

CONFORMED COPY OF EXECUTION VERSION  
DATED 8 AUGUST 2008 AS AMENDED ON 13  
JANUARY 2012 AND 28 FEBRUARY 2019

**BAA (SP) Limited**  
as Security Parent  
**BAA (AH) Limited**  
as Asset Holdco  
**BAA (SH) LIMITED**  
as Sub Holdco  
**HEATHROW AIRPORT LIMITED**  
**GATWICK AIRPORT LIMITED**  
**STANSTED AIRPORT LIMITED**  
as Borrowers  
**BAA LIMITED**  
as Borrower Cash Manager and Security Group Agent  
**HEATHROW EXPRESS OPERATING CO. LTD**  
as HEX Opco  
**DEUTSCHE TRUSTEE COMPANY LIMITED**  
as Borrower Security Trustee  
**DEUTSCHE TRUSTEE COMPANY LIMITED**  
as Bond Trustee  
**BAA FUNDING LIMITED**  
as Issuer  
**THE ROYAL BANK OF SCOTLAND PLC**  
as Initial Credit Facilities Agent  
**CERTAIN FINANCIAL INSTITUTIONS**  
as Initial Capex Facility Providers  
**CERTAIN FINANCIAL INSTITUTIONS**  
as Initial WCF Providers  
**THE ROYAL BANK OF SCOTLAND PLC**  
as Refinancing Facility Agent  
**CERTAIN FINANCIAL INSTITUTIONS**  
As Initial Refinancing Facility Providers  
**LLOYDS TSB BANK PLC**  
as Initial Issuer Liquidity Facility Agent and Initial Issuer Liquidity Facility Provider  
**LLOYDS TSB BANK PLC**  
as Initial Borrower Liquidity Facility Agent and Initial Borrower Liquidity Facility Providers  
**THE EUROPEAN INVESTMENT BANK**  
EIB Lender  
**BAA PENSION TRUST COMPANY LIMITED**  
as BAA Pension Trustee  
**CERTAIN FINANCIAL INSTITUTIONS**  
as Initial Issuer Hedge Counterparties and Initial Borrower Hedge Counterparties  
**DEUTSCHE BANK AG, LONDON BRANCH**  
as Principal Paying Agent and Agent Bank  
**DEUTSCHE BANK TRUST COMPANY AMERICAS**  
as U.S. Paying Agent, Exchange Agent, Transfer Agent and Registrar  
**THE ROYAL BANK OF SCOTLAND PLC**  
as Borrower Account Bank and Issuer Account Bank

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**MASTER DEFINITIONS AGREEMENT**

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**Freshfields Bruckhaus Deringer**

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**THIS AGREEMENT** is made on the date of the Master Execution Agreement and was amended by a **MASTER DEFINITION AGREEMENT AMENDMENT DEED** dated 13 January 2012 and further amended by a **DEED OF AMENDMENT** dated 28 February 2019

**BETWEEN:**

- (1) **BAA (SP) LIMITED**, a company incorporated in England and Wales (registered number 6458621) (the "**Security Parent**");
- (2) **BAA (AH) LIMITED**, a company incorporated in England and Wales (registered number 6458657) ("**Asset Holdco**");
- (3) **BAA (SH) LIMITED**, a company incorporated in England and Wales with limited liability (registered number 06458635) ("**Sub Holdco**");
- (4) **HEATHROW AIRPORT LIMITED**, a company incorporated in England and Wales (registered number 01991017) ("**HAL**");
- (5) **GATWICK AIRPORT LIMITED**, a company incorporated in England and Wales (registered number 01991018) ("**GAL**");
- (6) **STANSTED AIRPORT LIMITED**, a company incorporated in England and Wales (registered number 01990920) ("**STAL**");
- (7) **BAA LIMITED**<sup>1</sup>, a company incorporated in England and Wales with limited liability (registered number 01970855) ("**BAA**" and the "**Borrower Cash Manager**" and, as at the date hereof, the "**Security Group Agent**");
- (8) **HEATHROW EXPRESS OPERATING CO. LTD**, a company incorporated in England and Wales with limited liability (registered number 31415133) ("**HEX Opco**");
- (9) **DEUTSCHE TRUSTEE COMPANY LIMITED** as security trustee for the Borrower Secured Creditors (in this capacity, the "**Borrower Security Trustee**");
- (10) **DEUTSCHE TRUSTEE COMPANY LIMITED** in its capacity as trustee for the Bondholders and for the Issuer Secured Creditors (the "**Bond Trustee**" which expression shall include all persons for the time being the trustee or trustees of the Bond Trust Deed and the Issuer Deed of Charge);
- (11) **BAA FUNDING LIMITED**, a company incorporated in Jersey (registered number 99529) (the "**Issuer**");
- (12) **THE ROYAL BANK OF SCOTLAND PLC** as facility agent under the Initial Credit Facilities Agreement (the "**Initial Credit Facilities Agent**");
- (13) **THE FINANCIAL INSTITUTIONS** listed in Part A of Schedule 2, as original bank lenders of the Initial Capex Facility (the "**Initial Capex Facility Providers**");
- (14) **THE FINANCIAL INSTITUTIONS** listed in Part B of Schedule 2, as original bank lenders of the Initial WCF (the "**Initial WCF Providers**");

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<sup>1</sup> BAA may change its name to BAA Services Limited.

- (15) **THE ROYAL BANK OF SCOTLAND PLC** as facility agent under the Refinancing Facility Agreement ("the **Refinancing Facility Agent**");
- (16) **THE FINANCIAL INSTITUTIONS** listed in Part C of Schedule 2, as original bank lenders of the Refinancing Facility (the "**Initial Refinancing Facility Providers**");
- (17) **LLOYDS TSB BANK PLC** as agent of the Initial Issuer Liquidity Facility (in this capacity, the "**Initial Issuer Liquidity Facility Agent**") and as provider of the Initial Issuer Liquidity Facility to the Issuer (in this capacity, the "**Initial Issuer Liquidity Facility Provider**");
- (18) **LLOYDS TSB BANK PLC** as facility agent under the Initial Borrower Liquidity Facility (in this capacity, the "**Initial Borrower Liquidity Facility Agent**") and as provider of the Initial Borrower Liquidity Facility to the Borrowers (in this capacity, the "**Initial Borrower Liquidity Facility Provider**");
- (19) **THE EUROPEAN INVESTMENT BANK** as lender of the EIB Facility (in this capacity, the "**EIB Lender**");
- (20) **BAA PENSION TRUST COMPANY LIMITED** as trustees from time to time of the BAA Pension Scheme (the "**BAA Pension Trustee**");
- (21) **THE FINANCIAL INSTITUTIONS** listed in Part D of Schedule 2, as initial hedge counterparties pursuant to the Issuer Hedging Agreements (the "**Initial Issuer Hedge Counterparties**");
- (22) **THE FINANCIAL INSTITUTIONS** listed in Part E of Schedule 2, as initial hedge counterparties pursuant to the Borrower Hedging Agreements (the "**Initial Borrower Hedge Counterparties**"); and
- (23) **DEUTSCHE BANK AG, LONDON BRANCH** as principal paying agent (in this capacity, the "**Principal Paying Agent**") and as agent bank (in this capacity, the "**Agent Bank**");
- (24) **DEUTSCHE BANK TRUST COMPANY AMERICAS** as U.S. paying agent (in this capacity, the "**U.S. Paying Agent**") as exchange agent (in this capacity, the "**Exchange Agent**"), as a transfer agent (in this capacity, a "**Transfer Agent**") and as a registrar (in this capacity, the "**Registrar**"); and
- (25) **THE ROYAL BANK OF SCOTLAND PLC** as borrower account bank (in this capacity, the "**Borrower Account Bank**") and as issuer account bank (in this capacity, the "**Issuer Account Bank**").

**IT IS AGREED** as follows:

1. **INTERPRETATION**
- 1.1 **Definitions**

Subject to Clause 1.3, terms defined in Part 1 (*Definitions*) of Schedule 1 (*Common Definitions*) have the same meaning when used in a Finance Document or Issuer

Transaction Document, unless otherwise expressly defined in such Finance Document or Issuer Transaction Document.

## 1.2 **Construction**

Subject to Clause 1.3, the principles of interpretation or construction contained in Part 2 (*Construction*) of Schedule 1 (*Common Definitions*) apply to each Finance Document and each Issuer Transaction Document as though set out in full in each Finance Document and each Issuer Transaction Document, except that references to the Master Definitions Agreement will be construed as references to the relevant Finance Document or Issuer Transaction Document, as the case may be.

## 1.3 **Existing Finance Document definitions**

Each Authorised Credit Facility in effect on the Initial Issue Date will, with effect from the Initial Issue Date, and each other Authorised Credit Facility will, from the date upon which that Authorised Credit Facility becomes effective (and for so long in each case as this Agreement is in force), be supplemented by incorporation of the definitions and principles of interpretation and construction contained in Schedule 1 (*Common Definitions*) and to the extent that such definitions or principles of interpretation and construction are inconsistent with the definitions or principles of interpretation or construction set out in a Finance Document or an Authorised Credit Facility, the relevant terms and expressions or the principles of interpretation or construction will have the meanings given to them in Schedule 1 (*Common Definitions*), save that (a) definitions and principles of interpretation contained in any Final Terms shall prevail in relation to the Bonds to which such Final Terms relates and (b) definitions and principles of interpretation in the Financial Guarantees shall prevail in relation to those Financial Guarantees.

## 2. **GOVERNING LAW**

This Agreement is governed by English law.

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

## 3. **EXECUTION**

Each Party shall be bound by the provisions of this Agreement through the execution by such Party of the Master Execution Deed and the provisions of Clause 2 (*Effect of Execution*) thereof.

**SCHEDULE 1**  
**COMMON DEFINITIONS**

**Part 1**  
**Definitions**

**"12 Month Forward-Looking Ratios"** means:

- (a) in respect of the Senior ICR or Junior ICR in respect of any Reporting Date, such ratios in respect of the period of 12 months starting on 1 January in the same year as such Reporting Date and in respect of the Reporting Date in December, the 12 months starting on 1 January of the subsequent year; and
- (b) in respect of the Senior RAR or Junior RAR in respect of any Reporting Date, such ratios as at the Relevant Date falling on 31 December of the current year and in respect of the Reporting Date in December, the Relevant Date falling on 31 December of the subsequent year.

**"A Advance"** has the meaning given to it in the relevant Borrower Loan Agreement.

**"A Advance Step Up Amount"** has the meaning given thereto in the Initial Borrower Loan Agreement.

**"Accession Date"** means the date on which an Additional Borrower Secured Creditor, an Additional Issuer Secured Creditor (as defined in the STID), an Additional Subordinated Intragroup Creditor or (in respect of a Tranche of Non-Migrated Bonds) the Non-Migrated Bond Trustee, as the case may be, accedes to the STID.

**"Accession Memorandum"** means (a) with respect to the STID, each memorandum to be entered into pursuant to clause 2 (*Accession*), clause 4 (*Accession of Additional Obligors*) or clause 33 (*Benefit of Deed*) (as applicable) of the STID and which is substantially in the form set out in Schedule 1 (*Form of Accession Memorandum*) of the STID, (b) with respect to the Bond Trust Deed, a memorandum in substantially the form set out in Schedule 7 (*Form of Accession Memorandum*) to the Bond Trust Deed pursuant to which a Relevant Financial Guarantor accedes to the Bond Trust Deed, and (c) with respect to the Common Terms Agreement, each memorandum to be entered into pursuant to clause 1.5 (*Obligors*) of the Common Terms Agreement and which is substantially in the form set out in Schedule 12 (*Form of Accession Memorandum*) of the Common Terms Agreement.

**"Account"** means any bank account of any Obligor.

**"Actually Prepay"** means:

- (a) in respect of the Outstanding Principal Amount due under (i) any Authorised Credit Facility which is not in respect of a Revolving Loan or (ii) the Non-Migrated Bond Guarantee, to (1) repay or redeem all or part of the principal of such Financial Indebtedness or (2) to pay any termination amounts or other unscheduled amounts due to a Borrower Hedge Counterparty under any Interest Rate Hedging Agreement at a time when such principal or termination or other unscheduled amounts would not have been

due or repayable, but for the delivery of a voluntary notice of prepayment by the relevant Borrower or, in the case of the Non-Migrated Bond Guarantee, a voluntary notice of redemption by BAA Limited as issuer of the Non-Migrated Bonds; and

- (b) in respect of the Outstanding Principal Amount due under an Authorised Credit Facility in respect of a Revolving Loan, to repay (and not concurrently redraw under the same Authorised Credit Facility) principal on such loan prior to the service of a Loan Acceleration Notice,

and "**Actually Prepay**", "**Actual Prepayment**" and "**Actually Prepaid**" are to be construed accordingly.

"**Additional Borrower Secured Creditors**" means any person not already a Borrower Secured Creditor which becomes a Borrower Secured Creditor pursuant to the provisions of clause 2 (*Accession*) of the STID.

"**Additional Indebtedness Tests**" has the meaning given to it in Schedule 2, Part 3 (*General Covenants*), Paragraph 7 (*Financial Indebtedness*) of the Common Terms Agreement.

"**Additional SP Contribution**" means (a) any loan made by a Subordinated Intragroup Creditor to Security Parent and which will upon the making of such loan constitute a Subordinated Intragroup Liability and (b) the proceeds of any subscription for shares issued by Security Parent to its Holding Company.

"**Additional Subordinated Intragroup Creditor**" means any person not already a Subordinated Intragroup Creditor which becomes a Subordinated Intragroup Creditor pursuant to the provisions of clause 2 (*Accession*) of the STID.

"**ADIL**" means Airport Development and Investment Limited<sup>2</sup>.

"**Administrative Party**" means the Borrower Security Trustee, the Borrower Account Bank, the Issuer Account Bank, the Borrower Cash Manager, any Agent or any Facility Agent.

"**Administrative Receiver**" shall mean an administrative receiver as defined in Section 29(2) of the Insolvency Act (1986).

"**Affected Borrower Secured Creditor**" means each Borrower Secured Creditor (and where the Issuer is the relevant Affected Borrower Secured Creditor, each Issuer Secured Creditor (the "**Affected Issuer Secured Creditor**")) whose Entrenched Rights are affected by a STID Proposal, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice given by the Borrower Security Trustee pursuant to the STID.

"**Affiliate**" means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company (other than (a) in any Hedging Agreement when used in relation to a Hedge Counterparty, where "**Affiliate**" has the meaning given to it in that Hedging Agreement and (b) in the definition of "outstanding" where "**Affiliate**" has the meaning given to it in Rule 405 under the Securities Act).

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<sup>2</sup> ADIL may change its name to BAA Limited.

**"Agency Agreement"** means (i) the agreement dated on or about the Initial Issue Date (as amended or supplemented from time to time) between the Issuer and the Agents referred to therein or (ii) any additional or supplemental paying agency agreement dated on or after the Initial Issue Date between the Issuer and any additional Agent referred to therein which is required in order to comply with the laws applicable in any jurisdiction, or to any currency, in each case, in which a Class, Sub-Class, Series or Tranche of Bonds may be issued, sold or denominated, as the case may be, from time to time.

**"Agent"** means, as the context requires, the Agent Bank, the Principal Paying Agent, the Exchange Agent, the Registrar, the Transfer Agent, any Paying Agent, or any Successor or additional paying agent or other agent appointed by the Issuer in order to comply with the laws applicable in any jurisdiction, or to any currency, in each case, in which a Class, Sub-Class, Series or Tranche of Bonds may be issued, sold or denominated, as the case may be, from time to time, pursuant to an Agency Agreement or a Calculation Agency Agreement and Agents means all of them.

**"Agent Bank"** means Deutsche Bank AG, London Branch (or any successor thereto) in its capacity as agent bank under the Agency Agreement in respect of the Bonds.

**"Airport Operators"** means HAL, the operator of Heathrow, GAL, the operator of Gatwick, and STAL, the operator of Stansted, and **"Airport Operator"** means any of them.

**"Airports Act"** means the UK Airports Act 1986.

**"Amendment Agreement to the Senior/Subordinated Intercreditor Agreement"** means the amendment and restatement agreement dated on or about the Initial Issue Date relating to the Senior/Subordinated Intercreditor Agreement.

**"Ancillary Document"** means each document relating to or evidencing the terms of an Ancillary Facility.

**"Ancillary Facility"** means any ancillary facility made available by an Ancillary Lender as part of the Initial WCF in accordance with clause 7 (*Ancillary Facilities*) of the Initial Credit Facilities Agreement.

**"Ancillary Lender"** means each lender (or Affiliate of a lender) which makes available an Ancillary Facility in accordance with clause 7 (*Ancillary Facilities*) of the Initial Credit Facilities Agreement.

**"Ancillary Rights"** means in relation to a Right (as defined in the definition of "Benefit"), all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right.

