event of Default is continuing (or if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

19.6 Use of websites

- (a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Company (the "**Designated Website**") if:

- (i) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
- (ii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a “**Paper Form Lender**”) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following notification of that website by the Company to the Agent.
- (c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
 - (i) the Designated Website cannot be accessed due to technical failure and such failure has continued for 10 Business Days;
 - (ii) the password specifications for the Designated Website change;
 - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
 - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
 - (v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form, unless and until the Agent is satisfied that the circumstances giving rise to the notification are no longer continuing.

19.7 “Know your customer” checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the Signing Date;
 - (ii) any change in the status of an Obligor after the Signing Date; or

- (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Company shall, by not less than 10 Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Guarantor pursuant to Clause 24 (*Changes to the Obligors*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Guarantor obliges the Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

20. GENERAL UNDERTAKINGS

The undertakings in this Clause 20 remain in force from the Signing Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

20.2 Compliance with laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would have a Material Adverse Effect.

20.3 Negative pledge

- (a) No Obligor shall create or permit to subsist any Security over any Secured Asset or [REDACTED].
- (b) Paragraph (a) above does not apply to any Security listed below:
 - (i) any lien arising by operation of law;
 - (ii) any lien for Taxes not assessed or, if assessed, not yet due and payable, or being contested in good faith by appropriate proceedings (and, when required in order to pursue such proceedings, an adequate bond has been provided) and so long as such proceedings are not reasonably likely to involve any material risk of the sale, forfeiture or other loss of any Secured Assets or any interest therein;
 - (iii) liens (other than liens for Taxes) arising out of judgements or awards with respect to which at the time:
 - (A) an appeal or proceeding for review is being prosecuted in good faith by appropriate proceedings (and, when required in order to pursue such proceedings, an adequate bond has been provided); and
 - (B) a stay of execution shall have been secured (and remains in force) pending such appeal or proceeding for review so long as such appeal, proceeding for review or stay is not reasonably likely to involve any material risk of the sale, forfeiture or other loss of any Secured Assets or any interest therein;
 - (iv) any Security entered into pursuant to any Finance Document;

- (v) any Security created or permitted to subsist with the prior written consent of the Majority Lenders.

20.4 Change of business

The Company shall procure that no material change is made to the general nature of the business of the Company from that of a holding company of an airline business.

20.5 *Pari passu* ranking

Each Obligor shall ensure that at all times its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors: (i) except those creditors whose claims are mandatorily preferred by laws of general application to companies; and (ii) subject to the subordination imposed by law on any claim by a Lender which is an affiliate of a Guarantor against the Original Guarantor.

20.6 Target share security

The Company shall procure that, as soon as reasonably practicable after the first Utilisation Date or the first utilisation date of the Bridge Facility (whichever is the earlier) and in any event within three (3) Business Days of that date, the documents listed in paragraph 2 (*Security*) of Part III of Schedule 2 are executed by the Borrower and delivered to the agent under the Bridge Facility Agreement and the Security Agent (or as otherwise specified).

20.7 Use of proceeds

- (a) The Borrower shall not, and shall procure that members of the Group shall not, directly or indirectly use any portion of the proceeds of any Loan, or otherwise knowingly make available any such proceeds, to fund or carry out any business or other activities:
 - (i) involving or for the benefit of any Restricted Person; or
 - (ii) in any manner that: (A) would constitute or give rise to a violation by the Borrower or any of the Lenders of any applicable sanctions laws or regulations issued, administered or enforced by a Sanctions Authority; or (B) would result in the Borrower or any Lender being designated a Restricted Person.
- (b) The Borrower shall not fund all or part of any payment in connection with a Finance Document out of proceeds related to or derived from any activity that constitutes or would give rise to a violation of sanctions enforced or administered by a Sanctions Authority.
- (c) Nothing in this Clause 20.7 shall create or establish an obligation or right for the Borrower to the extent that by agreeing to it, complying with it, exercising it or having such obligation or right the Borrower or any Finance Party would be in violation of any law or regulation applicable to it.

20.8 Anti-bribery and corruption and anti-money laundering

- (a) The Borrower shall, and the Borrower shall ensure that its Subsidiaries will, conduct its businesses in compliance with applicable Anti-Corruption Laws and Anti-Money Laundering Laws.
- (b) The Borrower will not, and shall procure that its Subsidiaries and its and their respective directors, officers, employees, and agents shall not, directly or indirectly, use all or any of the proceeds of any Utilisation or other transaction contemplated by this Agreement, or lend, contribute, or otherwise make available such proceeds, in violation of any applicable Anti-Corruption Laws or Anti-Money Laundering Laws.

20.9 Group ownership of British Airways and Target

The Company shall ensure that:

- (a) each of British Airways and (from and including the Acquisition Settlement Date) the Target are and remain Subsidiary Undertakings of the Company; and
- (b) the Group maintains at least 50 per cent. of the economic benefit of each of British Airways and (from and including the Acquisition Settlement Date) the Target.

20.10 Holding company indebtedness

- (a) The Company shall procure that no company which is both a holding company of British Airways or the Target and, in each case, also a subsidiary of the Company, shall be permitted to incur any material Financial Indebtedness.
- (b) Paragraph (a), above, shall not apply to the Borrower.

20.11 Acquisition undertakings

- (a) The Borrower shall comply in all material respects with applicable laws and regulations relevant to an offer or a scheme or arrangement, the Takeover Rules (except to the extent the consent of the Takeover Panel has been obtained) and applicable laws and regulations in relation to the Acquisition.
- (b) Unless the Takeover Panel agrees otherwise, if it proceeds with the Acquisition the Borrower shall despatch or procure the despatch of the Acquisition Circular within any time limit required by applicable law.
- (c) The Borrower shall ensure that the Acquisition Circular contains all material terms and, if applicable, conditions of the Offer or Scheme.
- (d) The Borrower, in respect of the Finance Parties, and the Finance Parties, in respect of the members of the Group and the Target Group, may not issue any press release or make any statement or announcement which references the relevant party in the context of the Acquisition except with the applicable party's

prior written consent, such consent not to be unreasonably withheld or delayed and not to be required in case of references required by the Takeover Rules or applicable laws or regulations in relation to the Acquisition or the rules of any securities exchange or regulatory authority (but the parties shall use all reasonable endeavours to consult with each other prior to making any such press release, statement or announcement).

- (e) The Borrower shall keep the Agent reasonably updated as to the status and progress of (or otherwise in respect of) the Acquisition (subject to the requirements of the Takeover Rules), including details (at reasonable intervals) of the level of acceptances of the Offer or Scheme.
- (f) The Borrower shall (and the Company will procure that the Borrower will) promptly pay all amounts payable under the Acquisition Documents as and when they become due (except to the extent that any such amounts are being contested in good faith by a member of the Group and where adequate reserves are set aside for any such payment).
- (g) The Borrower shall (and the Company will procure that the Borrower will) take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under any Acquisition Documents.
- (h) The Borrower shall (and the Company will procure that the Borrower shall) ensure that the offer price per Target Share (whether the Acquisition is structured by way of Offer or Scheme) shall be no greater than €[REDACTED] in aggregate per Target Share (inclusive of any payment of any ordinary cash dividend in respect of each such Target Share).

20.12 Insurance

The Company shall ensure that insurances are maintained on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially the same business.

21. EVENTS OF DEFAULT

Each of the events or circumstances set out in Clause 21 is an Event of Default (save for Clauses 21.12 (*Acceleration*) and 21.13 (*Clean-up Period*)).

21.1 Non-payment

An Obligor does not pay within five (5) Business Days of the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable.

21.2 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*)).

- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 20 days of the earlier of (A) the Agent giving notice to the Company and (B) the Company becoming aware of the failure to comply.

21.3 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

21.4 Insolvency

Any Obligor:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts; or
- (c) by reason of actual or anticipated financial difficulties commences negotiations with all or a class of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

21.5 Insolvency proceedings

- (a) An encumbrancer takes possession or a receiver or similar officer is appointed over the whole or 50 per cent. or more of the assets, rights or revenues of any Obligor.
- (b) An Obligor is adjudicated or found bankrupt or insolvent by, or an order is made by, any competent court.
- (c) A resolution is passed by an Obligor for the winding up, administration, reorganisation or dissolution of that Obligor (other than for the purposes of a merger, reorganisation or amalgamation of that Obligor for so long as that Obligor is able to pay its debts as they fall due) or for the appointment of a liquidator, receiver, administrator or other similar officer.
- (d)
 - (i) An application for the making of an administration order is made to a competent court in respect of an Obligor (other than an application which is of a frivolous or vexatious nature and is discharged, stayed or dismissed within 90 days of commencement in the case of an Obligor incorporated in Spain or 45 days of commencement in the case of an Obligor incorporated elsewhere than Spain) and, in the reasonable opinion of the Agent, such application is likely to result in such an order being made; or

- (ii) any such order is in fact made in respect of an Obligor.
- (e) Any analogous procedure or step to those set out in paragraphs (a) to (d) above is taken in any jurisdiction in which an Obligor is incorporated.

21.6 Creditors' process

A distress, execution, sequestration or other process is levied or enforced upon or sued out against substantially the whole of the assets, rights or revenues of an Obligor and is not discharged, dismissed or stayed within 45 days and, in the case of any such distress, execution, sequestration or other process, is such as shall in the opinion of the Agent (acting reasonably) materially adversely affect the rights of the Lenders or any of them under this Agreement.

21.7 Unlawfulness

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.

21.8 Repudiation

An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

21.9 Acquisition documents

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate any Acquisition Document where to do so has or is, in the reasonable opinion of the Majority Lenders, likely to have a material adverse effect on the interests of the Lenders under the Finance Documents, and the period for notification under Clause 19.4 (*Notification of change in Acquisition*) has expired without such notification being made.

21.10 Majority control of the Borrower

The Company ceases to hold majority control over the Borrower. The Company shall be treated as holding majority control if it holds (directly or indirectly) greater than 50 per cent. of the voting and economic interests in the Borrower.

21.11 Cross default

As a result of default by an Obligor (other than a default arising due to compliance by an Obligor with any applicable law or directive or with any requirement, whether having the force of law or not, of any government or regulatory authority to which an Obligor is subject, unless such default results in an Obligor becoming bound to repay prematurely any of its indebtedness for borrowed moneys as described in (a) below (not being that in respect of which the default has occurred) and steps are taken to obtain repayment thereof):

- (a) an Obligor becomes bound to repay prematurely any of its indebtedness for borrowed moneys and steps are taken to obtain repayment thereof; and/or

- (b) any such indebtedness for borrowed moneys or any guarantee or indemnity of an Obligor of any indebtedness for borrowed moneys of any person is not, when due, called or demanded, repaid or paid by the latest of its due date, the expiry of any applicable grace period and (if payment is prevented by any applicable law) 15 days after the first date on which payment is permitted,

provided that any such acceleration of maturity, default or failure to pay under this Clause 21.11, as the case may be, shall not constitute an event upon the happening of which the outstanding Loans may (subject as mentioned above) become immediately due and repayable so long as such indebtedness, guarantee or indemnity to which (a) and/or (b) above applies, either alone or in aggregate, shall amount to an outstanding aggregate principal amount of not more than €60,000,000 or its equivalent in any other currency or currencies.

21.12 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

- (a) cancel the Total Commitments whereupon they shall immediately be cancelled;
- (b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) declare that all or part of the Loan be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (d) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

21.13 Clean-up Period

- (a) If, during the Clean-up Period, any event or circumstance arises or becomes apparent with respect to any member of the Target Group which would constitute a Default (the “**Relevant Default**”):
 - (i) promptly upon becoming aware of its occurrence, the Company shall notify the Agent of that Relevant Default and the related event or circumstance (and the steps, if any, being taken to remedy it); and
 - (ii) subject to paragraph (b) below, during the Clean-up Period that Relevant Default shall not constitute a Default and the Agent shall not be entitled to give any notice under Clause 21.12 (*Acceleration*) with respect to that Relevant Default until (provided that such Relevant Default is then continuing) the date immediately after the end of the Clean-up Period.

- (b) Paragraph (a)(ii) above shall not apply with respect to any Relevant Default to the extent that such Relevant Default:
- (i) was procured or approved of by the Borrower after the Acquisition Settlement Date;
 - (ii) either: (A) is not capable of remedy; or (B) is capable of remedy and reasonable steps are not taken to remedy it; or
 - (iii) has a Material Adverse Effect.

**SECTION 9
CHANGES TO PARTIES**

22. CHANGES TO THE LENDERS

22.1 Assignments and transfers by the Lenders

Subject to this Clause 22 and Clause 23 (*Debt Purchase Transactions*), a Lender (the “**Existing Lender**”) may, after the date on which the Offer Press Release is made and provided that, in relation to an assignment or transfer occurring on or prior to the expiry of the Certain Funds Period, such assignment or transfer is not prohibited by the Takeover Rules or the Takeover Panel (or the subject of an enquiry to the Takeover Panel by a member of the Group or any Finance Party where a final response is pending):

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

in respect of its Commitment in a minimum amount of €1,000,000 to another bank or regulated financial institution (but not to a trust, fund or other similar entity) (the “**New Lender**”). During the Certain Funds Period, British Airways may not assign any of its rights or transfer by novation any of its rights and obligations in respect of its Commitment.