**"Applicable Accounting Principles"** means, in the case of any Financial Statement or information relating to any Obligor (excluding any Regulatory Accounts), accounting principles, standards and practices generally accepted in the UK as applied from time to time and making such adjustments (if any) as the Auditors may consider appropriate arising out of changes to applicable accounting principles or otherwise from time to time, provided that, for the purpose of limb (a)(vi) of the definition of Permitted Financial Indebtedness and paragraphs 7(c) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) and paragraph 5 (*Cross-default*)



of Schedule 4 (*Loan Events of Default*) to the Common Terms Agreement, references to finance or capital leases will only take into account leases meeting the definition of Finance Lease (disregarding limbs (a) and (b) therein) and the Finance Lease Principles, notwithstanding any changes to the relevant principles, standards and practice accepted in the UK.

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian or other person appointed pursuant to the provisions of the Bond Trust Deed.

"**Assignable Insurances**" means each Day 1 Insurance save for any Liability Insurance and third party liability cover (as such terms are defined in Schedule 11, Part A (*Insurances*) of the Common Terms Agreement).

"**Associate**" means, in relation to a person, a person who is his associate and the question of whether a person is an associate of another will be determined in accordance with section 435 of the Insolvency Act 1986.

"**Audited Financial Model**" means the financial model prepared on behalf of the Obligor and audited by PWC prior to the Initial Issue Date.

"**Auditors**" means PricewaterhouseCoopers LLP or such other firm of accountants of international repute as may be appointed by the Obligor in accordance with the Common Terms Agreement as the Auditors for the Security Group.

"**Authorised Credit Facility**" means any facility, agreement or finance lease entered into by a Borrower for Senior Debt or Junior Debt as permitted by the terms of the Common Terms Agreement the providers of which are parties to or have acceded to the STID and the Common Terms Agreement, and includes the Initial Borrower Loan Agreement, the Capex Facilities, the Working Capital Facilities, the Refinancing Facility, the EIB Facilities, the Borrower Liquidity Facilities, the Borrower Hedging Agreements, each Finance Lease and (A) any fee letter or commitment letter entered into in connection with the foregoing facilities or agreements or the transactions contemplated in the foregoing facilities and (B) any other document (not being a Common Document) that has been entered into in connection with the foregoing facilities or agreements or the transactions contemplated thereby that has been designated as a document that should be deemed to be an Authorised Credit Facility for the purposes of this definition by the parties thereto (including at least one Obligor).

"**Authorised Credit Provider**" means a lender or other provider of credit or financial accommodation under any Authorised Credit Facility.

"**Authorised Investments**" means:

- (a) securities issued by the government of the UK; or
- (b) demand or time deposits, certificates of deposit and short-term unsecured debt obligations, including commercial paper, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, is rated the Minimum Short-term Rating; or
- (c) any other obligations, provided that in each case the relevant investment has the Minimum Short-term Rating and is either denominated in pounds sterling or (following

the date on which the UK becomes a Participating Member State) euro or has been hedged in accordance with the Hedging Policy; or

- (d) any money market funds or equivalent investments which have a rating of at least AAA by S&P, AAA by Fitch and Aaa by Moody's.

For the avoidance of doubt, "Authorised Investments" shall not include:

- (i) any structured or asset-backed securities or instruments, including CDOs, securities or instruments backed by mortgages, mortgage-related instruments, home equity loans, credit card receivables, automobile receivables, student loans or other securities or assets;
- (ii) any derivatives, hedging instruments, credit linked notes or similar instruments;
- (iii) any securities or instruments issued by any structured vehicle, including any structured investment vehicle or limited purpose company generally formed for the purpose of undertaking arbitrage activities by purchasing mostly medium and long-term assets and funding itself with mostly short-term securities or instruments such as commercial paper and medium-term notes; or
- (iv) investments in any money market or liquidity funds that target investment in or hold any such securities or instruments referenced in paragraphs (i), (ii) or (iii) above.

**"Authorised Signatory"** means any person who is duly authorised by any Obligor or any Party and in respect of whom a certificate has been provided signed by a director of that Obligor or such Party setting out the name and signature of that person and confirming such person's authority to act.

**"Available Commitment"** has the meaning given to it (i) in relation to an Issuer Liquidity Facility Provider, in an Issuer Liquidity Facility Agreement, and (ii) in relation to a Borrower Liquidity Facility Provider, in a Borrower Liquidity Facility Agreement.

**"Available Enforcement Proceeds"** means on any date, all monies received or recovered by the Borrower Security Trustee (or any Receiver appointed by it) in respect of the Borrower Security and under the guarantees from the Obligors together with all monies received or recovered under the OFCA Floating Security by the Bond Trustee.

**"Available Surplus Revenue Collections"** means on any date the aggregate amount standing to the credit of the Surplus Revenue Collections Account on such date except and to the extent that on such date such balance is required to be applied in accordance with the Borrower Post-Enforcement (Pre-Acceleration) Principal Priority of Payments pursuant to the passing of a Post-Enforcement Surplus Revenue Prepayment Resolution.

**"Average Senior ICR"** means, in respect of any Reporting Date in June (commencing June 2012), the sum of the Senior ICR for the immediately preceding Financial Year and two previous Financial Years divided by three.

**"BAA"** means BAA Limited.

"**BAA Account**" means the main operating account(s) of BAA held at Barclays Bank PLC and includes any sub-account relating to these accounts and any replacement account from time to time with any Qualifying Bank.

"**BAA Bond Guarantee**" means the bond guarantee to be issued by the Bond Guarantor in connection with each Sub-Class of BAA Guaranteed Bonds.

"**BAA Group**" means BAA and its Subsidiaries.

"**BAA Guaranteed Amounts**" has the meaning given to it in the BAA Bond Guarantee.

"**BAA Guaranteed Bondholders**" means the holders for the time being of the BAA Guaranteed Bonds.

"**BAA Guaranteed Bonds**" means the €1,000,000,000 fixed rate Notes due 2014, £400,000,000 fixed rate Notes due 2015, €750,000,000 fixed rate Notes due 2016, £300,000,000 fixed rate Notes due 2018 and €750,000,000 fixed rate Notes due 2020 to be issued by the Issuer on the Initial Issue Date in exchange for certain classes of bonds originally issued by the Bond Guarantor.

"**BAA Payables**" means the two separate debts owed by BAA to the Issuer relating to the subscription by BAA for the Replacement Bonds and equal to the fair value of the Replacement Bonds.

"**BAA Pension Liabilities**" means all sums actually or contingently due to the BAA Pension Trustee and the calculation of such sums (as required under clause 7.8 (*Information*) and/or clause 23 (*Borrower Post-Enforcement Priorities of Payments*) of the STID) shall be conclusively determined by a certificate from the actuary of the BAA Pension Scheme setting out the amounts that would be payable to the BAA Pension Scheme pursuant to s75 of the Pensions Act 1995 if the BAA Pension Scheme had by then commenced winding-up for the purposes of Section 75(2)(b) (for the avoidance of doubt, whether or not the BAA Pension Scheme has commenced winding up in whole or in part and whether or not the BAA Pension Trustee has designated a date under Section 75(2)(b) at the point that the actuarial certificate is provided for these purposes).

"**BAA Pension Scheme**" means the BAA defined benefits occupational scheme governed by a Definitive Trust Deed and Rules dated 29 August 2002 (as amended from time to time).

"**BAA Pension Trustee**" means the trustee(s) from time to time of the BAA Pension Scheme.

"**B Advance**" has the meaning given to it in the relevant Borrower Loan Agreement.

"**B Advance Step Up Amounts**" has the meaning given to it in the Initial Borrower Loan Agreement.

"**Base Currency**" means pounds sterling.

"**Base Index Figure**" means, in relation to a Borrower Loan Agreement, the base index figure as specified in the Final Terms to the Bonds corresponding to the relevant Advance.

"**Base Prospectus**" means any base prospectus prepared by or on behalf of and approved by the Issuer in connection with the establishment of the Programme and/or the issue of Bonds as the same is updated and supplemented from time to time.

"**Basic Terms Modification**" has the meaning given thereto in Condition 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*).

"**Bearer Bonds**" means those Bonds which are in bearer form.

"**Benefit**" in respect of any asset, agreement, property or right (each a "**Right**" for the purpose of this definition) held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account in which such person has an interest;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and

all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.

"**Bond Certificate**" means any Regulation S Bond Certificate or any Rule 144A Bond Certificate.

"**Bond Enforcement Notice**" means a notice delivered by the Bond Trustee to the Issuer in accordance with the Condition 11(b) (*Delivery of Bond Enforcement Notice*) which declares the bonds to be immediately due and payable.

"**Bond Event of Default**" means the events of default in respect of the Bonds set out in Condition 11(a) (*Bond Events of Default*).

"**Bond Guarantor**" means BAA in its capacity as bond guarantor of the BAA Guaranteed Bonds.

**"Bond Relevant Date"** means, in respect of any Class, Sub-Class or Tranche of the Bonds, the earlier of (i) the date on which all amounts in respect of the Bonds have been paid; and (ii) five days after the date on which all of the Principal Amount Outstanding has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Bondholders.

**"Bond Trust Deed"** means the bond trust deed dated on or about the date of the Common Terms Agreement between, among others, the Issuer and the Bond Trustee and each Relevant Financial Guarantor acceding thereto, under which Bonds will, on issue, be constituted and any bond trust deed supplemental thereto.

**"Bond Trustee"** means Deutsche Trustee Company Limited or any successor trustee appointed pursuant to the Bond Trust Deed, for and on behalf of the relevant Bondholders, the Receiptholders, the Couponholders and the other Issuer Secured Creditors.

**"Bondholders"** means the holders from time to time of the Bonds.

**"Bonds"** means the Class A Bonds and/or the Class B Bonds and/or the Subordinated Bonds, as the context may require, and **"Bond"** shall be construed accordingly.

**"Borrower Account Bank"** means The Royal Bank of Scotland plc or any successor account bank appointed pursuant to the Borrower Account Bank Agreement.

**"Borrower Account Bank Agreement"** means the account bank agreement dated on or about the Initial Issue Date between the Borrowers, HEX Opco, the Borrower Cash Manager, the Borrower Account Bank and the Borrower Security Trustee.

**"Borrower Cash Manager"** means BAA or any substitute cash manager appointed pursuant to the terms of the Shared Services Agreement.

**"Borrower Excess Hedge Collateral"** means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by any Borrower Hedge Counterparty to a Borrower in respect of the relevant Borrower Hedge Counterparty's obligations to transfer collateral to the relevant Borrower under the relevant Borrower Hedging Agreement (as a result of the ratings downgrade provisions in that Borrower Hedging Agreement), which is in excess of that Borrower Hedge Counterparty's liability to that Borrower under the relevant Borrower Hedging Agreement, or which the relevant Borrower Hedge Counterparty is otherwise entitled to have returned to it under the terms of the relevant Borrower Hedging Agreement.

**"Borrower Fixed Security"** means the fixed security granted by the Obligors in favour of the Borrower Security Trustee and the Subordinated Security Trustee pursuant to the Security Documents.

**"Borrower Hedge Collateral Account"** means each account in the name of HAL titled "Borrower Hedge Collateral Account" opened at the Borrower Account Bank in accordance with the provisions of the Common Terms Agreement and the Borrower Account Bank Agreement and includes any sub-account relating to that account and any replacement account from time to time.

**"Borrower Hedge Counterparty"** means a Hedge Counterparty who is a party to a Borrower Hedging Agreement (together, the **"Borrower Hedge Counterparties"**).

**"Borrower Hedge Replacement Premium"** means a premium or upfront payment received by a Borrower from a replacement hedge counterparty under a replacement hedge agreement entered into with a Borrower to the extent of any termination payment due to a Borrower Hedge Counterparty under a Borrower Hedging Agreement.

**"Borrower Hedging Agreement"** means a Hedging Agreement entered into by a Borrower with a Hedge Counterparty.

**"Borrower Hedging Available Amount"** means, in respect of any Borrower Hedge Counterparty, the amount which is the difference between (a) the Borrower Hedging Required Amount for such Borrower Hedge Counterparty and (b) the Net Funded Amount (as such term is defined in the Borrower Liquidity Facility Agreement) of such Borrower Hedge Counterparty.

**"Borrower Hedging Required Amount"** means, in respect of any Borrower Hedge Counterparty, the maximum forecast net payments payable by the Borrowers under the Borrower Hedging Agreements for such Borrower Hedge Counterparty for the succeeding 12 month period calculated in accordance with the provisions set out in paragraph 3(c) of Schedule 3, Part 1 (*Trigger Events*) of the Common Terms Agreement (as at the date of the Borrower Liquidity Facility Agreement), as most recently notified to the Parties by the Borrower Cash Manager pursuant to clause 22.3 (*Borrower Cash Manager Notifications*) of the Borrower Liquidity Facility Agreement.

**"Borrower Liquidity Facility"** means a liquidity facility made available under a Borrower Liquidity Facility Agreement and **"Borrower Liquidity Facilities"** means all of them.

**"Borrower Liquidity Facility Agreement"** means each liquidity facility agreement which has the characteristics set out in Schedule 10 (*Liquidity Facilities*) to the Common Terms Agreement, as established in connection with any Treasury Transactions entered into by a Borrower under a Borrower Hedging Agreement and to fund any EIB Liquidity Shortfalls and any interest shortfalls under the Refinancing Facility.

**"Borrower Liquidity Facility Provider"** means the Initial Borrower Liquidity Facility Provider and any bank or financial institution which has become a Party to the Borrower Liquidity Facility Agreement in accordance with Clause 31 (*Changes to Parties*) thereto and which in each case has not ceased to be a Party in accordance with the terms of the Borrower Liquidity Facility Agreement.

**"Borrower Liquidity Reserve Account"** means the trust account opened and maintained by the Borrower Liquidity Reserve Account Trustee having account number 31290874 and entitled RBS re: HAL, GAL and STAL Borrower Liquidity Reserve Account which may be (i) credited with a cash reserve for satisfying all or part of the minimum debt service funding requirements set out in paragraph 3(c) of Part 3 (*Trigger Event Remedies*) of Schedule 3 (*Trigger Event*) of the Common Terms Agreement and (ii) credited with Standby Drawings made prior to satisfaction of the LC Release Conditions, or such other account as may be opened, with the

consent of the Borrower Security Trustee, at any branch of the Borrower Account Bank in replacement of such account.

**"Borrower Liquidity Reserve Account Trust Deed"** means the trust deed over the Borrower Liquidity Reserve Account entered into on or about the Initial Issue Date by the Borrower Liquidity Reserve Account Trustee, the Borrower Security Trustee and the Reserve Account Beneficiary.

**"Borrower Liquidity Reserve Account Trustee"** means the trustee of the Borrower Liquidity Reserve Account from time to time pursuant to the terms of the Borrower Liquidity Reserve Account Trust Deed.

**"Borrower Liquidity Reserve Account Withdrawal"** means on any date, a withdrawal by the Borrower Liquidity Reserve Account Trustee from the Borrower Liquidity Reserve Account and recorded in the Borrower Reserve Ledger to meet Borrower Liquidity Reserve Shortfalls in respect of any Supported Agreements.

**"Borrower Liquidity Reserve Shortfall"** means:

- (a) with respect to any Hedge Payment Date of a Borrower Hedge Counterparty, an insufficiency of funds available to the relevant Borrower or Borrowers to pay on such Hedge Payment Date the net payments scheduled to be paid to such Borrower Hedge Counterparty pursuant to the Borrower Hedging Agreements of such Borrower Hedge Counterparty (excluding, for the avoidance of doubt, any termination payments, principal exchange payments and all other unscheduled amounts);
- (b) with respect to any EIB Payment Date an insufficiency of funds available to the relevant Borrower or Borrowers to pay on such EIB Payment Date the interest and other finance charges (excluding, for the avoidance of doubt, any principal payments) scheduled to be paid to EIB pursuant to the Supported EIB Facilities;
- (c) with respect to any Refinancing Facility Payment Date an insufficiency of available funds to the relevant Borrower or Borrowers to pay on such Refinancing Facility Payment Date the interest and other finance charges (excluding, for the avoidance of doubt, any principal payments) scheduled to be paid to any Refinancing Facility Provider on the Tranche A Loans then outstanding pursuant to the Refinancing Facility Agreement (after taking account of the benefit of any Treasury Transactions under any Interest Rate Hedging Agreements entered into in respect of the Refinancing Facility which continue in force); or
- (d) with respect to any Refinancing Facility Payment Date an insufficiency of available funds to the relevant Borrower or Borrowers to pay on such Refinancing Facility Payment Date the interest and other finance charges (excluding, for the avoidance of doubt, any principal payments) scheduled to be paid to any Refinancing Facility Provider on the Tranche B Loans then outstanding pursuant to the Refinancing Facility Agreement (after taking account of the benefit of any Treasury Transactions under any Interest Rate Hedging Agreements entered into in respect of the Refinancing Facility which continue in force).