22.2 Conditions of assignment or transfer

- (a) The written consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:
 - (i) to a Pre-Approved Transferee or an Affiliate of a Pre-Approved Transferee (provided that during the Certain Funds Period the relevant Pre-Approved Transferee shall remain liable to fund the full amount of the Commitments that are assigned or transferred to an Affiliate of that Pre-Approved Transferee if that Affiliate should fail to fund any amount that it is required to fund under this Agreement, following such an assignment or transfer); or
 - (ii) to another Lender or an Affiliate of a Lender (provided that during the Certain Funds Period the relevant Existing Lender shall remain liable to fund the full amount of the Commitments that it assigns or transfers to an Affiliate if that Affiliate should fail to fund any amount that it is required to fund under this Agreement, following such an assignment or transfer); or
 - (iii) made, during the Certain Funds Period, at a time when a Certain Funds Default is continuing, and other than during the Certain Funds Period at a time when an Event of Default is continuing.

- (b) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. On or prior to the expiry of the Certain Funds Period, it shall not be unreasonable for the Company to withhold or delay consent: (i) pending confirmation from the Takeover Panel or receipt of advice from its counsel in respect of the Takeover Rules; or (ii) where the financial adviser to the Company or such other institution which has issued a cash confirmation letter in respect of the Offer under the Takeover Rules has not given its consent to the Company.
- (c) An assignment will be effective only on:
- (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and
 - (ii) performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (d) A transfer will be effective only if the procedure set out in Clause 22.5 (*Procedure for transfer*) is complied with.
- (e) If:
- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax gross-up and Indemnities*) or Clause 13 (*Increased Costs*),
- then the New Lender or Lender acting through its new Facility Office is entitled to receive payment under those Clauses only to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (e) shall not apply:
- (iii) in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility; or
 - (iv) in relation to Clause 12.2 (*Tax gross-up*), to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of Tax residence in accordance with Clause 12.2(g)(ii)(B) (*Tax gross-up*) if the Obligor making the payment has not made a Borrower DTTP Filing in respect of that Treaty Lender within five (5)

Business Days of the Company receiving a copy of the Transfer Certificate or Assignment Agreement entered into by that Treaty Lender pursuant to Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*).

- (f) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.
- (g) In addition to the other rights provided to Lenders under this Clause 22 (*Changes to the Lenders*), each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender to a federal reserve or central bank, except that no such charge, assignment or Security shall:
 - (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
 - (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

22.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of €[REDACTED].

22.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

- (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 22; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

22.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 22.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender only once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 22.8 (*Pro rata Interest Settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be

released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “**Discharged Rights and Obligations**”);

- (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
- (iii) the Agent, the Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a “Lender”.

22.6 Procedure for assignment

- (a) Subject to the conditions set out in Clause 22.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute the Assignment Agreement.
- (b) The Agent shall be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender only once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 22.8 (*Pro rata Interest Settlement*), on the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the “**Relevant Obligations**”) and expressed to be the subject of the release in the Assignment Agreement; and

- (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 22.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 22.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 22.2 (*Conditions of assignment or transfer*).

22.7 Copy of Transfer Certificate or Assignment Agreement to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Company a copy of that Transfer Certificate or Assignment Agreement.

22.8 Pro rata Interest Settlement

If the Agent has notified the Lenders and the Company that it is able to distribute interest payments on a “*pro rata* basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 22.5 (*Procedure for transfer*) or any assignment pursuant to Clause 22.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six (6) Months, on the next of the dates which falls at six (6) Monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 22.8, have been payable to it on that date, but after deduction of the Accrued Amounts.

22.9 Spanish law transfer of Security

- (a) In relation to any Security Document governed by Spanish law or any guarantee granted by a Spanish Guarantor, each Spanish Guarantor and each other Party irrevocably agrees that (in accordance with article 1,528 of the Spanish Civil Code) in the event of any assignment or transfer pursuant to Clause 22.1, the

Security created under, together with all rights and remedies arising under, each Security Document governed by Spanish law and each Finance Document entered into by a Spanish Guarantor shall be deemed to have been automatically transferred to the New Lender and maintained in full force and effect.

- (b) Additionally, the Parties expressly agree, for the purposes of article 1,204 of the Spanish Civil Code, that the obligations of each Spanish Guarantor under this Agreement and of any Obligor under any Security Document governed by Spanish law will continue in full force and effect following any transfer by way of novation under Clause 22.1.

23. DEBT PURCHASE TRANSACTIONS

23.1 Tranche A1 Debt Purchase Transactions

- (a) British Airways may require the Lenders with a Tranche A1 Commitment to sell by way of assignment, pursuant to Clause 22 (*Changes to the Lenders*), all or part of a participation in any Loan and any related Tranche A1 Commitment where:
 - (i) such purchase is made for a cash consideration at par plus accrued interest;
 - (ii) such purchase is effected by a purchase from all the Lenders with a Tranche A1 Commitment (each a “**Tranche A1 Lender**”), in the case of each Tranche A1 Lender, in an amount of the aggregate Tranche A1 Commitments being acquired which bears the same proportion as that Tranche A1 Lender’s Tranche A1 Commitment bears to the aggregate of the Tranche A1 Commitments; and
 - (iii) such purchase is made using the process set out in paragraph (b) below.
- (b) A Debt Purchase Transaction referred to in paragraph (a) shall be entered into pursuant to a process (a “**Debt Purchase Process**”) which is carried out as follows:
 - (i) British Airways may by itself or through a financial institution acting on its behalf request to purchase (a “**Purchase Request**”) participations in the Facility through a Tranche A1 Commitment at par up to a set aggregate amount by notifying at the same time the Company, the Borrower, the Agent and all the Tranche A1 Lenders of the same and specifying the Loan(s) and/or Tranche A1 Commitments to which the Purchase Request relates. The date of such Purchase Request shall be the “**Purchase Request Date**”.
 - (ii) The purchase of Tranche A1 Commitments shall be completed and settled by British Airways on the second Business Day following the Purchase Request Date.

- (c) For the avoidance of doubt, there is no limit on the number of occasions a Debt Purchase Process may be implemented.
- (d) Any Tranche A1 Commitment acquired by British Airways in accordance with this Clause 23 will, on completion of such acquisition, be automatically re-characterised as a Tranche A2 Commitment for the purposes of this Agreement.