**"Borrower Liquidity Shortfall"** means (without double-counting):

- (a) with respect to any Hedge Payment Date of a Borrower Hedge Counterparty, an insufficiency of funds available to the relevant Borrower or Borrowers (after taking into account the amount of any proposed Borrower Liquidity Reserve Account Withdrawals on such Hedge Payment Date) to pay on such Hedge Payment Date the net payments scheduled to be paid to such Borrower Hedge Counterparty pursuant to the Borrower Hedging Agreements of such Borrower Hedge Counterparty (excluding, for the avoidance of doubt, any termination payments, principal exchange payments and all other unscheduled amounts);
- (b) with respect to any EIB Payment Date an insufficiency of funds available to the relevant Borrower or Borrowers (after taking into account the amount of any proposed Borrower Liquidity Reserve Account Withdrawals on such EIB Payment Date) to pay on such EIB Payment Date the interest and other finance charges (excluding, for the avoidance of doubt, any principal payments) scheduled to be paid to EIB pursuant to the Supported EIB Facilities;
- (c) with respect to any Refinancing Facility Payment Date an insufficiency of funds to the relevant Borrower or Borrowers (after taking into account the amount of any proposed Borrower Liquidity Reserve Account Withdrawals on such Refinancing Facility Payment Date) to pay on such Refinancing Facility Payment Date the interest and other finance charges (excluding, for the avoidance of doubt, any principal payments) scheduled to be paid to any Refinancing Facility Provider on the Tranche A Loans then outstanding pursuant to the Refinancing Facility Agreement (after taking account of the benefit of any Treasury Transactions under any Interest Rate Hedging Agreements entered into in respect of the Refinancing Facility which continue in force); or
- (d) with respect to any Refinancing Facility Payment Date an insufficiency of funds to the relevant Borrower or Borrowers (after taking into account the amount of any proposed Borrower Liquidity Reserve Account Withdrawals on such Refinancing Facility Payment Date) to pay on such Refinancing Facility Payment Date the interest and other finance charges (excluding, for the avoidance of doubt, any principal payments) scheduled to be paid to any Refinancing Facility Provider on the Tranche B Loans then outstanding pursuant to the Refinancing Facility Agreement (after taking account of the benefit of any Treasury Transactions under any Interest Rate Hedging Agreements entered into in respect of the Refinancing Facility which continue in force).

**"Borrower Loan"** means the principal amount of all advances from time to time outstanding under a Borrower Loan Agreement.

**"Borrower Loan Agreement"** means any loan agreement entered into between the Issuer and the Borrowers, including the Initial Borrower Loan Agreement.

**"Borrower Post-Enforcement (Post-Acceleration) Priority of Payments"** means the provisions relating to the order of priority of payments in respect of Senior Debt and Junior Debt following the delivery of a Loan Acceleration Notice as set out in Schedule 2, Part C to the STID.

**"Borrower Post-Enforcement (Pre-Acceleration) Principal Priority of Payments"** means the provisions relating to the order of priority of payments in respect of application of Principal



Collections in respect of Senior Debt and Junior Debt following the delivery of a Loan Enforcement Notice but prior to the delivery of a Loan Acceleration Notice or in respect of an application of Available Surplus Revenue Collections following the passing of a Post-Enforcement Surplus Revenue Prepayment Resolution, as set out in Schedule 2, Part B to the STID.

**"Borrower Post-Enforcement (Pre-Acceleration) Priorities of Payments"** means the Borrower Post-Enforcement (Pre-Acceleration) Revenue Priority of Payments and the Borrower Post-Enforcement (Pre-Acceleration) Principal Priority of Payments and "Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments" means either of them, as the context requires.

**"Borrower Post-Enforcement (Pre-Acceleration) Revenue Priority of Payments"** means the provisions relating to the order of priority of payments in respect of application of Revenue Collections in respect of Senior Debt and Junior Debt following the delivery of a Loan Enforcement Notice but prior to the delivery of a Loan Acceleration Notice as set out in Schedule 2, Part A to the STID or following the occurrence of any of the events set out in Schedule 9, Paragraph 12 of the Common Terms Agreement.

**"Borrower Post-Enforcement Priorities of Payments"** means the Borrower Post-Enforcement (Pre-Acceleration) Priorities of Payments and the Borrower Post-Enforcement (Post-Acceleration) Priority of Payments and **"Borrower Post-Enforcement Priority of Payments"** means any of them, as the context requires.

**"Borrower Reserve Ledger"** means the Borrower Liquidity Reserve Account sub-ledger where all amounts not credited to the Standby Reserve Ledger (as such term is defined in the Borrower Liquidity Facility Agreement) shall be credited.

**"Borrower Secured Creditor"** means the Borrower Security Trustee (in its own capacity and on behalf of the other Borrower Secured Creditors), the Issuer, EIB, the Initial WCF Providers, the Initial Capex Facility Providers, the Refinancing Facility Providers, the Initial Credit Facilities Agent, the Refinancing Facility Agent, each Ancillary Lender, each Hedge Counterparty under each Borrower Hedging Agreement, each Borrower Liquidity Facility Provider, the Borrower Liquidity Facility Agent, each Initial Authorised Credit Provider and each other Authorised Credit Provider, the BAA Pension Trustee, the Borrower Account Bank, any replacement Borrower Cash Manager which is not an affiliate of BAA, each Finance Lessor, the Non-Migrated Bond Trustee (in its own capacity and as trustee for the Non-Migrated Bondholders), the Non-Migrated Bondholders and any Additional Borrower Secured Creditors.

**"Borrower Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) (i) of each Obligor to any Borrower Secured Creditor (a) under each Finance Document to which such Obligor is a party and (b) in respect of the Non-Migrated Bond Guarantees, except for any obligation which, if it were secured under the Security Agreement, would result in a contravention of Section 151 of the Companies Act 1985 and (ii) of each Obligor and BAA to the BAA Pension Trustee in respect of the BAA Pension Liabilities in an amount up to the Maximum Pension Liability Amount.

**"Borrower Security"** means the security constituted by the Security Documents including any guarantee or obligation to provide cash collateral or further assurance thereunder.

**"Borrower Security Trustee"** means Deutsche Trustee Company Limited or any successor appointed pursuant to the STID.

**"Borrower Subordinated Hedge Amounts"** means any termination payment due or overdue to a Borrower Hedge Counterparty under any Borrower Hedging Agreement which arises as a result of the occurrence of an Event of Default (as defined in the relevant Hedging Agreement) where the relevant Borrower Hedge Counterparty is the Defaulting Party (as defined in the relevant Borrower Hedging Agreement) or the occurrence of an Additional Termination Event (as defined in the relevant Borrower Hedging Agreement) following the failure of the relevant Borrower Hedge Counterparty to take action in accordance with the terms of the relevant Borrower Hedging Agreement within the required period following a credit rating downgrade of such Borrower Hedge Counterparty (other than any amount attributable to the return of collateral or any premium or other upfront payment paid to the relevant Borrower to enter into a transaction to replace a Borrower Hedging Agreement (in whole or in part) which shall be paid directly to the Borrower Hedge Counterparties and not in accordance with the Borrower Post-Enforcement Priorities of Payments).

**"Borrowers"** means Heathrow Airport Limited, Gatwick Airport Limited and Stansted Airport Limited for so long as each of them remains a member of the Security Group, together with any entity which accedes to the Common Terms Agreement and the STID as a Borrower but excludes any person who ceases to be a member of the Security Group in accordance with the terms of the Finance Documents and **"Borrower"** shall mean any one of them.

**"BSC"** means BAA Business Support Centre Ltd.

**"BSC Account"** means the main operating account(s) in the name of BSC and administered by the Shared Services Sub-Contractor held at Barclays Bank PLC and includes any sub-account relating to those accounts and any replacement account from time to time with any Qualifying Bank.

**"BSC Instruction Notice"** means a notice given by any Qualifying Borrower Secured Creditor (other than the Non-Migrated Bond Trustee or Non-Migrated Bondholders except in relation to clause 24.1(d) of the STID) which by itself or together with any other Qualifying Borrower Secured Creditor(s) is or are owed Qualifying Borrower Debt having an aggregate Outstanding Principal Amount of at least 10 per cent. of the aggregate Outstanding Principal Amount of all Qualifying Borrower Debt then outstanding, to the Borrower Security Trustee to instruct the Borrower Security Trustee to exercise any of the rights granted to it under the Common Documents.

**"BSC Services Agreement"** means the services agreement to be entered into on or about the Initial Issue Date between BAA and BSC.

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in London,

and in respect of the Bonds, in each (if any) additional city or cities specified in the relevant Final Terms; and

- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, and in the principal financial centre of the currency in which such financial indebtedness is denominated (which in the case of a payment in US dollars shall be New York) and, in respect of the Bonds, in each (if any) additional city or cities specified in the relevant Final Terms.

provided that (a) when "**Business Day**" is used in relation to (i) a payment of principal or interest that will ultimately be used to make a payment on any Wrapped Bond or (ii) any notice delivered in connection with such a payment, a day will only be a Business Day if it is also a business day (howsoever defined) for the purposes of the relevant Financial Guarantee; and (b) when "**Business Day**" is used in relation to any Hedging Agreement, "**Business Day**" has the meaning given to it in that Hedging Agreement.

"**CAA**" or "**Civil Aviation Authority**" means UK Civil Aviation Authority.

"**Calculation Agency Agreement**" in relation to the Bonds of any Tranche, means an agreement in or substantially in the form of Schedule 1 (*Form of Calculation Agency Agreement*) of the Agency Agreement.

"**Calculation Agent**" means, in relation to any Tranche of Bonds, the person appointed as calculation agent in relation to such Tranche of Bonds by the Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of such Tranche of Bonds.

"**Calculation Date**" means, (other than in any Hedging Agreement where "**Calculation Date**" has the meaning given to it in that Hedging Agreement) in respect of each Reporting Date falling in June, the immediately preceding 31 December and, in respect of each Reporting Date falling in December, the immediately preceding 30 June or such other date as may be agreed as a result of a change in the financial year end date or regulatory year end date of any Obligor.

"**Capex Facilities**" means the facilities, including the Initial Capex Facility pursuant to the Initial Credit Facilities Agreement, made available to the Borrowers to fund the Borrower's capex requirements (or, as the context requires, the agreements pursuant to which they are made available) and "**Capex Facility**" means any one of them.

"**Capex Provider**" means a lender or provider of credit under a Capex Facility.

"**Capital Expenditure**" or "**Capex**" means any investment expenditure (net of associated grants and contributions) incurred (or, in respect of any future period, forecast to be incurred) relating to maintaining base service levels or increases in capacity or enhancement of service levels, quality or security.

"**Cash Sweeping Deed**" means the cash sweeping deed dated on or about the Initial Issue Date between the Borrowers and the Borrower Account Bank.

**"Cashflow from Operations"** means, for the purposes of the Common Terms Agreement, the amount of cash flow from operations including dividends received by any Obligor from any Subsidiary which is not an Obligor, but excluding interest paid, interest received and income taxes paid as provided in the cash flow statements delivered pursuant to the Common Terms Agreement subject to certain adjustments and limitations provided by paragraph 4 (*Earnings from Investments*) of Part 2 of Schedule 2 to the Common Terms Agreement.

**"Category 1"** means the Leased Premises consisting of sites that are operationally sensitive or of particular importance to the business of a Borrower.

**"Category 2"** means the Leased Premises consisting of sites significant in terms of value, annual outgoings or other long term liabilities but which could be reasonably readily replaced if there was a problem.

**"Certificates of Title"** means the certificates of title prepared for a sample of the properties (comprising part of a runway, a terminal, a stand (other than at Stansted), a hanger and a car park) of the relevant Borrower at the Designated Airports (and which in respect of the terminal buildings only contain lease reports in a sample of leases spread across different types of letting, other than retail agreements or licences, and in the case of Terminal 5 comprise agreements for lease entered into before November 2006) and any further certificates of title prepared in respect of land acquired by any Obligor after the Initial Issue Date addressed to the Borrower Security Trustee.

**"Charged Property"** means the property, assets, rights and undertaking of each Obligor that are the subject of the security interests created in or pursuant to the Security Documents and includes, for the avoidance of doubt, each Obligor's rights to or interests in any chose in action and the Group Shares and each Obligor's rights under the Transaction Documents.

**"Class"** means each class of Bonds, the available Classes of Bonds at the Initial Issue Date being Class A Wrapped Bonds, Class A Unwrapped Bonds, Class B Wrapped Bonds and Class B Unwrapped Bonds.

**"Class A Bonds"** means the Class A Wrapped Bonds and the Class A Unwrapped Bonds, each of which may be further divided into Sub-Classes.

**"Class A Unwrapped Bonds"** means the Class A Bonds that do not have the benefit of a guarantee from a Financial Guarantor.

**"Class A Wrapped Bonds"** means the Class A Bonds that have the benefit of a guarantee from a Financial Guarantor.

**"Class B Bonds"** means the Class B Wrapped Bonds and the Class B Unwrapped Bonds, each of which may be further divided into Sub-Classes.

**"Class B Unwrapped Bonds"** means the Class B Bonds that do not have the benefit of a guarantee from a Financial Guarantor.

**"Class B Wrapped Bonds"** means the Class B Bonds that have the benefit of a guarantee from a Financial Guarantor.

**"Clearing Systems"** means DTC, Euroclear and Clearstream, Luxembourg.

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*, Luxembourg.

"**Collateralise**" means, with respect to any Senior Debt or Junior Debt, to deposit into the Debt Collateralisation Account, an amount in respect of all or part of the Outstanding Principal Amount of such Senior Debt or Junior Debt and "**Collateralisation**" and "**Collateralised**" shall be construed accordingly.

"**Collateralised Hedging Shortfall**" has the meaning given to it in paragraph 8.2.3 of Schedule 9 of the CTA.

"**Commitment**" has the meaning given to it (i) in relation to an Issuer Liquidity Facility Provider, in the relevant Issuer Liquidity Facility Agreement and (ii) in relation to a Borrower Liquidity Facility Provider, in the relevant Borrower Liquidity Facility Agreement.

"**Commitment Letter**" means the commitment and syndication letter dated on 19 June 2008, relating to the Initial Credit Facilities Agreement and the Refinancing Facility Agreement from the Mandated Lead Arrangers as mandated lead arrangers and underwriters, the Initial Credit Facility Agent and the Refinancing Facility Agent and addressed to, amongst others, the Security Group Agent, HAL, GAL and STAL.

"**Common Depositary**" means the agent appointed by the International Central Securities Depositories to act as the common depositary for Euroclear and Clearstream, Luxembourg, in respect of the Global Bonds, Regulation S Global Bond Certificates and Rule 144A EC Global Bond Certificates.

"**Common Documents**" means the Security Documents, the Common Terms Agreement, the Master Definitions Agreement, the Shared Services Agreements, the Senior/Subordinated Intercreditor Agreement, the STID and the Tax Deed of Covenant.

"**Common Terms Agreement**" or "**CTA**" means the common terms agreement to be entered into between, among others, the Obligors, the Borrower Cash Manager, the Issuer and the Borrower Security Trustee to be dated on or about the Initial Issue Date.

"**Companies Act**" means the company law provisions of the Companies Act 2006, Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c.27) (community interest companies), and the provisions of the Companies Act 1985 (c. 6) and the Companies Consolidation (Consequential Provisions) Act 1985 (c. 9) that remain in force.

"**Competition Commission**" or "**CC**" means the UK Competition Commission.

"**Compliance Certificate**" means a certificate, substantially in the form of Schedule 7 (*Form of Compliance Certificate*) to the Common Terms Agreement in which the Obligors periodically provide certain financial information and statements to the Borrower Security Trustee as required by the Common Terms Agreement.

"**Composite Guarantee Deed**" means the inter-company composite guarantee entered into on or about the Initial Issue Date between the Borrowers, HEX Opco and the Borrower Account Bank.

"**Conditions**" means the terms and conditions of the Bonds set out in the Bond Trust Deed, as may from time to time be amended, modified, varied or supplemented in the manner permitted under the Bond Trust Deed.

"**Contractor**" means any person (being either a single entity, consortium or joint venture) that is a counterparty to an Outsourcing Agreement.

"**Coupon**" means an interest coupon appertaining to a Definitive Bond, such coupon being:

- (a) if appertaining to a Fixed Rate Bond, a Floating Rate Bond or an Indexed Bond, in the form or substantially in the form set out in Part 5 (*Form of Coupon*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed or in such other form, having regard to the terms of issue of the Bonds of the relevant Sub-Class, as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s); or
- (b) if appertaining to a Definitive Bond which is neither a Fixed Rate Bond nor a Floating Rate Bond nor an Indexed Bond, in such form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 14 (*Replacement of Bonds, Coupons, Receipts and Talons*).

"**Couponholders**" means the several persons who are, for the time being, holders of the Coupons.

"**Covenant to Pay**" means the covenant to pay set out in clause 4.1 of the Security Agreement.

"**CP Agreement**" means the conditions precedent agreement to be entered into between, among others, the Issuer, the Bond Trustee, the Borrower Security Trustee and the Obligor on the Initial Issue Date.

"**Cross Currency Hedge Counterparties**" means (i) the Initial Issuer Hedge Counterparties which are party to a Cross Currency Hedging Agreement and which are party to the STID and (ii) any counterparty to a Cross Currency Hedging Agreement which is or becomes party to the STID in accordance with the STID and "**Cross Currency Hedge Counterparty**" means any of such parties.

"**Cross Currency Hedging Agreement**" means any Hedging Agreement in respect of a Treasury Transaction which is a currency swap or exchange transaction.

"**Cross-Licensing Agreement**" means the cross-licensing agreement to be entered into on or about the Initial Issue Date between, among others, BAA, HAL, GAL, STAL, Hex Opco and IP SPV in the form set out in Schedule 7 of the Shared Services Agreement.