24. CHANGES TO THE OBLIGORS

24.1 Assignments and transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

24.2 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 19.7 (*"Know your customer" checks*), the Company may request that any new Holding Company of the Company or any Subsidiary of the Company (other than, while British Airways or any of its Subsidiaries is a Finance Party, British Airways or any of its Subsidiaries) becomes an Additional Guarantor. That Holding Company or Subsidiary shall become an Additional Guarantor if:
 - (i) the Company delivers to the Agent a duly completed and executed Accession Letter; and
 - (ii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent acting reasonably.
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions Precedent*).
- (c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.
- (d) Before the Bridge Facility Discharge Date, no Holding Company of the Company or Subsidiary of the Company shall become an Additional Guarantor unless it simultaneously becomes an 'Additional Guarantor' (as defined in the Bridge Facility Agreement) pursuant to the terms of the Bridge Facility Agreement.

24.3 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

24.4 Release of security

- (a) Any Obligor may, by written notice to the Agent, request to transfer all or part of any Charged Property.
- (b) The Agent shall accept such request and notify the Company, the relevant Obligor and the Lenders of its acceptance, and the Security Agent shall, at the cost and expense of the Company, release any such Charged Property, if:
 - (i) no Default is continuing (and the Company has confirmed this is the case);
 - (ii) the relevant Charged Property is to be transferred to the Company or a wholly owned Subsidiary of the Company; and
 - (iii)
 - (A) immediately upon the occurrence of such transfer, the relevant Charged Property will become subject to Transaction Security which is, in the opinion of the Agent (acting reasonably), equivalent to the Transaction Security to which the relevant Charged Property was subject immediately prior to such transfer; and
 - (B) the Agent and the Security Agent have received, to the satisfaction of the Agent and the Security Agent (each acting reasonably), any Security Documents and other documents as are reasonably required in connection with such transfer and the provision of the new Transaction Security.
- (c) Any such release of Transaction Security referred to in paragraph (b) above shall become effective only on the occurrence of the relevant transfer.

SECTION 10
THE FINANCE PARTIES

25. ROLE OF THE AGENT AND THE ARRANGER AND THE REFERENCE BANKS

25.1 Appointment of the Agent

- (a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arranger and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

25.2 Instructions

- (a) (a) The Agent shall:
 - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
 - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (B) in all other cases, the Majority Lenders; and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
- (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in

advance) for any cost, loss or liability which it may incur in complying with those instructions.

- (e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.
- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

25.3 Duties of the Agent

- (a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (c) Without prejudice to Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*), paragraph (b) above shall not apply to any Transfer Certificate or to any Assignment Agreement.
- (d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.
- (g) The Agent shall provide to the Company within three (3) Business Days of a request by the Company (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at that Business Day, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

- (h) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

25.4 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

25.5 No fiduciary duties

- (a) Nothing in any Finance Document constitutes the Agent or the Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Agent nor the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

25.6 Business with the Group

The Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

25.7 Rights and discretions of the Agent

- (a) The Agent may:
- (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
- (ii) assume that:
- (A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
- (B) unless it has received notice of revocation, that those instructions have not been revoked; and
- (iii) rely on a certificate from any person:
- (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
- (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 21.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and
 - (iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts if the Agent in its reasonable opinion deems this to be necessary.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.
- (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Agent may act in relation to the Finance Documents through its officers, employees and agents.
- (g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) Without prejudice to the generality of paragraph (g) above, the Agent:
 - (i) may disclose; and
 - (ii) on the written request of the Company or the Majority Lenders shall, to the extent it is so aware, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Company and to the other Finance Parties.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

- (j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

25.8 Responsibility for documentation

Neither the Agent nor the Arranger is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, or under, or in connection with any Finance Document.

25.9 No duty to monitor

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

25.10 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of:

- (A) any act, event or circumstance not reasonably within its control;
or
- (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out:
 - (i) any “know your customer” or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent’s liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual

loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

25.11 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

25.12 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the Lenders and the Company.
- (b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom).
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (d) above) but shall remain entitled to the benefit of Clause 14.3 (*Indemnity to the Agent*) and this Clause 25 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

- (g) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three (3) months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under Clause 12.8 (*FATCA Information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 12.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

25.13 Replacement of the Agent

- (a) After consultation with the Company, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of Clause 14.3 (*Indemnity to the Agent*) and this Clause 25 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

25.14 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

25.15 Relationship with the Lenders

- (a) Subject to Clause 22.8 (*Pro rata Interest Settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 30.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 30.2 (*Addresses*) and paragraph (a)(ii) of Clause 30.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

25.16 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent

and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

25.17 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

25.18 Role of Reference Banks

No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.

25.19 Third party Reference Banks

A Reference Bank which is not a Party may rely on Clause 25.18 (*Role of Reference Banks*), Clause 34.3 (*Other exceptions*) and Clause 36 (*Confidentiality of Funding Rates and Reference Bank Quotations*) subject to Clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Act.

26. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

Subject to Clause 15 (*Mitigation by the Lenders*) no provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (Tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (Tax or otherwise) or any computations in respect of Tax.

27. SHARING AMONG THE FINANCE PARTIES

27.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 28 (*Payment mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 28 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 28.6 (*Partial payments*).

27.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 28.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

27.3 Recovering Finance Party's rights

On a distribution by the Agent under Clause 27.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered

Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

27.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

27.5 Exceptions

- (a) This Clause 27 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings:
 - (i) if:
 - (A) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (B) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings; or
 - (ii) if a Spanish Obligor is declared insolvent and that Recovering Finance Party is not a specially related person to that Spanish Obligor as defined in article 93 of the Spanish Insolvency Law, in which case the Recovering Finance Party will not need to pay any amount to any Finance Party that is regarded as being a specially related person to the relevant Spanish Obligor in accordance with Clause 28.6(c);
 - (iii) to the extent such amount is received in accordance with article 91.7 of the Spanish Insolvency Law, if:

- (A) it notified that other Finance Party of its intention to apply for the initiation of insolvency proceedings; and
- (B) within a maximum period of 15 Business Days, no joint application for the declaration of insolvency proceedings was agreed by that other Finance Party.

27.6 Intercreditor Agreement

The Finance Parties shall accede to the Intercreditor Agreement on the Signing Date in accordance with the terms of the Intercreditor Agreement.

**SECTION 11
ADMINISTRATION**

28. PAYMENT MECHANICS

28.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London, as specified by the Agent) with such bank as the Agent, in each case, specifies.

28.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 28.3 (*Distributions to an Obligor*) and Clause 28.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

28.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 29 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

28.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to

the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:
 - (i) the Agent shall notify the Company of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and
 - (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

28.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 28.1 (*Payments to the Agent*) may instead either:
 - (i) pay that amount direct to the required recipient(s); or
 - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**"). In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 28.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 25.13 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 28.2 (*Distributions by the Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
- (i) that it has not given an instruction pursuant to paragraph (d) above; and
 - (ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

28.6 Partial payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
- (i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent under the Finance Documents;
 - (ii) **second**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under this Agreement;
 - (iii) **third**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and
 - (iv) **fourth**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Notwithstanding any other term of any Finance Document, if upon the declaration of insolvency in respect of a Spanish Obligor, a payment is received by the Agent and the Agent has been advised by its legal counsel that British Airways' claims under this Agreement in respect of such payment have been declared by a court of competent jurisdiction subordinated in that Spanish Obligor's insolvency proceedings (the "**Subordinated Payment**"):

- (i) the Agent shall certify to the Company and the Lenders that it has received such advice in respect of the Subordinated Payment;
- (ii) while British Airways' claims under this Agreement remain subordinated by virtue of such declaration, it shall not be entitled by virtue of paragraph (a), above, or any other term of a Finance Document, to receive a sum greater than that to which it would be entitled to receive by virtue of the operation of Spanish law with respect to British Airways' subordination in that Spanish Obligor's insolvency proceedings; and
- (iii) sub-paragraph (ii) shall cease to apply once:
 - (A) British Airways has requested in writing that the Agent instruct, and the Agent shall instruct, the Agent's legal counsel to review whether British Airways continues, as a matter of Spanish law, to be subordinated in that Spanish Obligor's insolvency proceedings (which request shall enclose, on a non-reliance basis, British Airways' legal counsel's analysis of the same);
 - (B) the Agent's legal counsel confirm to the Agent that British Airways does not continue, as a matter of Spanish law, to be subordinated in that Spanish Obligor's insolvency proceedings; and
 - (C) the Agent has, promptly on receipt of the confirmation referred to at paragraph (B) above, notified the Lenders and the Company of the same (and the Agent shall give such notification).
- (d) Paragraphs (a), (b) and (c) above will override any appropriation made by an Obligor.
- (e) In paragraph (c) above, British Airways means British Airways and each Affiliate of the Company or British Airways that is a Lender or which has entered into an arrangement referred to in paragraph (c)(ii) of Clause 34.4 ([Redacted]).

28.7 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

28.8 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

28.9 Currency of account

- (a) Subject to paragraphs (b) and (c) below, euro is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than euro shall be paid in that other currency.

28.10 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

28.11 Disruption to payment systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its reasonable opinion, it is not

practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 34 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 28.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

29. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

30. NOTICES

30.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

30.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company and the Borrower, that identified with its name below;
- (b) in the case of each Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

30.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 30.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent.

(d) Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

(e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

30.4 Notification of address and fax number

Promptly upon changing its own address or fax number, the Agent shall notify the other Parties.

30.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

30.6 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including without limitation, by way of posting to a secure website) if those two Parties;
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five (5) Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 30.6.

30.7 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

31. CALCULATIONS AND CERTIFICATES

31.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

31.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is *prima facie* evidence of the matters to which it relates.

31.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

32. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

33. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

34. AMENDMENTS AND WAIVERS

34.1 Required consents

- (a) Subject to Clause 34.2 (*All Lender matters*) and Clause 34.3 (*Other exceptions*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 34.

34.2 All Lender matters

- (a) Subject to Clause 34.5 (*Replacement of Screen Rate*), an amendment or waiver which relates to:
- (i) the definition of “Majority Lenders” in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in any Commitment or an extension of the Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
 - (v) a change to the Borrower or the Guarantors other than in accordance with Clause 24 (*Changes to the Obligors*);
 - (vi) any provision which expressly requires the consent of all the Lenders;
 - (vii) Clause 2.2 (*Finance Parties’ rights and obligations*), Clause 22 (*Changes to the Lenders*) or this Clause 34; or
 - (viii) the release of all or any material part of the obligations of the Guarantors under Clause 17 (*Guarantee and Indemnity*) or the release of any Security created pursuant to a Security Document (other than in accordance with the terms of such Security Document),

shall not be made without the prior consent of all the Lenders.

34.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger (each in their capacity as such) may not be effected without the consent of the Agent or the Arranger, as the case may be.

34.4 [Redacted]

34.5 Replacement of Screen Rate

- (a) Subject to Clause 34.3 (*Other exceptions*), if the Screen Rate is not available for euro, any amendment or waiver which relates to providing for another benchmark rate to apply in relation to euro in replacement of that Screen Rate (or which relates to aligning any provision of a Finance Document to the use of that other benchmark rate) may be made with the consent of the Majority Lenders and the Obligors.

- (b) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within three (3) Business Days (unless the Company and Agent agree to a longer time period in relation to any request) of that request being made:
 - (i) its Commitment shall not be included for the purpose of calculating the Total Commitments when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and
 - (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

34.6 Effect of amendment under Spanish law

For the purposes of Spanish law, the Parties reciprocally acknowledge and confirm that the amendment of this Agreement shall constitute, and shall be construed as, a non-extinctive novation (*novación modificativa no extintiva*) of the obligations contemplated in this Agreement and will not have a novative effect (*efectos extintivos*) on such obligations.

35. CONFIDENTIAL INFORMATION

35.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 35.2 (*Disclosure of Confidential Information*) and Clause 35.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

35.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall reasonably consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more

Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's Affiliates, Representatives and professional advisers;

- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Representatives and professional advisers;
- (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of Clause 25.15 (*Relationship with the Lenders*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
- (v) to whom and to the extent that information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom and to the extent that information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes concerning the Finance Documents;
- (vii) who is a Party; or
- (viii) with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider reasonably appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by

requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

- (C) in relation to paragraphs (b)(v) and (b)(vi) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that in the case of Clause 35.2(b)(v) only, there shall be no requirement to so inform if, in the reasonable opinion of that Finance Party, it is not practicable so to do in the circumstances; or
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party.

35.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
- (i) names of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) the Signing Date;
 - (v) the names of the Agent and the Arranger;
 - (vi) date of each amendment and restatement of this Agreement;
 - (vii) amount of Total Commitments;
 - (viii) currency of the Facility;
 - (ix) type of Facility;

- (x) ranking of Facility;
- (xi) Termination Date for Facility;
- (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
- (xiii) such other information agreed between such Finance Party and the Company,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Agent shall notify the Company and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

35.4 Entire agreement

This Clause 35 (*Confidential information*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

35.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

35.6 Notification of disclosure

- (a) Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:
 - (i) in advance of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 35.2

(Disclosure of Confidential Information) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

- (ii) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 35 (*Confidential information*).
- (b) Each of the Finance Parties agrees to forward to the Agent for delivery to the Company a copy of any Confidentiality Undertaking obtained under Clause 35.2(b) as soon as reasonably practicable.