"**Date Prior**" means, in respect of any Obligor, the date which is the last day of the regulatory year of such Obligor before the next price determination for such Obligor takes effect.

"**DCA Ledger**" has the meaning given to it in paragraph 8.2 (*Debt Collateralisation Account*) of Schedule 9 (*Borrower Cash Management*) to the Common Terms Agreement.

**"Dealer Accession Letter"** means a letter in or substantially in the form set out in Schedule 2 to the Dealership Agreement.

**"Dealers"** means Citigroup Global Markets Limited, The Royal Bank of Scotland plc, Banco Santander, S.A., HSBC Bank plc and CALYON, Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas, London Branch, Caja de Ahorros y Monte de Piedad de Madrid and Royal Bank of Canada Europe Limited and any other entity which the Issuer and the Obligors may appoint as a Dealer and notice of whose appointment has been given to the Principal Paying Agent and the Bond Trustee by the Issuer in accordance with the provisions of the Dealership Agreement but excluding any entity whose appointment has been terminated in accordance with the provisions of the Dealership Agreement and notice of such termination has been given to the Principal Paying Agent and the Bond Trustee by the Issuer in accordance with the provisions of the Dealership Agreement and references to a **"relevant Dealer"** or the **"relevant Dealer(s)"** mean, in relation to any Tranche of Bonds, the Dealer or Dealers with whom the Issuer has agreed the issue of the Bonds of such Tranche and **"Dealer"** means any one of them.

**"Dealership Agreement"** means the agreement dated on or about the Initial Issue Date between the Issuer, the Obligors, BAA and the Dealers named therein (or deemed named therein) concerning the purchase of Bonds to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating or modifying such agreement and any accession letters and/or agreements supplemental thereto.

**"Debt Collateralisation Account"** means the account designated as the "Debt Collateralisation Account", held in the joint names of the Borrowers and maintained with the Borrower Account Bank pursuant to the terms of the Borrower Account Bank Agreement and the Common Terms Agreement, or such other account as may be opened, with the consent of the Borrower Security Trustee, at any branch of the Borrower Account Bank.

**"Decision Period"** means the period of time within which the approval of the Borrower Security Trustee is sought as specified in relation to each type of voting matter in the STID.

**"Default"** means:

- (a) a Loan Event of Default; or
- (b) a Potential Loan Event of Default.

**"Default Rate"** means one per cent. per annum above the base rate from time to time of the Issuer Account Bank.

**"Definitive Bond"** means a Bearer Bond in definitive form issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Bond Trust Deed in exchange for either a Temporary Global Bond or part thereof or a Permanent Global Bond (all as indicated in the applicable Final Terms), such Bearer Bond in definitive form being in the form or substantially in the form set out in Part 3 (*Form of Definitive Bonds*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed and having the Conditions endorsed thereon and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached

thereto and (except in the case of a Zero Coupon Bond in bearer form) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue.

"**Designated Airport Disposal**" has the meaning given to such term in Paragraph 6 (*Disposals*) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) to the Common Terms Agreement.

"**Designated Airports**" means the airports at Heathrow, Gatwick and Stansted.

"**Designated Sub Holdco**" means BAA (DSH) Limited, a company incorporated in England and Wales with limited liability (registered number 06458597), whose registered office is at 130 Wilton Road, London SW1V 1LQ.

"**Designated Website**" has the meaning given to such term in Paragraph 13 (*Use of Websites*) of Part 1 (*Information Covenants*) of Schedule 2 (*Covenants*) to the Common Terms Agreement.

"**Direction Notice**" means, in respect of any matter which is not the subject of a STID Proposal, a SSA Instruction Notice, an Emergency SSA Instruction Notice, an Intercreditor Instruction Notice, an Enforcement Instruction Notice, a Further Enforcement Instruction Notice or a BSC Instruction Notice, a request made by the Borrower Security Trustee for an instruction from the Qualifying Borrower Secured Creditors as to whether the Borrower Security Trustee should agree to a consent, waiver or modification or exercise a right or discretion pursuant to the Transaction Documents and the manner in which it should do so.

"**Discretion Matter**" means a matter in which the Borrower Security Trustee may exercise its discretion to approve any request made in a STID Proposal without any requirement to seek the approval of any Borrower Secured Creditor or Issuer Secured Creditor or any of their respective representatives.

"**Disposal Proceeds Account**" has the meaning given to it in paragraph 2 of Schedule 9 (*Borrower Cash Management*) of the CTA.

"**Dollar Bonds**" means Bonds denominated in U.S. Dollars.

"**DTC**" means The Depository Trust Company.

"**DTC Custodian**" means Deutsche Bank Trust Company Americas.

"**Dual Currency Bonds**" means a Bond in respect of which the amount payable (whether in respect of principal or interest and whether at maturity or otherwise) will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

"**EIB**" means The European Investment Bank in its capacity as lender pursuant to the EIB Facilities.

"**EIB Facilities**" means certain existing term facilities made available to HAL and any further facilities made available to one or more of the Borrowers by EIB.

"**EIB Facility Agreements**" means certain EIB facility agreements under which the EIB Facilities are made available to one or more of the Borrowers.



**"EIB Liquidity Shortfall"** means, in relation to any Payment Date under a Supported EIB Facility Agreement, an amount equal to the shortfall between amounts available to the Borrowers to meet payments of interest, fees and commissions on the Supported EIB Facilities and the amount of interest, fees and commissions payable by the Borrowers on such Payment Date on the principal amount advanced by EIB under the EIB Facility Agreements.

**"EIB Payment Date"** means each date on which a payment of interest or other finance charges (excluding, for the avoidance of doubt, any principal payments) is scheduled to be made by a Borrower under any Supported EIB Facility.

**"EIB Required Amount"** means the maximum potential EIB Liquidity Shortfall under the Supported EIB Facilities for the succeeding 12 month period as most recently notified to the Parties by the Borrower Cash Manager pursuant to Clause 22.3 (*Borrower Cash Manager Notifications*) of the Borrower Liquidity Facility Agreement.

**"Eligible Tranche"** means each tranche of Non-Migrated Bonds in respect of which no Independent Enforcement Action has been taken.

**"Emergency SSA Instruction Notice"** has the meaning given thereto in clause 19.3 (*Emergency SSA Instruction Notice*) of the STID.

**"Enforcement Action"** means any step (other than (i) the exercise of any rights of inspection of any asset or other immaterial actions taken under any Finance Lease or (ii) a Permitted Hedge Termination) that a Borrower Secured Creditor is entitled to take to enforce its rights against an Obligor under a Finance Document following the occurrence of a Loan Event of Default including the declaration of a Loan Event of Default, the institution of proceedings, the making of a demand for payment under a guarantee, the making of a demand for cash collateral under a guarantee or the acceleration of Borrower Secured Liabilities by a Borrower Secured Creditor or Borrower Secured Creditors pursuant to the terms of the applicable Finance Documents.

**"Enforcement Instruction Notice"** has the meaning given to it in clause 21.2 (*Enforcement Instruction Notices*) of the STID.

**"Enforcement Order"** means a compliance order or enforcement order by any Regulator under any applicable law or regulation excluding any order made pursuant to section 41 of the Airports Act.

**"Enforcement Period"** means any period from and including the date of the delivery of a Loan Enforcement Notice to and excluding the earlier of the date on which the Borrower Secured Liabilities have been discharged in full and the date on which the Borrower Security Trustee, acting in accordance with the instructions of the relevant Borrower Secured Creditors pursuant to the STID, notifies the Obligors that the Enforcement Period has ended.

**"Entrenched Rights"** are matters which:

- (a) would delay the date fixed for payment of principal, interest or Make-Whole Amount in respect of the relevant Borrower Secured Creditor's debt or would reduce the amount of principal, the rate of interest or the Make-Whole Amount (if any) payable in respect of such debt;

- (b) would bring forward the date fixed for payment of principal, interest or Make-Whole Amount in respect of a Borrower Secured Creditor's debt or would increase the amount of principal, the rate of interest or the Make-Whole Amount (if any) payable on any date in respect of the Borrower Secured Creditor's debt;
- (c) would have the effect of adversely changing any of the Borrower Post-Enforcement Priorities of Payments or application thereof in respect of a Borrower Secured Creditor (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change);
- (d) would have the effect of adversely changing the application of any proceeds of enforcement of the OFCA;
- (e) would result in the exchange of the relevant Borrower Secured Creditor's debt for, or the conversion of such debt into, shares, bonds or other obligations of any other person;
- (f) would change or would relate to the currency of payment due under the relevant Borrower Secured Creditors debt (other than due to the UK adopting the euro);
- (g) would change or would relate to any existing obligation of an Obligor to gross up any payment in respect of the relevant Borrower Secured Creditor's debt in the event of the imposition of withholding taxes (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change);
- (h) would change or would have the effect of changing (i) any of the following definitions: Qualifying Borrower Debt, Qualifying Borrower Secured Creditors, Qualifying Borrower Senior Debt, Qualifying Borrower Junior Debt, STID Proposal, Discretion Matter, Ordinary Voting Matter, Extraordinary Voting Matter, Voted Qualifying Debt, Non-Migrated Bond Voting Matter, Non-Migrated Bond Excluded Default, Reserved Matter, Entrenched Right, Borrower Secured Liabilities; (ii) the Decision Period, Quorum Requirement or voting majority required in respect of any Ordinary Voting Matter, Extraordinary Voting Matter, SSA Instruction Notice, Emergency SSA Instruction Notice, Intercreditor Instruction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice; (iii) any of the matters that give rise to Entrenched Rights under the STID or (iv) clause 16.1 (*Scope of Entrenched Rights*) of the STID;
- (i) would change or have the effect of changing clause 10.3 (*Participating QBS Creditors*) of the STID;
- (j) would change or have the effect of changing Schedule 3 (*Reserved Matters*) of the STID;
- (k) in respect of each Hedge Counterparty,
  - (i) would change or would have the effect of changing any of the following definitions: Borrower Excess Hedge Collateral, Borrower Hedge Replacement Premium, Borrower Subordinated Hedge Amount, Issuer Excess Hedge Collateral, Issuer Hedge Replacement Premium, Issuer Subordinated Hedge Amount, Hedging Agreement, Revenue Collections or Issuer Secured Creditor Entrenched Right; or

- (ii) would change or have the effect of changing the definition of Hedging Limit or would change any term forming part of such definition other than where the effect of such change would be to decrease the Hedging Limit; or
- (iii) would change or have the effect of changing the definition of Permitted Hedge Termination or any of the Hedge Counterparties' rights to terminate the Hedging Agreements as set out in the Hedging Policy; or
- (iv) would change or have the effect of changing sub-clause 7.1.2 of the Common Terms Agreement; or
- (v) would change or have the effect of changing clause 11.5 (*Voting of Cross Currency Hedging Agreements by Cross Currency Hedge Counterparties*) of the STID; or
- (vi) would change or have the effect of changing the definition of Loan Acceleration Notice or would change or have the effect of changing clause 22.2 (*Consequences of Delivery of Loan Notice Acceleration*) of the STID;
- (vii) would change or have the effect of changing the purpose of the Borrower Liquidity Facility (which is to fund shortfalls in respect of interest and other finance charges due under the Refinancing Facility Agreement, the EIB Facility Agreements and all scheduled amounts payable to each Borrower Hedge Counterparty under the Borrower Hedging Agreements in an aggregate amount at least equal to the amount of liquidity required to prevent the occurrence of a Trigger Event pursuant to paragraph 3(c) of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) of the Common Terms Agreement);
- (viii) would change or have the effect of changing the purpose of the Issuer Liquidity Facility (which is to fund shortfall amounts scheduled to be paid by the Issuer in respect of items (a) - (g) (inclusive) of the Issuer Pre-Enforcement Priority of Payments (excluding, for the avoidance of doubt, any termination payments and all other unscheduled amounts payable to any Issuer Hedge Counterparty) in an aggregate amount at least equal to the amount of liquidity required to prevent the occurrence of a Trigger Event pursuant to paragraph 3(b) of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) of the Common Terms Agreement);
- (ix) would change or have the effect of changing the effect of paragraph 12 (*Application of Borrower Post-Enforcement (Pre-Acceleration) Priorities of Payment in certain circumstances*) of Schedule 9 (*Borrower Cash Management*) of the Common Terms Agreement;
- (x) would change or have the effect of changing any provisions of the Senior/Subordinated Intercreditor Agreement which, (i) relate to the Hedging Agreements and/or the Hedge Counterparties or (ii) would have a material adverse effect on the Borrower Hedge Counterparties;
- (xi) would change or have the effect of changing paragraph 6 (*Disposals*) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*), paragraph 2 (*Mandatory Prepayments*) of Part 2 (*Trigger Event Consequences*) of Schedule 3 (*Trigger*

*Events*) or paragraphs 8 (*Debt Collateralisation Account*) or 12 (*Application of Borrower Post-Enforcement (Pre-Acceleration) Priorities of Payments in certain circumstances*) of Schedule 9 (*Borrower Cash Management*) of the Common Terms Agreement, clause 7.4 of the Borrower Loan Agreement or clause 23.3, 23.5.3, 23.4 or 23.8 (*Borrower Post-Enforcement (Post-Acceleration) Priority of Payments*) of the STID;

- (l) in respect of each Borrower Liquidity Facility Provider, would change the effect of paragraph 12 (*Application of Borrower Post-Enforcement (Pre-Acceleration) Priorities of Payments in certain circumstances*) of Schedule 9 (*Borrower Cash Management*) of the Common Terms Agreement and paragraph 34 (*Pre-Enforcement Priority for Borrower Liquidity Facilities*) of Schedule 2, Part 3 of the Common Terms Agreement, or would affect the ability of such Borrower Liquidity Facility Provider to enforce its rights under a Borrower Liquidity Facility Agreement;
- (m) in respect of each Finance Lessor, would have the effect of changing or would relate to (a) any sale, transfer or other disposal (whether deemed or otherwise) of any of the Equipment; (b) the creation or subsistence of any encumbrance, lien, mortgage or other Security Interest over any Equipment; (c) any of the covenants or representations and warranties set out in the Finance Documents which relate to the maintenance or condition of the Equipment; or (d) any provisions contained within the Finance Documents pertaining to any damage, destruction or total loss of any of the Equipment;
- (n) in respect of the BAA Pension Trustee, (i) may impose new, increased or additional obligations on or reduce the rights of the BAA Pension Trustee (provided, however, that with regard to any reduction of rights relating to the Borrower Post-Enforcement Priorities of Payments, the right of the BAA Pension Trustee shall be to rank *pari passu* with the repayments of principal in respect of the Borrower Loans relating to the Class A Bonds for an aggregate amount up to the Maximum Pension Liability Amount but the Borrower Post-Enforcement Priorities of Payments may otherwise be amended without the consent of the BAA Pension Trustee except where sub-paragraph (iv) of this paragraph (n) applies), (ii) would result in the BAA Pension Trustee being entitled to be paid an aggregate amount under the STID of less than the Maximum Pension Liability Amount, (iii) would change or have the effect of changing Schedule 5 of the Shared Services Agreement or the Pensions Agreement, (iv) would have the effect of granting security to any person that would rank in priority to the security granted to the BAA Pension Trustee other than in respect of those classes of Borrower Secured Creditor ranking in priority to the BAA Pension Trustee as at the Initial Issue Date, and/or (v) would amend or result in an amendment to this paragraph (n) or would change or would have the effect of changing the definitions of BAA Pension Liabilities or Maximum Pension Liability Amount;
- (o) in respect of a Non-Migrated Bondholder or the Non-Migrated Bond Trustee:
  - (i) would release any of the Borrower Security as security for the obligations of the Borrowers under the Non-Migrated Bond Guarantee other than in circumstances where the STID permits the Borrower Security Trustee to consent to such release without the requirement to obtain consent from the Borrower Secured

Creditors or where all Borrower Secured Creditors are affected equally and rateably by such release;

- (ii) would adversely change the entitlement of the Non-Migrated Bondholders or the Non-Migrated Bond Trustee to participate in a vote relating to a Non-Migrated Bond Voting Matter; or
  - (iii) would adversely change the ranking of the claims of the Non-Migrated Bondholders or the Non-Migrated Bond Trustee to any amounts received or recovered in respect of any of the Borrower Security, it being recognised that the addition of secured liabilities and secured parties that rank ahead of the Non-Migrated Bondholders shall not be deemed to be an adverse change where the Non-Migrated Bondholders continue to rank *pari passu* with the Senior Debt.
- (p) in respect of any Borrower Secured Creditor whose Senior Debt or Junior Debt is Collateralised, would result in the withdrawal of any amounts credited to the Debt Collateralisation Account to the extent represented by a credit on the DCA Ledger of such Borrower Secured Creditor except where such amounts are to be applied in Actual Prepayment of such Senior Debt or, as the case may be, Junior Debt;
- (q) in respect of the Issuer, would relate to the waiver of the Loan Event of Default set out in paragraph 16 (*Bond Event of Default*) of Schedule 4 (*Loan Events of Default*) of the Common Terms Agreement, provided that the Bond Trustee on behalf of the Issuer shall be required to provide such waiver if, following delivery of an Enforcement Instruction Notice by the Borrower Security Trustee, no instruction to deliver a Loan Enforcement Notice, take any other kind of Enforcement Action or deliver a Loan Acceleration Notice is given by the Qualifying Borrower Secured Creditors in accordance with the procedures set out in the STID, the Issuer (or its Secured Creditor Representatives) is directed to do so in writing by Issuer Qualifying Creditors together holding or representing 25 per cent. or more of the Issuer Qualifying Debt; or
- (r) in respect of each Financial Guarantor, would result in any member of the Security Group entering into any inflation-linked Treasury Transactions pursuant to a Hedging Agreement or would result in the Issuer entering into inflation-linked Treasury Transactions in respect of any Class B Bonds.