35.7 Continuing obligations

The obligations in this Clause 35 (*Confidential information*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 24 Months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

35.8 Disclosure to cash confirming entity

Notwithstanding any other provision of this Agreement, the Company and the Borrower may provide a copy of this Agreement to any entity confirming that the Borrower has sufficient resources to satisfy in full acceptance of the Offer pursuant to Rules 2.5(d) and 24.7 of the Takeover Rules.

36. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

36.1 Confidentiality and disclosure

- (a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate to the relevant Borrower pursuant to Clause 8.4 (*Notification of rates of interest*); and
 - (ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers

or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.

- (c) The Agent and each Obligor may disclose any Funding Rate or any Reference Bank Quotation to:
- (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.
- (d) The Agent's obligations in this Clause 36 relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 8.4 (*Notification of rates of interest*) provided that (other than pursuant to paragraph (b)(i) above) the Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

36.2 Related obligations

- (a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable

legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.

- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 36.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 36.

36.3 No Event of Default

No Event of Default will occur under Clause 21.2 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 36.

37. COUNTERPARTS

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

38. SPANISH LAW FORMALITIES

38.1 Spanish Public Documents

- (a) The Obligors undertake to raise this Agreement to the status of a Spanish Public Document within 10 Business Days of Signing Date.
- (b) The Spanish Public Document:
 - (i) will have the effects established under articles 517 *et seq.* of the Spanish Civil Procedural Law; and
 - (ii) may, at the choice of the Agent, include a translation into Spanish of this Clause 38.
- (c) Each Party hereby authorises the Agent to request and obtain from the Spanish notary public before whom any Finance Document has been formalised, any further copy of any Finance Document notarised.

38.2 Executive proceedings

- (a) For the purpose of Article 571 *et seq.* of the Spanish Civil Procedural Law:

- (i) the amount due and payable under the Finance Documents that may be claimed in any executive proceedings will be contained in a certificate supplied by the Agent and will be based on the accounts maintained by the Agent in connection with this Agreement;
 - (ii) the Parties expressly agree that such balance shall be considered as an acknowledgement of debt and may be claimed pursuant to the same provisions of such law;
 - (iii) the determination of the debt to be claimed through the executive proceeding shall be effected by the Agent by means of the appropriate certificate evidencing the balance shown in the account or account of the relevant Spanish Obligor; and
- (b) the Agent may (at the cost of the relevant Spanish Obligor) have the certificate notarised.
- (c) the Agent may start executive proceedings by presenting to any relevant court:
 - (i) an original notarial copy of this Agreement; and
 - (ii) a notarial document (*acta notarial*) incorporating the certificate referred to in subparagraph (a)(i) above, evidencing that the determination of the amounts due and payable by the relevant Spanish Obligor have been calculated as agreed in this Agreement and that such amounts coincide with the balance shown in the account or accounts of the relevant Spanish Obligor.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

39. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

40. ENFORCEMENT

40.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 40.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

40.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints International Consolidated Airlines Group, S.A., UK Branch, with address at 2 World Business Centre, Newall Road, London Heathrow Airport, TW6 2SF as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**Schedule 1
The Original Lenders**

Part I – Other than UK Non-Bank Lenders

Name	Scheme reference number	Jurisdiction of Tax residence	Commitment (EUR)	
			Tranche A1	Tranche A2
Landesbank Hessen-Thüringen Girozentrale	7/L/70504/DTTP	Germany	€200,000,000	-
Tranche Total:			€200,000,000	-
Total:			€200,000,000	

Part II – UK Non-Bank Lenders

Name	Commitment (EUR)	
	Tranche A1	Tranche A2
British Airways Plc	-	€400,000,000
Tranche Total:		€400,000,000
Total:		€400,000,000

Schedule 2
Conditions Precedent

Part I
Conditions Precedent to Initial Utilisation

1. Original Obligors

- (a) A copy of:
 - (i) in respect of each Original Obligor that is not a Spanish Obligor, its constitutional documents; and
 - (ii) in respect of each Original Obligor that is a Spanish Obligor, an online excerpt (*certificación telemática*) issued by the relevant Mercantile Registry including that no special situations have been registered and a copy of the updated version of such Original Obligor's by-laws.
- (b) A copy of a resolution of the board of directors of each Original Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (iv) in the case of an Obligor other than the Company, authorising the Company to act as its agent in connection with the Finance Documents.
- (c) A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Original Obligor to be exceeded.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (e) A certificate of an authorised signatory of the relevant Original Obligor certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the Signing Date.

2. Legal opinions

- (a) A legal opinion of Norton Rose Fulbright LLP, legal advisers to the Arranger and the Agent as to matters of English law, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (b) A legal opinion of J&A Garrigues, S.L.P., legal advisers to the Company and the Borrower as to matters of Spanish law, substantially in the form distributed to the Original Lenders prior to signing this Agreement, in relation to the valid incorporation and capacity of the Spanish Obligors.

3. Finance Documents

- (a) This Agreement executed by the Original Obligors.
- (b) A copy of the executed Intercreditor Agreement.
- (c) The Fee Letters executed by the Borrower.
- (d) A copy of the executed Bidco Share Pledge.
- (e) A copy of the Target Share Pledge in the form agreed with the finance parties under the Bridge Facility Agreement.

4. Other documents and evidence

- (a) Confirmation that all fees, costs and expenses then due from the Borrower under this Agreement have been paid or will be paid by the first Utilisation Date.
- (b) A copy of each of the Offer Press Release, Offering Circular and Transaction Agreement, such copy certified by the Borrower.
- (c) A copy of the executed (if in a form that requires execution) Acquisition Documents (other than the Offer Press Release, Offering Circular and Transaction Agreement), such copies certified by the Borrower (and which, provided they: (i) comply with those matters specified in paragraph (a) of Clause 18.10 (*Acquisition arrangements*); and (ii) are consistent with the terms and conditions set out in the Offer Press Release delivered under paragraph (b) above shall be deemed to be in form and substance satisfactory to the Agent).
- (d) A copy of the Group Structure Chart.
- (e) A copy of the Original Financial Statements.
- (f) An extract of the resolution of the board of directors of British Airways approving the provision of the Tranche A2 Commitment and entry into the Finance Documents to which British Airways is party.
- (g) Evidence that any process agent referred to in Clause 40.2 (*Service of process*), if not an Original Obligor, has accepted its appointment.

- (h) If the Acquisition proceeds by way of Offer, a copy of the Offer Closing Certificate, or, if the Acquisition proceeds by way of Scheme, a certificate of the Company confirming that the Scheme has become effective under Irish law.

Part II
Conditions Precedent required to be
Delivered by an Additional Guarantor

1. An Accession Letter, duly executed by the Additional Guarantor and the Company.
2. A copy of:
 - (i) in respect of each Additional Guarantor that is not a Spanish Obligor, its constitutional documents; and
 - (ii) in respect of each Additional Guarantor that is a Spanish Obligor, an online excerpt (*certificación telemática*) issued by the relevant Mercantile Registry including that no special situations have been registered and a copy of the updated version of such Additional Guarantor's by-laws.
3. A copy of a resolution of the board of directors of the Additional Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
 - (b) authorising a specified person or persons to execute the Accession Letter on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents.
4. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
5. A copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.
6. A certificate of the Additional Guarantor (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
7. A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
8. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
9. If available, the latest audited financial statements of the Additional Guarantor.

10. A legal opinion of the legal advisers to the Arranger, the Agent and the Security Agent in England.
11. If the Additional Guarantor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Arranger and the Agent in the jurisdiction in which the Additional Guarantor is incorporated.
12. If the proposed Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 40.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Guarantor.

Part III
Conditions Subsequent

1. Corporate authorities

- (a) If changed since delivery pursuant to Part I (*Conditions Precedent to Initial Utilisation*) of this Schedule 2, a copy of the Borrower's constitutional documents.
- (b) If not already authorised by the resolution of the board of directors of the Borrower delivered pursuant to Part I (*Conditions Precedent to Initial Utilisation*) of this Schedule 2, a copy of a resolution of the board of directors of the Borrower:
 - (i) approving the terms of, and the transactions contemplated by, the Target Share Pledge and resolving that it execute the Target Share Pledge;
 - (ii) authorising a specified person or persons to execute the Target Share Pledge on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with Target Share Pledge.
- (c) If different to the specimen signatures delivered pursuant to Part I (*Conditions Precedent to Initial Utilisation*) of this Schedule 2, a specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

2. Security

- (a) A copy of the Target Share Pledge executed by the Borrower in the form agreed with the finance parties under the Bridge Agreement and the Security Agent.
- (b) To the extent not provided to the Security Agent, or to the agent under the Bridge Facility Agreement, a copy of: (i) all share certificates, transfers and stock transfer forms or equivalent duly executed by the Borrower in blank in relation to the assets subject to or expressed to be subject to the Target Share Pledge to be provided under clause 4.1 (*Original Shares*) of the Target Share Pledge; and (ii) all other deliverables to be provided under the Target Share Pledge.

3. Legal opinions

- (c) A legal opinion of Matheson, legal advisers to the Arranger and the Agent in the Republic of Ireland, substantially in the form distributed to the Original Lenders prior to signing this Agreement, in relation to the validity of the Target Share Pledge.

- (b) A legal opinion of Norton Rose Fulbright LLP, legal advisers to the Arranger and the Agent as to matters of English law, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

**Schedule 3
Utilisation Request**

From: AERL Holding Limited

To: Landesbank Hessen-Thüringen Girozentrale as Agent

Dated: [●]

Dear Sirs,

**AERL Holding Limited – €600,000,000 Term Facility Agreement
dated 31 July 2015 (the “Agreement”)**

1. We refer to the Agreement. This is the Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow the Loan on the following terms:
 - Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)
 - Currency of Loan: Euro
 - Amount: €[●] or, if less, the Available Facility
 - Interest Period: [●] Months
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of the Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully,

.....
authorised signatory for
AERL Holding Limited

Schedule 4
Form of Transfer Certificate

To: Landesbank Hessen-Thüringen Girozentrale as Agent and International Consolidated Airlines Group, S.A. as Company, for and on behalf of each Obligor

From: [*The Existing Lender*] (the “**Existing Lender**”) and [*The New Lender*] (the “**New Lender**”)

Dated:

AERL Holding Limited – €600,000,000 Term Facility Agreement
dated 31 July 2015 (the “Agreement”)

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to Clause 22.5 (*Procedure for transfer*):
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 22.5 (*Procedure for transfer*), all of the Existing Lender’s rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment and participations in Loans under the Agreement as specified in the Schedule.
 - (b) The proposed Transfer Date is [●].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 30.2 (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 22.4 (*Limitation of responsibility of Existing Lenders*).
4. The New Lender confirms that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]¹.
5. [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:
 - (i) a company resident in the United Kingdom for United Kingdom Tax purposes;

¹ Delete as applicable – each New Lender is required to confirm which of these three categories it falls within.

- (ii) a partnership each member of which is:
 - (A) a company resident in the United Kingdom for Tax purposes; or
 - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
 - (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company².]
6. [The New Lender confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number [●]) and is Tax resident in [●]³, so that interest payable to it by borrowers is generally subject to full exemption from UK withholding tax and requests that the Agent notify the Borrower that it wishes that scheme to apply to the Agreement.]⁴
 7. The New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
 8. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
 9. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by [English][Spanish] law.
 10. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

² Include if New Lender falls within paragraph (i)(B) of definition of Qualifying Lender.

³ Insert jurisdiction of Tax residence.

⁴ Include if New Lender holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Agreement.

The Schedule
Commitment/rights and obligations to be transferred

[insert relevant details]

*[Facility Office address, fax number and attention details
for notices and account details for payments.]*

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [●].

Landesbank Hessen-Thüringen Girozentrale as Agent

By:

Schedule 5
Form of Assignment Agreement

To: Landesbank Hessen-Thüringen Girozentrale as Agent and International Consolidated Airlines Group, S.A. as Company, for and on behalf of each Obligor

From: [*the Existing Lender*] (the “**Existing Lender**”) and [*the New Lender*] (the “**New Lender**”)

Dated:

AERL Holding Limited – €600,000,000 Term Facility Agreement
dated 31 July 2015 (the “Agreement”)

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
2. We refer to Clause 22.6 (*Procedure for assignment*):
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitments and participations in Loans under the Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitments and participations in Loans under the Agreement specified in the Schedule.
 - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.⁵
3. The proposed Transfer Date is [●].
4. On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 30.2 (*Addresses*) are set out in the Schedule.