**"Environmental Claim"** means any claim, proceeding, formal notice or investigation by any person pursuant to any Environmental Law.

**"Environmental Law"** means any applicable law in force in any jurisdiction in which the Borrowers, any of their Subsidiaries or any Joint Venture in which it has an interest conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

**"Environmental Permits"** or **"Environmental Approvals"** shall in either case where used mean any permit, licence, consent, approval or other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business conducted on or from the properties owned or used by the Security Group.

"**Equipment**" means, in relation to a Finance Lease, any items of equipment, plant and/or machinery, system, asset, software licence, Intellectual Property Right, software and any other item leased under that Finance Lease.

"**Equivalent Amount**" means the amount in question expressed in the terms of the Base Currency, calculated on the basis of the Exchange Rate.

"**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

"**euro**", "**EUR**" or "**€**" means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty.

"**EURIBOR**" has the meaning ascribed to it in the Conditions.

"**Euroclear**" means Euroclear Bank S.A/N.V.

"**Exchange Agent**" means Deutsche Bank AG, London Branch (or any successor thereto) in its capacity as exchange agent under the Agency Agreement in respect of the Bonds.

"**Exchange Date**" means in relation to each Temporary Global Bond, the first day following the expiry of forty days after the Issue Date of such Temporary Global Bond.

"**Exchange Rate**" means the strike rate specified in any related Cross-Currency Hedging Agreement or, failing that, the spot rate at which the Non-Base Currency is converted to the Base Currency as quoted by the Agent Bank as at 11.00 a.m.:

- (a) for the purposes of clause 12.7 (*STID Voting Request*) of the STID, on the date that the STID Proposal is dated; and
- (b) in any other case, on the date as of which calculation of the Equivalent Amount of the Outstanding Principal Amount is required,

and, in each case, as notified by the Agent Bank to the Bond Trustee.

"**Excluded Cash**" means (a) any amounts standing to the credit of the Insurance Proceeds Account, (b) on and following a Mandatory Prepayment Date, any disposal proceeds from the disposal of all or part of a Designated Airport representing more than two per cent. of Total RAB which have not for any reason been applied in the prepayment of advances or market purchases of bonds in circumstances where they should have been so applied, (c) any cash required to meet any Restricted Payment declared but not yet paid or which the Security Group Agent reasonably expects to be declared in the 90 days following the date of any Compliance Certificate or, if later, the date of delivery of any financial statements that were required to be delivered with such Compliance Certificate but were not so delivered, (d) the amount of any cash collateral provided by a Borrower under a credit support annex in respect of hedging arrangements entered into in the ordinary course of business and permitted in accordance with the Hedging Policy, (e) the aggregate amounts standing to the credit of any Liquidity Standby Account (as defined in the relevant Borrower Liquidity Facility Agreement) in the name of any of the Borrowers and (f) the aggregate amounts standing to the credit of the Borrower Liquidity Reserve Account.

"**Excluded Charged Property**" has the meaning given to it in the Security Agreement.

**"Excluded Issuer Cash"** means the aggregate amounts standing to the credit of any Liquidity Standby Account (as defined in the relevant Issuer Liquidity Facility Agreement) in the name of the Issuer, the aggregate amounts standing to the credit of the Issuer Liquidity Reserve Account and any Issuer Collateral Account.

**"Excluded Property"** means, in respect of any Borrower, any assets, rights or property of such Borrower, not being assets, rights or property of operational or strategic importance to such Borrower, which pursuant to the provisions of the Security Documents are excluded from the Charged Property of such Borrower.

**"Existing Operating Lease"** means any contract entered into by the Borrower or HEX Opco on or prior to 31 December 2018 which is treated as an operating lease under the Applicable Accounting Principles as in effect on 31 December 2018 except to the extent that, on or after 1 January 2019, any such contract is renewed, extended or modified such that there is a change in the scope of such lease, or the consideration for such lease that, in each case, was not part of the original terms and conditions of such lease.

**"Existing Security Agreements"** means

- (a) the debenture dated 30 January 2008 between BAA (AH) Limited, BAA (SH) Limited, BAA (SP) Limited and BAA (DSH) Limited as Chargors and The Royal Bank of Scotland plc as security trustee;
- (b) the debenture dated 19 January 2007 made between Heathrow Airport Limited, Gatwick Airport Limited and Stansted Airport Limited as Chargors and The Royal Bank of Scotland plc as security trustee;
- (c) the mortgage dated 19 January 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (d) the mortgage dated 19 January 2007 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (e) the mortgage dated 19 January 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (f) the mortgage dated 30 August 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (g) the mortgage dated 30 August 2007 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (h) the mortgage dated 30 August 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (i) the mortgage dated 17 September 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (j) the mortgage dated 17 September 2007 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;

- (k) the mortgage dated 17 September 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (l) the mortgage dated 19 September 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (m) the mortgage dated 12 October 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (n) the mortgage dated 3 April 2008 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (o) the mortgage dated 7 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (p) the mortgage dated 9 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (q) the mortgage dated 10 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (r) the mortgage dated 15 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (s) the mortgage dated 30 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (t) three mortgages each dated 6 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (u) the mortgage dated 7 May 2008 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (v) the mortgage dated 8 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (w) three mortgages each dated 12 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (x) the two mortgages dated 16 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (y) the mortgage dated 19 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (z) the mortgage dated 21 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (aa) the mortgage dated 30 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;



- (bb) the mortgage dated 11 June 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (cc) the mortgage dated 20 June 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (dd) the mortgage dated 7 July 2008 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (ee) the mortgage dated 10 July 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (ff) the mortgage dated 18 July 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (gg) two mortgages each dated 1 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (hh) the mortgage dated 4 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (ii) the two mortgages dated 5 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (jj) the mortgage dated 8 August 2008 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (kk) the mortgage dated 8 August 2008 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee; and
- (ll) the mortgage dated 8 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee,

and any other mortgage entered into between an Operating Company and The Royal Bank of Scotland plc prior to the Initial Issue Date.

**"Extraordinary Resolution"** means a resolution passed by a meeting of Bondholders, duly convened and held in accordance with the Bond Trust Deed, by a majority of not less than three-quarters of the votes cast at such meeting.

**"Extraordinary STID Resolution"** has the meaning given thereto in clause 15.3 (*Requisite majority in respect of an Extraordinary Voting Matter*) of the STID.

**"Extraordinary Voting Matters"** are matters which:

- (a) would release any of the Borrower Security (unless equivalent replacement security is taken at the same time) unless such release is permitted in accordance with the terms of the Common Documents;
- (b) would change (i) certain material definitions which relate to the key structural principles on which the voting mechanics of the Extraordinary Voting Matters have been founded, or (ii) any of the matters constituting Extraordinary Voting Matters;

- (c) (subject to paragraph (e) below) would change any Loan Events of Default or any Trigger Events each in relation to non-payment, the making of Restricted Payments, financial ratios or credit rating downgrade;
- (d) would relate to the waiver of the Loan Event of Default in respect of any Obligor or Loan Events of Default or Trigger Events each in relation to non-payment, credit rating downgrade or financial ratios or the making of Restricted Payments;
- (e) would materially adversely change or affect the application of the Fair and Reasonable Principle to the allocation of shared costs payable by the Obligors under the Shared Services Agreements save as permitted or required under the Shared Services Agreements in respect of any Regulatory Change;
- (f) would change in any adverse respect the restriction on any disposal of HAL or Heathrow or relate to a consent in respect of any such disposal;
- (g) would change in any adverse respect the mandatory prepayment provisions set out in Paragraph 6 (*Disposals*) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) to the Common Terms Agreement following a disposal of all or part of a Designated Airport, including, without limitation, the amount to be prepaid or the time by which such amount is to be applied in prepayment;
- (h) would change any of the termination events or materially affect any of the provisions relating to the obligations of any party to the Shared Services Agreement following the occurrence of a termination event;
- (i) would materially change or have the effect of materially changing clause 2.7 of the Shared Services Agreement or the equivalent provision of the BSC Services Agreement or BAA's or BSC's obligations thereunder;
- (j) would materially change or have the effect of materially changing the definition of Permitted Business;
- (k) would change or have the effect of changing the provisions relating to or relate to the waiver of the Additional Indebtedness Tests set out in Schedule 2, part 3, paragraph 7 to the Common Terms Agreement;
- (l) would have the effect of approving or consenting to any termination of the appointment of BAA as Shared Services Provider under the Shared Services Agreement in accordance with the provisions of paragraph (b)(iii) of clause 19.3 of the Shared Services Agreement;
- (m) would result in the earnings from any Joint Ventures which are not Obligors contributing towards more than 10 per cent. of Cashflow from Operations;
- (n) would result in the sum of the aggregate undrawn available commitments under Liquidity Facilities of the Issuer and the balance of the Issuer Liquidity Reserve Account (if any) being less than the aggregate amount of the Issuer's estimated recurring fees and expenses, interest and equivalent finance charges for the 12 months following the most

recently occurring Calculation Date on Issuer Senior Debt and for the 6 months following the most recently occurring Calculation Date on Issuer Junior Debt;

- (o) would result in the sum of the aggregate undrawn available commitments under Liquidity Facilities of the Borrowers and the balance of the Borrower Liquidity Reserve Account (if any) being less than the sum of (i) the aggregate forecast net payments payable by the Borrowers under outstanding Treasury Transactions under the Borrower Hedging Agreements; (ii) the amount of the Borrowers' estimated recurring fees and expenses, interest and equivalent finance charges under the Refinancing Facility (after taking account of the impact of all Interest Rate Hedging Agreements entered into in respect of the Refinancing Facility which continue in force) for the 12 months following the most recently occurring Calculation Date on Tranche A Loans outstanding under the Refinancing Facility Agreement and for 6 months following the most recently occurring Calculation Date on Tranche B Loans outstanding under the Refinancing Facility Agreement and (iii) the maximum potential EIB Liquidity Shortfall under the Supported EIB Facilities, in each case for the succeeding 12 month period, on the basis of, in respect of such Treasury Transactions, the assumptions set out in paragraph 3(c) of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement;
- (p) would bring forward the scheduled maturity date of any Financial Indebtedness following the occurrence of a Trigger Event which is continuing; or
- (q) would result in members of the Security Group being able to claim capital allowances in the five year period following the Initial Issue Date, where the members of the Security Group are aware that the effect of so claiming would be to generate or increase the amount of losses or other amounts which would be available for surrender by way of group relief to companies outside the Security Group and which, in aggregate, exceed 2 per cent. of Total RAB.

**"Facility Agent"** means any facility agent under any Authorised Credit Facility.

**"Fair and Reasonable Principle"** means the fair and reasonable allocation as between the Obligors, the Non-Designated Group and any other members of the BAA Group having regard to the statements of any Regulator in relation thereto provided to BAA from time to time.

**"FG Event of Default"** means in relation to each Relevant Financial Guarantor such events as are specified in the G&R Deed and, in relation to Wrapped Bonds, set out in the relevant Final Terms.

**"Fifth Anniversary Date"** means the last Business Day of any Five-Year Period.

**"Final Terms"** means the final terms issued in relation to each Tranche or Sub-Class of Bonds as a supplement to the Conditions and giving details of the Tranche or Sub-Class.

**"Finance Documents"** means:

- (a) the Security Documents;
- (b) any Finance Lease Documents;
- (c) the Common Terms Agreement;

- (d) the Borrower Loan Agreements;
- (e) the Master Definitions Agreement;
- (f) the Borrower Account Bank Agreement;
- (g) the Initial Credit Facilities Agreement and any Capex Certificate or ICF Accession Memorandum (both as defined therein) delivered thereunder;
- (h) the Refinancing Facility Agreement;
- (i) the Ancillary Documents;
- (j) the EIB Facility Agreements;
- (k) each Borrower Liquidity Facility Agreement;
- (l) the Borrower Liquidity Reserve Account Trust Deed;
- (m) the Senior/Subordinated Intercreditor Agreement;
- (n) (A) any fee letter, commitment letter or request entered into in connection with (i) the facilities referred to in paragraphs (g) to (l) above or the transactions contemplated in such facilities and (B) any other document that has been entered into in connection with such facilities or the transactions contemplated thereby that has been designated as a Finance Document by the parties thereto (including at least one Obligor);
- (o) each Hedging Agreement entered into by the Borrowers;
- (p) for the purposes of the Senior/Subordinated Intercreditor Agreement only, the Non-Migrated Bond Guarantee;
- (q) for the purposes of the Senior/Subordinated Intercreditor Agreement only, the Non-Migrated Bonds;
- (r) any other Authorised Credit Facilities;
- (s) each CP Agreement;
- (t) the Tax Deed of Covenant;
- (u) each agreement or other instrument between a Borrower or the Issuer (as applicable) and an Additional Borrower Secured Creditor designated as a Finance Document by a Borrower or the Issuer (as applicable), the Borrower Security Trustee and such Additional Borrower Secured Creditor in the Accession Memorandum for such Additional Borrower Secured Creditor;
- (v) the Master Execution Deed; and
- (w) any amendment and/or restatement agreement relating to any of the above documents.

**"Finance Lease"** means any lease entered into by a Borrower or HEX Opco of which substantially all of the risk and reward of ownership of the relevant leased asset is borne by the

Borrower and HEX Opco (as the case may be) (as determined by the Borrower and/or HEX Opco) and which meets one or more of the Finance Lease Principles and (a) is in respect of Equipment which on its own has a capitalised amount in excess of 0.5 per cent. of Total RAB or when added to the capitalised amount of then existing leases classified as finance leases in accordance with the Finance Lease Principles would exceed an aggregated capitalised amount of 0.5 per cent. of Total RAB; or (b) the counterparty to which has acceded to the terms of the STID and the Common Terms Agreement, together the "**Finance Leases**". For the avoidance of doubt, capitalised amounts of leases shall be calculated in accordance with the then current Applicable Accounting Principles for leases.

"**Finance Lease Documents**" means each Finance Lease together with any related or ancillary documentation.

"**Finance Lease Principles**" means the principles relating to the classification of finance leases as applied by the Borrower and/or Hex Opco, as the case may be, from time to time being that:

- (a) the lease transfers ownership of the asset to the Borrower or HEX Opco by the end of the lease term;
- (b) the Borrower or HEX Opco has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- (c) the lease term is for the major part of the economic life of the asset (generally considered to be a lease term of equal to or more than 75 per cent. of the estimated economic life of the leased asset) even if title is not transferred;
- (d) at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset (with "substantially all" generally considered to be more than 90 per cent. of the fair value of the leased asset);
- (e) the leased assets are of such a specialised nature that only the Borrower or HEX Opco, as the case may be, can use them without major modifications;
- (f) the Borrower or HEX Opco, as the case may be, can cancel the lease and the lessor's losses associated with the cancellation are borne by the Borrower or HEX Opco;
- (g) gains or losses from the fluctuation in the fair value of the residual value of the leased asset fall to the Borrower or HEX Opco; and/or
- (h) the Borrower or HEX Opco has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent.

"**Finance Lessors**" means any person entering into a Finance Lease with a Borrower or HEX Opco, as permitted by the Common Terms Agreement and the STID, who accedes to the STID and the Common Terms Agreement as a Finance Lessor (each a "**Finance Lessor**").

"**Finance Party**" means any person providing credit pursuant to an Authorised Credit Facility including all arrangers, agents, representatives and trustees appointed in connection with any such Authorised Credit Facilities.

**"Financial Guarantee Fee"** means any fees payable to a Financial Guarantor under a Financial Guarantee Fee Letter.

**"Financial Guarantee Fee Letter"** means any letter or other agreement between a Relevant Financial Guarantor and the Issuer setting the terms on which fees and/or premia are payable in relation to one or more Financial Guarantees issued or to be issued by that Relevant Financial Guarantor.

**"Financial Guarantee Shortfall"** has the meaning ascribed to it in the relevant Financial Guarantee.

**"Financial Guarantees"** means any financial guarantee issued by a Relevant Financial Guarantor in respect of any Wrapped Debt and **"Financial Guarantee"** shall be construed accordingly.

**"Financial Guarantor"** means any person who provides a financial guarantee, including the Financial Guarantees, in respect of any of the Wrapped Debt, and **"Financial Guarantors"** means all of them if there is more than one at any time.

**"Financial Guarantor Information"** means any information specified as such, for which a Financial Guarantor takes responsibility in the Base Prospectus or any supplementary or drawdown prospectus relating thereto.