⁵ If the Assignment Agreement is used in place of a Transfer Certificate in order to avoid a novation of rights/obligations for reasons relevant to a civil jurisdiction, local law advice should be sought to check the suitability of the Assignment Agreement due to the assumption of obligations contained in paragraph 2(c). This issue should be addressed at primary documentation stage.

6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 22.4 (*Limitation of responsibility of Existing Lenders*).
7. The New Lender confirms that it is [a Qualifying Lender (other than a Treaty Lender)]/[a Treaty Lender]/[not a Qualifying Lender]⁶.
8. [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:
 - (i) a company resident in the United Kingdom for United Kingdom Tax purposes;
 - (ii) a partnership each member of which is:
 - (A) a company resident in the United Kingdom for Tax purposes; or
 - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
 - (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company⁷.]
9. [The New Lender confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number [●]) and is Tax resident in [●]⁸, so that interest payable to it by borrowers is generally subject to full exemption from UK withholding tax and requests that the Agent notify the Borrower that it wishes that scheme to apply to the Agreement.]⁹
10. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*), to the Company (on behalf of each Obligor) of the assignment referred to in this Assignment Agreement.

⁶ Delete as applicable – each New Lender is required to confirm which of these three categories it falls within.

⁷ Include if New Lender falls within paragraph (i)(B) of definition of Qualifying Lender.

⁸ Insert jurisdiction of Tax residence.

⁹ Include if New Lender holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Agreement.

11. The New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Lender and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
12. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.
13. This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
14. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

The Schedule

Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

*[Facility office address, fax number and attention details
for notices and account details for payments]*

[Existing Lender]

[New Lender]

By:

By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [●].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

Landesbank Hessen-Thüringen Girozentrale as Agent

By:

**Schedule 6
Form of Accession Letter**

To: Landesbank Hessen-Thüringen Girozentrale as Agent

From: [Acceding entity] and International Consolidated Airlines Group, S.A.

Dated:

Dear Sirs,

**AERL Holding Limited – €600,000,000 Term Facility Agreement
dated 31 July 2015 (the “Agreement”)**

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [Acceding entity] agrees to become an Additional Guarantor and to be bound by the terms of the Agreement as an Additional Guarantor pursuant to Clause 24.2 (*Additional Guarantors*) of the Agreement, including without limitation Clause 2.3 (*Obligors’ Agent*). [Acceding entity] is a company duly incorporated under the laws of [name of relevant jurisdiction].
3. [Acceding entity’s] administrative details are as follows:

Address: [•]

Fax No: [•]

Attention: [•]
4. This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

[This Accession Letter is entered into by deed.]

.....
International Consolidated Airlines Group, S.A.	[Acceding entity]

Schedule 7
Timetables

Delivery of the duly completed Utilisation Request (Clause 5.1 (<i>Delivery of a Utilisation Request</i>))	U-3 10.00 am
Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (<i>Lenders' participation</i>)	U-3 Noon
EURIBOR is fixed	Quotation Day as of 11.00 a.m.

“U – X” = X Business Days prior to date of Utilisation

Schedule 8
Pre-Approved Transferees

[REDACTED]

Schedule 9
Repayment Schedule

The Borrower shall repay each Loan in instalments by repaying on each date specified in the table below the corresponding amount as set out in the table below which reduces the principal amount outstanding of the relevant Loan by an amount equal to the relevant percentage of the Loan borrowed by the Borrower on the relevant Utilisation Date.

Repayment Date – Anniversary of first Utilisation Date	Repayment Instalment – Relevant Percentage
First Anniversary	10%
Second Anniversary	15%
Third Anniversary	25%
Fourth Anniversary	25%
Fifth Anniversary	25%

SIGNATURES

THE BORROWER

AERL Holding Limited

By: 

Address: 2 World Business Centre, Newall Road, London Heathrow Airport TW6 2SF

Fax: +44 (0)20 8564 2952

Attention: The Directors

E-mail: reception@iairgroup.com

THE COMPANY and THE ORIGINAL GUARANTOR

International Consolidated Airlines Group, S.A.

By: 

Address: El Caserío, Iberia Zona Industrial nº 2 (La Muñoza)
Camino de La Muñoza
s/n, 28042 Madrid
Spain

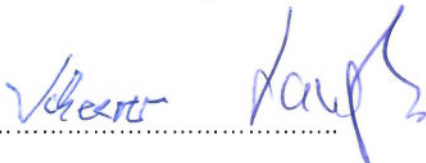
Fax: +44 (0)20 8564 2952

Attention: Jorge Otero Rodriguez

E-mail: jorge.otero@iairgroup.com and treasury@iairgroup.com

THE ARRANGER

Landesbank Hessen-Thüringen Girozentrale

By: 

Address: MAIN TOWER
Neue Mainzer Straße 52 – 58
60311 Frankfurt am Main
Germany

Fax: +49 69 9132 2999

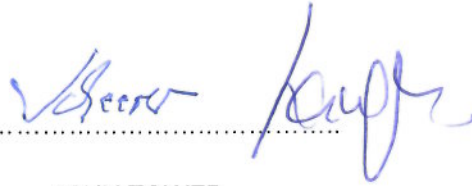
Attention: Manfred Scheerer / Dr. Michael Lang

E-mail: Manfred.Scheerer@helaba.de / Michael.Lang@helaba.de

THE ORIGINAL LENDERS

Landesbank Hessen-Thüringen Girozentrale

By:

A handwritten signature in blue ink, appearing to read 'Scheerer Lang', is written over a dotted line.


Address: MAIN TOWER
Neue Mainzer Straße 52 – 58
60311 Frankfurt am Main
Germany

Fax: +49 69 9132 2999

Attention: Manfred Scheerer / Dr. Michael Lang

E-mail: Manfred.Scheerer@helaba.de / Michael.Lang@helaba.de

British Airways Plc

By: 

Address: Waterside (HCA3), PO Box 365, Harmondsworth, Middlesex UB7 0GB

Fax: +44 (0)20 8738 9618

Attention: Group Treasurer

THE SECURITY AGENT

Landesbank Hessen-Thüringen Girozentrale

By:



Address: MAIN TOWER
Neue Mainzer Straße 52 – 58
60311 Frankfurt am Main
Germany

Fax: +49 69 9132 2999

Attention: Rainald Hentze / Dr. Michael Lang

E-mail: Rainald.Hentze@helaba.de / Michael.Lang@helaba.de

THE AGENT

Landesbank Hessen-Thüringen Girozentrale

By: 

Address: MAIN TOWER
Neue Mainzer Straße 52 – 58
60311 Frankfurt am Main
Germany

Fax: +49 69 9132 8 4905

Attention: Heike Dill-Tiedemann / Meike Pöpke

E-mail: agency@helaba.de

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