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

- (a) moneys borrowed or raised (whether or not for cash);
- (b) any documentary or standby letter of credit facility;
- (c) any acceptance credit;
- (d) any bond, note, debenture, loan stock or other similar instrument;
- (e) any finance or capital lease or hire purchase contract which would, in accordance with Applicable Accounting Principles, be treated as such;
- (f) any amount raised pursuant to any issue of shares which are capable of redemption;
- (g) receivables sold or discounted (other than on a non-recourse basis to any member of the Security Group);
- (h) the amount of any liability in respect of any advance or deferred purchase agreement if either one of the primary reasons for entering into such agreement is to raise finance or the relevant payment is advanced or deferred for a period in excess of 90 days;
- (i) any termination amount due from any member of the Security Group in respect of any Treasury Transaction that has terminated;
- (j) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing (other than any trade credit or indemnity granted in the ordinary course of a Borrower's trading and upon terms usual for such trade);

- (k) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; and
- (l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in Paragraphs (a) to (k) above (other than any guarantee or indemnity given in respect of obligations owed by one member of the Security Group to another),

**provided that** for the purposes of Senior Net Indebtedness and Junior Indebtedness, Financial Indebtedness shall not include any indebtedness for or in respect of any Existing Operating Lease.

**"Financial Statements"** means, at any time, the financial statements of an Obligor and, in the case of the Security Parent, additionally consolidated financial statements of itself and its subsidiaries, most recently delivered to the Borrower Security Trustee.

**"Financial Year"** means the twelve months ending on 31 December in each year or such other period as may be approved by the Borrower Security Trustee.

**"Fitch"** means Fitch Ratings Limited and any successor to the rating agency business of Fitch Ratings Limited.

**"Five-Year Period"** means (i) in respect of the Liquidity Facilities, the period of five years from the date of the Borrower Liquidity Facility Agreement or the Issuer Liquidity Facility Agreement (as applicable) as such period may be extended or renewed, with respect to one or more Borrower Liquidity Facility Providers or Issuer Liquidity Facility Providers (as applicable) in accordance with the terms of the relevant Liquidity Facility Agreement; and (ii) in all other respects, each consecutive period of five years commencing from 1 April 2008.

**"Fixed Rate Bond"** means a Bond on which interest is calculated at a fixed rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

**"Floating Rate Bond"** means a Bond on which interest is calculated at a floating rate payable in arrears in respect of such period or on such date(s) as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

**"Floating Rate Debt"** means Floating Rate Junior Debt and Floating Rate Senior Debt.

**"Floating Rate Junior Debt"** means any Junior Debt advanced by an Authorised Credit Provider to an Obligor under an Authorised Credit Facility with a floating rate of interest or which in the case of a Borrower Loan relates to a Tranche of Class B Bonds which bears a floating rate of interest and has been hedged pursuant to an Interest Rate Hedging Agreement.

**"Floating Rate Senior Debt"** means any Senior Debt advanced by an Authorised Credit Provider to an Obligor under an Authorised Credit Facility with a floating rate of interest or which in the case of a Borrower Loan relates to a Tranche of Class A Bonds which bears a floating rate of interest and has been hedged pursuant to an Interest Rate Hedging Agreement.

"**Forecasting Event**" shall be construed in accordance with Paragraph 2(f) (*Compliance Certificate*) of Part 1 (*Information Covenants*) of Schedule 2 (*Covenants*) to the Common Terms Agreement.

"**FSMA**" means the Financial Services and Markets Act 2000, as amended.

"**Further Authorised Credit Provider**" means any Authorised Credit Provider which accedes to the Common Terms Agreement and the STID following the Initial Issue Date.

"**Further Enforcement Instruction Notice**" has the meaning given to it in sub-clause 21.2.2 (*Enforcement Instruction Notices*) of the STID.

"**G&R Deed**" means each guarantee and reimbursement deed (or agreement of similar name and effect) entered into from time to time between, among others, the Issuer and each Relevant Financial Guarantor.

"**Gatwick**" means Gatwick airport.

"**General Title Report**" means the report prepared by Herbert Smith LLP in relation to legal ownership of the registered titles comprising the Designated Airports.

"**Global Bond**" means a Temporary Global Bond or a Permanent Global Bond, as the case may be.

"**Global Bond Certificates**" means, collectively, the Rule 144A Global Bond Certificates and the Regulation S Global Bond Certificates.

"**Good Industry Practice**" means those levels of skill, care, expertise and standards of good trade practice as may reasonably be expected of an experienced entity which is not state-owned or operated (whether by a government, a public administration or any other state entity whatsoever) operating and developing leading international airports of a size broadly comparable to the Designated Airports and providing the same or substantially similar services to the services to be provided by BAA under the Shared Services Agreement (taking into consideration regulatory, legal and planning constraints applicable to the Designated Airports and the particular circumstances of any one Designated Airport or the Designated Airports as a whole).

"**Governmental Authority**" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Group**" means the Security Parent and its Subsidiaries.

"**Guarantee**" means, in relation to each Obligor, the guarantee of such Obligor given by it pursuant to the Security Document to which it is a party.

"**Guaranteed Amount**" has the meaning given thereto in the relevant Financial Guarantee.

"**Hardware**" has the meaning given to it in the Shared Services Agreement.

"**Heathrow**" means Heathrow airport.



**"Hedge Counterparties"** means (i) the Initial Issuer Hedge Counterparties, (ii) the Initial Borrower Hedge Counterparties, and (iii) any counterparty which accedes as hedge counterparty to the STID and the Common Terms Agreement and, in the case of any Treasury Transaction with the Issuer, the Issuer Deed of Charge and **"Hedge Counterparty"** means any of such parties.

**"Hedge Payment Date"** means each date on which a payment is scheduled to be made by a Borrower under any Borrower Hedging Agreement.

**"Hedging Agreement"** means any Treasury Transaction entered or to be entered into by the Issuer or a Borrower with a Hedge Counterparty under the Hedging Policy to hedge interest rate exposure and currency risk in relation to the Relevant Debt, the Bonds or the Non-Migrated Bonds.

**"Hedging Limit"** has the meaning given to it in the Hedging Policy.

**"Hedging Policy"** means the initial hedging policy applicable to the Obligors and the Issuer set out in Schedule 5 (*Hedging Policy and Overriding Provisions Relating to Hedging Agreements*) to the Common Terms Agreement as such hedging policy may be amended from time to time by agreement between the Borrower Security Trustee, the Issuer, the Borrowers and the Hedge Counterparties in accordance with the STID.

**"HEX Opco Barclays Operating Account"** means the operating account held at Barclays Bank plc in the name of HEX Opco.

**"HEX Opco Operating Account"** means the operating account held at the Borrower Account Bank in the name of HEX Opco.

**"Highways Agency"** means the Executive Agency of the Department for Transport responsible for operating, maintaining and improving the strategic road network in England.

**"Holder"** has the meaning given thereto in the Conditions.

**"Holding Company"** means a holding company within the meaning of section 736 of the Companies Act.

**"ICR Tests"** means the tests which the Borrowers are required to carry out to ascertain the Junior ICR and the Senior ICR for certain Relevant Periods.

**"Income"** means any interest, dividend or other income arising from or in respect of an Authorised Investment.

**"Indemnification Deed"** means each deed so named and entered into on or about the date of the Dealership Agreement (or prior to a subsequent Issue Date) between the Obligors, a Relevant Financial Guarantor and the Dealers.

**"Independent Enforcement Action"** means:

- (a) in the case of the Non-Migrated Bondholders of any Tranche of Non-Migrated Bonds:
  - (i) the delivery of any notice from the Non-Migrated Bond Trustee or any Non-Migrated Bondholder to BAA and/or HAL and/or GAL and/or STAL pursuant

to which all or any of the Non-Migrated Bonds are declared or become prematurely due and payable or fall to be redeemed prior to their specified maturity date; or

- (ii) the taking of formal steps for the commencement of Insolvency Proceedings against BAA and/or HAL and/or GAL and/or STAL by the Non-Migrated Bond Trustee or any Non-Migrated Bondholder,

in each case, prior to the date on which a Loan Acceleration Notice is delivered; and

- (b) in the case of any other Borrower Secured Creditor (other than the Borrower Security Trustee, the Non-Migrated Bond Trustee and the Non-Migrated Bondholders) and only for so long as there are any Non-Migrated Bonds outstanding, any breach by such Borrower Secured Creditor of any of the provisions set out in clause 6.1 (*Undertakings of Borrower Secured Creditors*) of the STID.

**"Independent Review"** means an independent review resulting from a Trigger Event as set out in Paragraph 2 (*Further Information and Remedial Plan*) of Part 2 (*Trigger Event Consequences*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement.

**"Index"** or **"Index Figure"** means the index or index figure as specified in the Final Terms to the relevant Sub-Class of Bonds.

**"Index Linked Advances"** means any advances made by the Lender under a Borrower Loan Agreement to the Borrowers funded by the issue of Indexed Bonds or Bonds the cashflows in respect of which have been swapped to index-linked.

**"Index Ratio"** applicable to any month means the Index Figure applicable to such month divided by the Base Index Figure.

**"Indexation Accretion Amount"** means the indexation accretion outstanding in respect of any inflation-linked Hedging Agreement.

**"Indexed Bond"** means a Bond in respect of which the amount payable in respect of principal and interest is calculated by reference to an index and/or formula as the Issuer and the relevant Dealer(s) may agree (as indicated in the relevant Final Terms).

**"Individual Bond Certificates"** means, collectively, the Rule 144A Individual Bond Certificates and the Regulation S Individual Bond Certificates.

**"Information Memorandum"** means any information memorandum or Prospectus prepared by or on behalf of, and approved by, the Issuer in connection with the establishment of the Programme and/or the issue of the Bonds or any information memorandum or Prospectus prepared by or on behalf of and approved by the Security Parent in connection with the general syndication in the interbank market of any Authorised Credit Facility.

**"Initial Authorised Credit Facilities"** means the Initial Borrower Loans, the EIB Facilities, the Initial WCF and the Initial Capex Facility.

**"Initial Authorised Credit Facility Agreements"** means the Initial Borrower Loan Agreements, the EIB Facility Agreements, the Initial Credit Facilities Agreement, the Refinancing Facility Agreement and the Initial Borrower Hedging Agreement.

**"Initial Authorised Credit Provider"** means any of the Issuer, the EIB Lender, any Initial Capex Facility Provider, any Initial WCF Provider, any Refinancing Facility Provider and any Initial Borrower Hedge Counterparty.

**"Initial Borrower Hedge Counterparties"** means the financial institutions listed in Part F of Schedule 2 with whom the Borrowers have entered into the Initial Borrower Hedging Agreements on the Initial Issue Date.

**"Initial Borrower Hedging Agreements"** means each Hedging Agreement to be entered into by a Borrower and an Initial Borrower Hedge Counterparty on or before the Initial Issue Date.

**"Initial Borrower Liquidity Facility Provider"** means Lloyds TSB Bank plc.

**"Initial Borrower Loan"** means each loan to be advanced by the Issuer to the Borrowers on the Initial Issue Date pursuant to the Initial Borrower Loan Agreement.

**"Initial Borrower Loan Agreement"** means the initial Borrower Loan Agreement to be entered into between, amongst others, the Issuer and the Borrowers on or about the Initial Issue Date.

**"Initial Capex Facility"** means the capex facilities of an aggregate facility amount of £2,700,000,000 to be made available to the Borrowers, by the Initial Capex Facility Providers on or about the Initial Issue Date pursuant to the Initial Credit Facilities Agreement.

**"Initial Capex Facility Providers"** means the syndicate of lenders which from time to time provide the Initial Capex Facility.

**"Initial Credit Facilities Agent"** means The Royal Bank of Scotland plc or any successor thereto as agent under the Initial Credit Facilities Agreement.

**"Initial Credit Facilities Agreement"** means the facility agreement to be dated on or about the Initial Issue Date under which the Initial Capex Facility and the Initial WCF are made available to the Borrowers and the WCF Borrowers (as defined in the Initial Credit Facilities Agreement).

**"Initial Date Representation"** means in respect of the entering into of a new Authorised Credit Facility after the Initial Issue Date, each of the representations in Schedule 1 (*General Representations*) to the Common Terms Agreement as may be agreed and amended by the Obligors and the relevant Authorised Credit Provider in accordance with Paragraph 4.1.2 of the Common Terms Agreement, provided that the representations contained in Paragraphs 6 (*Validity and admissibility in evidence*), 7 (*Authorisations*) and 22 (*Choice of Law*) of Schedule 1 (*General Representations*) to the Common Terms Agreement shall be limited and refer only to the new Authorised Credit Facility, the representations contained in Paragraph 10 (*Full Disclosure*) of Schedule 1 (*General Representations*) to the Common Terms Agreement shall be limited to the new Authorised Credit Facility (as the case may be), the Information Memorandum and the investor presentation (if any, provided that such investor presentation was expressly authorised by the Borrowers) prepared in respect of such Authorised Credit Facility (as the case may be) and provided further that the representation contained in Paragraph 5(a)

will not be breached where a Trigger Event has occurred and is continuing but the conditions set out under Clause 2.2.2 of the CP Agreement have been met.

**"Initial Facility Fee"** means the initial facility fee payable by the Borrowers pursuant to sub-clause 13.5.1 of the Initial Borrower Loan Agreement.

**"Initial Hedge Counterparties"** means the Initial Issuer Hedge Counterparties and the Initial Borrower Hedge Counterparties.

**"Initial Issue Date"** means the date upon which the first Series of Bonds is issued by the Issuer or, if no Bonds are issued by the Issuer, the date upon which amounts are drawn by the Borrowers under the Refinancing Facility Agreement.

**"Initial Issuer Hedging Agreements"** means each Hedging Agreement to be entered into by the Issuer and the Initial Issuer Hedge Counterparties on or before the Initial Issue Date.

**"Initial Issuer Hedge Counterparties"** means the financial institutions listed in Part E of Schedule 2 with whom the Issuer has entered into the Initial Issuer Hedging Agreements on the Initial Issue Date.

**"Initial Issuer Liquidity Facility Agreement"** means the liquidity facility agreement to be dated on or about the Initial Issue Date entered into between, among others, the Issuer and Lloyds TSB Bank plc as Issuer Liquidity Facility Provider.

**"Initial WCF"** means the working capital facilities of an aggregate facility amount of £50,000,000 to be made available to the Borrowers, the Security Parent and Asset Holdco by the Initial WCF Providers on the Initial Issue Date.

**"Initial WCF Providers"** means the syndicate of banks which together provide the Initial WCF.

**"Insolvency Act"** means the Insolvency Act 1986.

**"Insolvency Event"** means, in respect of any company:

- (a) the initiation of or consent to Insolvency Proceedings by such company or any other person or the presentation of a petition or application for the making of an administration order which proceedings (other than in the case of the Issuer) are not, in the opinion of the Borrower Security Trustee, being disputed in good faith with a reasonable prospect of success;
- (b) the giving of notice of appointment of an administrator or the making of an administration order or an administrator being appointed in respect of such company (other than in relation to an Insolvency Event of the Issuer under an Issuer Liquidity Facility Agreement, any such giving of notice, making of an administration order or appointment of an administrator which is commenced by action taken by the company itself (or its directors) under paragraphs 12(1)(a) and (b) and/or paragraph 22 of Schedule B1 to the Insolvency Act) or the company becomes bankrupt within the meaning of the Interpretation (Jersey) Law 1954;

- (c) an encumbrancer (excluding, in relation to the Issuer, the Bond Trustee or any receiver) taking possession of the whole or any part of the undertaking or assets of such company;
- (d) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any substantial part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Bond Trustee or any receiver) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;
- (e) the making of an arrangement, composition, scheme of arrangement, reorganisation with or conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally;
- (f) the passing by such company of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation or dissolution of such company (except, in the case of the Issuer, a winding up for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Bond Trustee or by an Extraordinary Resolution);
- (g) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any substantial part of the undertaking or assets of such company;
- (h) save as permitted in the STID, the cessation or suspension of payment of its debts generally or a public announcement by such company of an intention to do so; or
- (i) save as provided in the STID, a moratorium is declared in respect of any indebtedness of such company.

**"Insolvency Official"** means, in connection with any Insolvency Proceedings in relation to a company, a liquidator, provisional liquidator, administrator, administrative receiver, receiver, manager, nominee, supervisor, trustee, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors.

**"Insolvency Proceedings"** means, in respect of any company, the winding-up, liquidation, dissolution or administration of such company, or any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or of any jurisdiction in which such company, carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

**"Instalment Amounts"** has the meaning given thereto in Condition 6(h) (*Interest and other Calculations - Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*).

**"Instalment Bonds"** means any Bonds specified as such in the relevant Final Terms.

**"Insurance Adviser"** means Marsh Limited or such other party appointed as insurance adviser to the Borrower Security Trustee from time to time.

**"Insurance Adviser Appointment Letter"** means each letter of appointment in respect of an Insurance Adviser.

**"Insurance Proceeds Accounts"** means an account titled "Insurance Proceeds Account" opened by HAL on behalf of the Borrowers and held at the Borrower Account Bank and includes any sub-account relating to that account and any replacement account from time to time.

**"Insurances"** means, as the context may require, any or all of the insurances described in or taken out pursuant to Schedule 11 (*Insurances*) to the Common Terms Agreement and any other contract or policy of insurance taken out by an Obligor from time to time, including in each case any future renewal or replacement of any such insurance whether with the same or different insurers and whether on the same or different terms as further defined in Schedule 11 (*Insurances*) to the Common Terms Agreement.

**"Insurer"** means each insurer from time to time of, or in relation to, any Insurances.

**"Intellectual Property Right"** means any right in:

- (a) copyright (including rights in software and preparatory design materials), get-up, trade names, internet domain names, patents, inventions, rights in confidential information, database rights, moral rights, semiconductor topography rights, trade secrets, know-how, trade marks, service marks, logos and registered designs and design rights (each whether registered or unregistered);
- (b) applications for registration and the right to apply for registration, for any of the above; and
- (c) all other intellectual property rights in each case whether registered or unregistered and including applications for registration and all rights or equivalent or similar forms of protection having equivalent or similar effect anywhere in the world;

**"Intercreditor Instruction Notice"** has the meaning given to it in clause 20.1 (*Intercreditor Instruction Notice*) of the STID.

**"Interest Amount"** has the meaning given thereto in Condition 6(h) (*Interest and other Calculations - Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*).

**"Interest Commencement Date"** means, in the case of interest-bearing Bonds, the date specified in the applicable Final Terms from (and including) which such Bonds bear interest, which may or may not be the Issue Date.

**"Interest Payment Date"** (i) in respect of the Bonds, has the meaning given thereto in Condition 6(i) (*Interest and Other Calculations - Definitions*), (ii) in respect of the Borrower Loans, has the meaning given thereto in clause 1 (*Definitions and Interpretation*) of the Borrower Loan Agreement and (iii) in respect of a Liquidity Facility Agreement, has the meaning given thereto in clause 1.1 (*Definitions*) of such Liquidity Facility Agreement.

**"Interest Period"** (i) in respect of the Bonds, has the meaning given thereto in Condition 6(i) (*Interest and Other Calculations - Definitions*), and (ii) in respect of a Liquidity Facility

Agreement, has the meaning given thereto in clause 1.1 (*Definitions*) of such Liquidity Facility Agreement.

**"Interest Rate Hedging Agreement"** means any Hedging Agreement with a Hedge Counterparty in respect of a Treasury Transaction in respect of any interest rate hedging including, without limitation, through an inflation or inflation-linked transaction.

**"Investment Company Act"** means the U.S. Investment Company Act of 1940, as amended.

**"Investment Grade"** means a rating of at least BBB- by Fitch or BBB- by S&P.

**"Investment Proceeds"** means:

- (a) any net proceeds received upon disposal or realisation; or
- (b) any sum received upon maturity of an Authorised Investment, but excluding all Income.

**"Investor Report"** means each report produced by the Security Group Agent to be delivered by each Reporting Date in each year, substantially in the form set out in Schedule 8 (*Form of Investor Report*) to the Common Terms Agreement.

**"IP SPV"** means the newly formed single purpose company that will be a party to the Cross-Licensing Agreement.

**"ISDA Master Agreement"** means an agreement in the form of the 1992 or 2002 ISDA Master Agreement (Multi-Currency Cross Border) or any successor thereto published by ISDA unless otherwise agreed by the Bond Trustee.

**"Issue Date"** means the date of issue of any Tranche of Bonds or the date upon which all conditions precedent to a utilisation under any other Authorised Credit Facility have been fulfilled or waived and the Issuer makes a utilisation of that facility.

**"Issue Price"** means the price as stated in the relevant Final Terms, generally expressed as a percentage of the nominal amount of the Bonds, at which the Bonds will be issued.

**"Issuer"** means BAA Funding Limited, a company incorporated in Jersey with limited liability under registered number 99529.

**"Issuer Account Bank"** means The Royal Bank of Scotland plc or any successor account bank appointed pursuant to the Issuer Account Bank Agreement.

**"Issuer Account Bank Agreement"** means the account bank agreement dated on or about the Initial Issue Date between the Issuer, the Issuer Account Bank and the Bond Trustee.

**"Issuer Account Mandates"** means the Mandates entered into in connection with the Issuer Account Bank Agreement and the establishment of the Issuer Accounts with the Issuer Account Bank (including any Issuer Collateral Account Mandate).

**"Issuer Accounts"** means the Issuer U.S. Dollar Account, the Issuer Euro Account and the Issuer Sterling Account together with any other account of the Issuer that may be opened from time to time (including any non-sterling accounts, any Issuer Collateral Accounts and any Issuer Liquidity Reserve Account but excluding any Liquidity Standby Account) pursuant to or in

accordance with any Issuer Transaction Document and includes any sub-account or sub-accounts relating to that account and any replacement account from time to time (each an **"Issuer Account"**).

**"Issuer Cash Management Agreement"** means the cash management agreement dated on or about the Initial Issue Date between, among others, the Issuer, BAA and the Bond Trustee.

**"Issuer Cash Management Fee Letter"** means the fee letter entered into between, amongst others, the Issuer Cash Manager and the Issuer on or about the Initial Issue Date.

**"Issuer Cash Manager"** means BAA and any successor thereto.

**"Issuer Charged Property"** means the property, assets, rights and undertakings of the Issuer that are the subject of the Security Interests created in or pursuant to the Issuer Deed of Charge.

**"Issuer Collateral Account"** means each account of the Issuer titled "Issuer Collateral Account" opened at the Issuer Account Bank in accordance with the provisions of the Issuer Cash Management Agreement and includes any sub-account relating to that account and any replacement account from time to time.

**"Issuer Collateral Account Mandate"** means any Mandate entered into in connection with the establishment of an Issuer Collateral Account in accordance with the terms of the Issuer Account Bank Agreement.

**"Issuer Corporate Administration Agreements"** means (i) the corporate administration agreement to be dated on or about the Initial Issue Date between the Issuer and the Issuer Corporate Administration Provider, and (ii) the corporate administration agreement to be entered into on or before the Initial Issue Date between the Issuer and Mourant & Co. Capital (SPV) Limited with regard to the provision of an independent, UK-resident director to the Issuer.

**"Issuer Corporate Administration Providers"** means Mourant & Co. Limited and Mourant & Co. Capital (SPV) Limited and any successors thereto.

**"Issuer Covenants"** means the covenants set out in Schedule 2 (*Issuer Covenants*) of the Bond Trust Deed.

**"Issuer Deed of Charge"** means the deed of charge to be entered into between the Issuer and the Bond Trustee on or about the Initial Issue Date.

**"Issuer Determination Date"** means the date which is five Business Days prior to each Interest Payment Date.

**"Issuer Dollar Account"** means the dollar account known as the "Issuer Dollar Account" held in the name of BAA Funding Limited and maintained by the Issuer Account Bank pursuant to the terms of the Issuer Account Bank Agreement or such other dollar denominated account as may be opened, with the consent of the Bond Trustee, at any branch of the Issuer Account Bank in replacement of such account.

**"Issuer Euro Account"** means the euro account known as the "Issuer Euro Account" held in the name of BAA Funding Limited and maintained by the Issuer Account Bank pursuant to the



terms of the Issuer Account Bank Agreement or such other euro denominated account as may be opened, with the consent of the Bond Trustee, at any branch of the Issuer Account Bank in replacement of such account.

**"Issuer Excess Hedge Collateral"** means an amount equal to the value of the collateral (or the applicable part of any collateral) provided by any Issuer Hedge Counterparty to the Issuer in respect of the relevant Issuer Hedge Counterparty's obligations to transfer collateral to the Issuer under the relevant Issuer Hedging Agreement (as a result of the ratings downgrade provisions in that Issuer Hedging Agreement), which is in excess of that Issuer Hedge Counterparty's liability to the Issuer under the relevant Issuer Hedging Agreement, or which the relevant Issuer Hedge Counterparty is otherwise entitled to have returned to it under the terms of the relevant Issuer Hedging Agreement.

**"Issuer Hedge Counterparty"** means a Hedge Counterparty who is party to an Issuer Hedging Agreement.

**"Issuer Hedge Replacement Premium"** means a premium or upfront payment received by the Issuer from a replacement hedge counterparty under a replacement hedge agreement with the Issuer to the extent of any termination payment due to an Issuer Hedge Counterparty under an Issuer Hedging Agreement.

**"Issuer Hedging Agreement"** means each Hedging Agreement entered into by the Issuer and a Hedge Counterparty.

**"Issuer Junior Debt"** means the Class B Bonds and the Cross Currency Hedging Agreements between the Issuer and the Cross Currency Hedge Counterparties in respect of the Class B Bonds.

**"Issuer Liquidity Facility"** means a facility made available to the Issuer under an Issuer Liquidity Facility Agreement, and **"Issuer Liquidity Facilities"** means all of them.

**"Issuer Liquidity Facility Agent"** means Lloyds TSB Bank PLC as agent on behalf of the Issuer Liquidity Facility Providers under the Initial Issuer Liquidity Facility Agreement or any agent appointed by the Issuer Liquidity Facility Providers under an Issuer Liquidity Facility Agreement (and any successor) thereto.

**"Issuer Liquidity Facility Agreement"** means each liquidity facility agreement which has the characteristics set out in Schedule 10 (*Liquidity Facilities*) to the Common Terms Agreement, as established in connection with each Sub-Class of Bonds issued by the Issuer.

**"Issuer Liquidity Facility Providers"** means the Initial Issuer Liquidity Facility Provider, and any bank or financial institution which has become a Party to the Issuer Liquidity Facility Agreement in accordance with Clause 27 (*Changes to Parties*) of such Issuer Liquidity Facility Agreement and which in each case has not ceased to be a Party in accordance with the terms of such agreement.

**"Issuer Liquidity Reserve Account"** means an account opened in the name of BAA Funding Limited and maintained by the Issuer Account Bank pursuant to the terms of the Issuer Account Bank Agreement and credited with a cash reserve for the purpose of satisfying the minimum debt service funding requirements set out in paragraph 3(b) of Part 3 (*Trigger Event Remedies*)

of Schedule 3 (*Trigger Event*) of the Common Terms Agreement or such other account as may be opened, with the consent of the Bond Trustee, at any branch of the Issuer Account Bank in replacement of such account.

**"Issuer Payment Priorities"** means the Issuer Pre-Enforcement Priority of Payments and the Issuer Post-Enforcement Priority of Payments.

**"Issuer Post-Enforcement Priority of Payments"** means the provisions relating to the order of priority of payments set out in the Issuer Deed of Charge.

**"Issuer Pre-Enforcement Priority of Payments"** means the provisions relating to the order of priority of payments from the Issuer Accounts set out in Schedule 1 of the Issuer Cash Management Agreement.

**"Issuer Profit Amount"** means the profit amount of £20,000 per annum or £5,000 per quarter if paid in quarterly instalments to be retained in each accounting period pursuant to regulation 4(3) of the Taxation of Securitisation Company Regulations 2006 (SI 2006/3296).

**"Issuer Qualifying Creditors"** means, in respect of Issuer Qualifying Debt:

- (a) for so long as any Class A Bonds remain outstanding, the holders of the Class A Unwrapped Bonds, (for so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor) the Relevant Financial Guarantors in relation to the Class A Wrapped Bonds, (in respect of any Tranche or Sub-Class of Class A Wrapped Bonds in relation to which a FG Event of Default is continuing) the holders of such Tranche or Sub-Class of Class A Wrapped Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Class A Bonds;
- (b) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the holders of the Class B Unwrapped Bonds, (for so long as no FG Event of Default has occurred in respect of a Relevant Financial Guarantor) the Relevant Financial Guarantors in relation to the Class B Wrapped Bonds, (in respect of any Tranche or Sub-Class of Class B Wrapped Bonds in relation to which a FG Event of Default is continuing) the holders of such Tranche or Sub-Class of Class B Wrapped Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Class B Bonds;
- (c) if there are no Class A Bonds or Class B Bonds then outstanding, the holders of the Subordinated Bonds and each Cross Currency Hedge Counterparty that is party to a Cross Currency Hedging Agreement in respect of the Subordinated Bonds.

**"Issuer Qualifying Debt"** means:

- (a) for so long as any Class A Bonds remain outstanding, the sum of (i) the Principal Amount Outstanding of the Class A Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Class A Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions;

- (b) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the sum of (i) the Principal Amount Outstanding of the Class B Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Class B Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions; or
- (c) if there are no Class A Bonds or Class B Bonds then outstanding, the sum of (i) the Principal Amount Outstanding of the Subordinated Bonds and (ii) the mark-to-market value of all transactions arising under Cross Currency Hedging Agreements in respect of the Subordinated Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transactions.

**"Issuer Removal Creditors"** means, in respect of Issuer Removal Debt:

- (a) for so long as any Class A Bonds remain outstanding, the holders of the Class A Unwrapped Bonds, the Relevant Financial Guarantor in relation to each Sub-Class or Tranche of the Class A Wrapped Bonds (for so long as no FG Event of Default is continuing in respect of such Financial Guarantor) and, in respect of any Tranche or Sub-Class of Class A Wrapped Bonds in relation to which an FG Event of Default is continuing in respect of the Relevant Financial Guarantor, the holders of such Tranche or Sub-Class of Class A Wrapped Bonds;
- (b) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the holders of the Class B Unwrapped Bonds, the Relevant Financial Guarantor in relation to each Sub-Class or Tranche of the Class B Wrapped Bonds (for so long as no FG Event of Default is continuing in respect of such Financial Guarantor) and, in respect of any Tranche or Sub-Class of Class B Wrapped Bonds in relation to which an FG Event of Default is continuing in respect of the Relevant Financial Guarantor, the holders of such Tranche or Sub-Class of Class B Wrapped Bonds; or
- (c) if there are no Class A Bonds or Class B Bonds then outstanding, the holders of the Subordinated Bonds.

**"Issuer Removal Debt"** means:

- (a) for so long as any Class A Bonds remain outstanding, the Principal Amount Outstanding of the Class A Bonds;
- (b) if there are no Class A Bonds then outstanding and for so long as any Class B Bonds remain outstanding, the Principal Amount Outstanding of the Class B Bonds; or
- (c) if there are no Class A Bonds or Class B Bonds then outstanding, the Principal Amount Outstanding of the Subordinated Bonds.

**"Issuer Secured Creditor"** means:

- (a) the Bond Trustee (for itself and on behalf of the Bondholders) under the Issuer Deed of Charge and the Obligor Floating Charge Agreement;
- (b) the Bondholders;
- (c) each Relevant Financial Guarantor of Wrapped Bonds under the G&R Deed;
- (d) the Bond Guarantor under the BAA Bond Guarantee;
- (e) each Issuer Hedge Counterparty under its Issuer Hedging Agreement;
- (f) each Issuer Liquidity Facility Provider and the Issuer Liquidity Facility Agent under the Issuer Liquidity Facility Agreement;
- (g) the Issuer Account Bank under the Issuer Account Bank Agreement;
- (h) the Principal Paying Agent, Paying Agents, Transfer Agent, Exchange Agent, Registrar and Agent Bank under the Agency Agreement and any Calculation Agent under a Calculation Agency Agreement;
- (i) the Issuer Cash Manager under the Issuer Cash Management Agreement; and
- (j) the Issuer Corporate Administration Providers under the Issuer Corporate Administration Agreements.

**"Issuer Secured Creditor Entrenched Right"** means, in respect of an Issuer Secured Creditor, any modification, consent, direction or waiver in respect of an Issuer Transaction Document that would (i) result in an increase in or would adversely modify such Issuer Secured Creditor's obligations or liabilities under such Issuer Transaction Document, (ii) have the effect of adversely changing the Issuer Payments Priorities or application thereof in respect of such Issuer Secured Creditor provided that alterations to introduce the Subordinated Bonds will not be deemed to affect any Sub-Class of Class A Bonds or Class B Bonds where **"adversely"** means, in respect of any change to the Issuer Payments Priorities, a change which has the effect of changing the priority of the Issuer Secured Creditors relative to each other provided that the creation of payments which rank subordinate to an Issuer Secured Creditor shall not be an adverse change in respect of an Issuer Secured Creditor, (iii) release any Issuer Security (except where such release is expressly permitted by the Issuer Deed of Charge), (iv) alter adversely the voting entitlement of such Issuer Secured Creditor under the STID or the Conditions, (v) in respect of an Issuer Hedge Counterparty, constitute an Entrenched Right pursuant to paragraph (h) or paragraph (k) of the definition of Entrenched Right or (vi) amend this definition.

**"Issuer Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent) of the Issuer to any Issuer Secured Creditor under each Issuer Transaction Document.

**"Issuer Security"** means the fixed and floating security granted by the Issuer to the Bond Trustee pursuant to the Issuer Deed of Charge.

**"Issuer Senior Debt"** means the Class A Bonds, the Interest Rate Hedging Agreements between the Issuer and the Hedge Counterparties in respect of the Bonds (excluding any Subordinated Bonds) and the Cross Currency Hedging Agreements between the Issuer and the Cross Currency Hedge Counterparties in respect of the Class A Bonds.

**"Issuer Sterling Account"** means the sterling denominated account of the Issuer held at the Issuer Account Bank and includes any sub-account or sub-accounts relating to that account and any replacement account or accounts from time to time.

**"Issuer Subordinated Hedge Amounts"** means any termination payment due or overdue to an Issuer Hedge Counterparty under any Issuer Hedging Agreement which arises as a result of the occurrence of an Event of Default (as defined in the relevant Issuer Hedging Agreement) where the relevant Issuer Hedge Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement) or the occurrence of an Additional Termination Event (as defined in the relevant Issuer Hedging Agreement) following the failure of the relevant Issuer Hedge Counterparty to take action in accordance with the terms of the relevant Issuer Hedging Agreement within the required period following a credit rating downgrade of such Issuer Hedge Counterparty (other than any amount attributable to the return of collateral or any premium or other upfront payment paid to the Issuer to enter into a transaction to replace an Issuer Hedging Agreement (in whole or in part) which shall be paid directly to the relevant Issuer Hedge Counterparty and not in accordance with the Issuer Payment Priorities).

**"Issuer Transaction Documents"** means the Bonds and any Final Terms relating to the Bonds, the Bond Trust Deed, the Dealership Agreement, each Relevant Subscription Agreement, the Agency Agreement, the Issuer Deed of Charge, the Obligor Floating Charge Agreement, the Issuer Cash Management Agreement, the Issuer Account Bank Agreement, the Common Terms Agreement, the STID, the Master Definitions Agreement, each Borrower Loan Agreement, each Issuer Liquidity Facility Agreement, each Issuer Hedging Agreement, each Financial Guarantee, the G&R Deed, each Financial Guarantee Letter, each Indemnification Deed, each BAA Bond Guarantee, the Issuer Corporate Administration Agreements and any other agreement, instrument or deed designated as such by the Issuer and the Bond Trustee.

**"Joint Venture"** means any arrangement or agreement for any joint venture, co-operation or partnership pursuant to, required for or conducive to the operation of the Permitted Business by the Obligors or which falls within the Permitted Non-Regulated Business Limits but shall exclude any arrangements or framework agreements entered into with a Contractor which are in accordance with and subject to the Outsourcing Policy.

**"Junior Debt"** means any financial accommodation that is, for the purposes of the STID, to be treated as Junior Debt and includes all debt outstanding under each Borrower Loan, the terms of which correspond (excluding any applicable hedging under an Interest Rate Hedging Agreement) to any Tranche of Class B Bonds, all Cross Currency Hedging Agreements in relation to Junior Debt and any principal amount outstanding under any Authorised Credit Facility ranking *pari passu* with any of the above.

**"Junior ICR"** means for any Relevant Period, the ratio of (a) Cashflow from Operations of the Obligors (after adding back any cash outflows of a one-off, non-recurring, extraordinary or exceptional nature in respect of the Obligors), less corporation tax paid to HM Revenue & Customs, less two per cent. multiplied by the Total RAB to (b) interest and equivalent recurring

finance charges paid or, in the case of forward looking ratios, forecasted to be paid on Senior Debt and Junior Debt and any Permitted Financial Indebtedness that is not, pursuant to the STID, subordinated to such Senior Debt and Junior Debt (less all interest received or, in the case of forward looking ratios, interest forecasted to be received by any member of the Security Group from any third party other than pursuant to a Permitted Inter-Company Loan or Permitted Non-Migrated Bond Distribution).

"**Junior Indebtedness**" means, as at any date, and without double counting:

- (a) the Outstanding Principal Amount (or, in respect of a future date, forecast to be outstanding) under any Junior Debt on such date; and
- (b) the Outstanding Principal Amount of any other Financial Indebtedness outstanding (or, in respect of a future date, forecast to be outstanding) on such date ranking, in accordance with the STID, *pari passu* with such Junior Debt (excluding any Financial Indebtedness that remains a contingent liability),

together with all indexation accrued on any such liabilities.

"**Junior RAR**" means the ratio of the sum of Senior Net Indebtedness and Junior Indebtedness to Total RAB.

"**Junior Revenue Shortfall**" means, on any Payment Date, the amount by which the aggregate amount of claims falling due for payment pursuant to paragraph (viii) of the Borrower Post-Enforcement (Pre-Acceleration) Revenue Priority of Payments exceeds the aggregate amount of Revenue Collections (after deducting amounts to be applied on such Payment Date pursuant to paragraphs (i)-(vii) of the Borrower Post-Enforcement (Pre-Acceleration) Revenue Priority of Payments on such Payment Date).

"**LC Beneficiary**" means Deutsche Trustee Company Limited.

"**LC Release Conditions**" means the conditions set out in clause 2.2 (*LC Release Conditions*) of the Borrower Liquidity Facility Agreement.

"**Lead Manager**" means in relation to any Tranche of Bonds, each person named as a lead manager in the relevant Subscription Agreement.

"**Leased Premises**" means premises leased and/or licensed to any Borrower used in the conduct of its business.

"**Leasehold Provisions Report**" means the report prepared by Herbert Smith LLP in relation to the material provisions of the Leased Premises that are comprised in Category 1 and Category 2 including, but not limited to, provisions relating to (i) the requirements to obtain landlord's consent to charge; and (ii) restrictions on the use of the property comprised in the lease.

"**Legal Charge**" has the meaning given to it in the Security Agreement.

"**Letter of Credit**" means a letter of credit substantially in the form set out in Schedule 11 (*Form of Letter of Credit*) to the Borrower Liquidity Facility Agreement.

"**LF Borrower Event of Default**" has the meaning given to such term in Paragraph 6 of Schedule 10 (*Liquidity Facilities*) to the Common Terms Agreement.

"**LF Event of Default**" has the meaning given to such term in the Issuer Liquidity Facility Agreement or the Borrower Liquidity Facility Agreement, as the context requires.

"**LF Notice of Drawing**" means a request for a Liquidity Loan Drawing in or substantially in the form of Schedule 2 (*LF Notice of Drawing*) of the Issuer Liquidity Facility Agreement.

"**Liabilities**" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceedings or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and legal fees on a full indemnity basis.

"**LIBOR**" (i) in respect of the Bonds, has the meaning ascribed to it in the Conditions and (ii) in respect of a Liquidity Facility Agreement, has the meaning given thereto in clause 1.1 (*Definitions*) of such Liquidity Facility Agreement.

"**Liquidity Bonds**" has the meaning given to it in Clause 10.3 (*Bond Indemnity*) of the Common Terms Agreement.

"**Liquidity Facility**" means an Issuer Liquidity Facility or a Borrower Liquidity Facility, as the context requires, and "**Liquidity Facilities**" means all of them.

"**Liquidity Facility Agreement**" means an Issuer Liquidity Facility Agreement or a Borrower Liquidity Facility Agreement, as the context requires, and "**Liquidity Facility Agreements**" means all of them.

"**Liquidity Facility Amount**" means, at any time, the aggregate of the Available Commitments at that time.

"**Liquidity Facility Provider**" means an Issuer Liquidity Facility Provider or a Borrower Liquidity Facility Provider, as the context requires, and "**Liquidity Facility Providers**" means all of them.

"**Liquidity Insolvency Event**" means, in respect of a Borrower, the occurrence of an Insolvency Event at any time unless (i) the Bond Trustee has commenced the process of appointing an administrative receiver with respect to such Borrower within 5 Business Days of such Insolvency Event, and such administrative receiver has been appointed within 10 Business Days of such Insolvency Event, and (ii) the appointment of such administrative receiver has not been terminated or such administrative receiver has not otherwise been removed or has not vacated office in accordance with the Insolvency Act in circumstances where such Insolvency Event is continuing.

"**Liquidity Loan Drawing**" has the meaning given to it in the Issuer Liquidity Facility Agreement.

"**Liquidity Reserve Account Trust Deed**" means the trust deed dated on or about the Initial Issue Date between, *inter alios*, the Borrowers, the Liquidity Reserve Account Trustee and the Borrower Security Trustee in respect of the Borrower Liquidity Reserve Account.

"**Liquidity Reserve Account Trustee**" means The Royal Bank of Scotland plc.

**"Liquidity Shortfall"** means (after taking into account any funds available for drawing from the Issuer Liquidity Reserve Account) with respect to any Interest Payment Date and (as determined by the Issuer Cash Manager on the Business Day immediately preceding the Issuer Determination Date) there will be insufficient funds (following any requisite exchange of any sterling amounts into euro or U.S. dollars pursuant to the Cross Currency Hedging Agreements) in the Issuer Sterling Account to pay on such Interest Payment Date any of the amounts scheduled to be paid in respect of items (a) — (g) (inclusive) of the Issuer Pre-Enforcement Priority of Payments (excluding, for the avoidance of doubt, any termination payments and all other unscheduled amounts payable to any Issuer Hedge Counterparty).

**"Liquidity Standby Account"** has the meaning given thereto in the relevant Liquidity Facility Agreement.

**"Liquidity Standby Account Drawing"** has the meaning given to such term under the relevant Liquidity Facility Agreement.

**"Liquidity Standby Account Mandate"** means any Mandate entered into in connection with the establishment of a Liquidity Standby Account in accordance with the terms of the Issuer Liquidity Facility Agreement.

**"Liquidity Subordinated Amounts"** means the amounts payable by the Issuer to an Issuer Liquidity Facility Provider pursuant to the terms of an Issuer Liquidity Facility Agreement or, as the case may be, by a Borrower to a Borrower Liquidity Facility Provider pursuant to the terms of a Borrower Liquidity Facility Agreement which (i) are in respect of increased costs, (ii) represent additional amounts payable to the Liquidity Facility Provider as a result of a requirement to withhold or deduct an amount for or on account of Tax from a payment or (iii) represents increases in the commitment fee for capital adequacy reasons payable in excess of 0.20 per cent.

**"Loan Acceleration Notice"** means a notice delivered by the Borrower Security Trustee pursuant to the STID by which the Borrower Security Trustee declares that all Borrower Secured Liabilities shall be accelerated.

**"Loan Enforcement Notice"** means a notice delivered by the Borrower Security Trustee in accordance with clause 21.5 (*Loan Enforcement Notice*) of the STID.

**"Loan Event of Default"** means an event specified as such in Schedule 4 (*Loan Events of Default*) to the Common Terms Agreement.

**"London Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London.

**"London Stock Exchange"** means The London Stock Exchange plc.

**"LPA"** means the Law of Property Act 1925.

**"Majority Subordinated Creditors"** means the requisite majority of Subordinated Secured Creditors required to pass a vote on certain matters pursuant to the Senior/Subordinated Intercreditor Agreement.



**"Make-Whole Amount"** means any amount above par payable on redemption of any Issuer Senior Debt or Issuer Junior Debt except where such amount is limited to accrued interest.

**"Mandated Lead Arrangers"** means Banco Bilbao Vizcaya Argentaria S.A., Banco Santander S.A., BNP Paribas, London Branch, Caja De Ahorros Y Monte De Piedad De Madrid, CALYON, Sucursal en España, Citigroup Global Markets Limited, HSBC Bank plc, Royal Bank of Canada, and The Royal Bank of Scotland and their permitted assigns and permitted transferees under the Finance Documents.

**"Mandates"** means (i) the mandates for each of the Obligor Accounts entered into from time to time by the Borrower Account Bank and the Obligors; and (ii) the mandates for each of the Issuer Accounts entered into from time to time by the Issuer Account Bank and the Issuer, (each a **"Mandate"**).

**"Mandatory Prepayment Date"** has the meaning given to such term in sub-paragraph 6(b) of Part 3 (General Covenants) of Schedule 2 (*Covenants*) of the Common Terms Agreement.

**"Master Definitions Agreement"** or **"MDA"** means this Agreement.

**"Master Execution Deed"** means the master execution deed signed on or about the Initial Issue Date between, *inter alios*, the Issuer and the Bond Trustee.

**"Material Adverse Effect"** means the effect of any event or circumstance which is materially adverse to:

- (a) the business, assets or financial condition of the Security Group taken as a whole; or
- (b) (taking into account the resources available to it from other members of the Security Group) the ability of an Obligor to perform its payment obligations under any Transaction Document; or
- (c) the legality, validity or enforceability (subject to the Reservations) of any Transaction Documents in a manner which is prejudicial in any material respect to the interests of the Borrower Secured Creditors.

**"Material Capex Agreement"** has the meaning given to that term in the Outsourcing Policy.

**"Material Disposal"** means any disposal which is not a Minor Disposal.

**"Material O&M Agreement"** has the meaning given to that term in the Outsourcing Policy.

**"Maturity Date"** means, in relation to a Bond, the final date on which that Bond is expressed to be redeemable and, in relation to any Authorised Credit Facility, the date on which all financial accommodation made available under that Authorised Credit Facility is expressed to be repayable in full (without any further obligation of the relevant Authorised Credit Provider to continue to make available such financial accommodation).

**"Maximum Pension Liability Amount"** means the aggregate amount payable to the BAA Pension Trustee from the proceeds of realisation or enforcement of all or part of the Borrower Security which shall not exceed £300,000,000 and as may be reduced from time to time in

accordance with the provisions of Schedule 5 (*Pension Costs*) of the Shared Services Agreement.

**"Minimum Long-term Rating"** means, in respect of any person, such person's long-term unsecured debt obligations being rated, in the case of S&P, "A-"; in the case of Moody's, "A2" and in the case of Fitch, "AA-" or at least any two of the above (including S&P).

**"Minimum Short-term Rating"** means, in respect of any person, such person's short-term unsecured debt obligations being rated, in the case of S&P, "A-2"; in the case of Moody's, "P-1" and in the case of Fitch, "F1" or at least any two of the above (including S&P).

**"Minor Disposal"** means a disposal or disposals of assets to third parties (not being an Obligor or a Permitted Joint Venture) in an aggregate amount not exceeding one per cent. of Total RAB across all Obligors during any financial year.

**"Mortgaged Property"** means (subject to Clause 7 (*Exceptions to the Security*) of the Security Agreement) any freehold or leasehold property included in the definition of "Charged Property" including the freehold and leasehold property specified in the schedule to each Legal Charge.

**"Most Senior Class"** means the Class A Bonds for so long as there are any Class A Bonds outstanding and thereafter the Class B Bonds for so long as there are any Class B Bonds outstanding and thereafter the Subordinated Bonds for so long as there are any Subordinated Bonds outstanding.

**"Movables"** means any item of Equipment which does not constitute a fixture and either legal title to which is not vested in the relevant Borrower or HEX Opco but in the relevant Finance Lessor, or in respect of which the relevant Finance Lessor has a purchase right at the termination of the relevant Finance Lease.

**"Net Disposal Proceeds"** means the consideration received by the Borrower Security Trustee or any Receiver appointed by the Borrower Security Trustee from the disposal of any Borrower Fixed Security assets made by the Borrower Security Trustee or any Receiver appointed by the Borrower Security Trustee, as the case maybe, and after deducting:

- (a) any reasonable expenses which are incurred by the Borrower Security Trustee or any Receiver appointed by the Borrower Security Trustee, as the case maybe, with respect to that disposal of any Borrower Fixed Security assets to persons who are not members of the Security Group; and
- (b) any Tax incurred and required to be paid by the seller in connection with that disposal of any Borrower Fixed Security assets (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

**"New Bonds"** means the Bonds issued by the Issuer on the Initial Issue Date other than the Replacement Bonds.

**"New York Business Day"** means a day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in New York.

**"Nominated Borrower"** has the meaning given to it in paragraph 6(d) (*Disposals*) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) of the Common Terms Agreement.

**"Non-ACF Financial Indebtedness"** means any Financial Indebtedness owing to any person which is not an Authorised Credit Provider (other than Financial Indebtedness owing by any member of the Security Group to any person under any loan, debenture, guarantee or otherwise granted to any creditor subordinated to the Borrower Secured Creditors whether pursuant to the Senior/Subordinated Intercreditor Agreement, the STID or any other deed of subordination on terms satisfactory to the Borrower Security Trustee).

**"Non-Base Currency"** means a currency other than pounds sterling.

**"Non-Designated Group"** means, as at the Initial Issue Date, the group comprising Aberdeen Airport Limited, Edinburgh Airport Limited, Glasgow Airport Limited, Southampton International Airport Limited, BAA Lynton Limited and BAA (NDH 1) Limited.

**"Non-Migrated Bond Accession Date"** means, in respect of each tranche of Non-Migrated Bonds, the date on which the Non-Migrated Bond Trustee accedes to the STID and the Senior/Subordinated Intercreditor Agreement, as the Secured Creditor Representative and creditors representative (as such term is defined in the Senior/Subordinated Intercreditor Agreement), as the case may be, of the Non-Migrated Bondholders of such tranche.

**"Non-Migrated Bond Accession Resolution"** means, in respect of each tranche of Non-Migrated Bonds, a resolution of the Non-Migrated Bondholders of such tranche, instructing the Non-Migrated Bond Trustee to accede to the STID and the Senior/Subordinated Intercreditor Agreement as the Secured Creditor Representative and creditors representative (as such term is defined in the Senior/Subordinated Intercreditor Agreement), respectively, of such Non-Migrated Bondholders and assenting to and authorising the Non-Migrated Bond Trustee to agree such modifications to the Non-Migrated Bond Trust Deed(s) applicable to such tranche of Non-Migrated Bonds to ensure that, among other things, the Non-Migrated Bondholders of such tranche have substantially the same rights to vote in relation to Non-Migrated Bond Voting Matters and Non-Migrated Bond Entrenched Rights as have been accorded to Bondholders in relation to STID Proposals and Entrenched Rights, respectively, in the Bond Trust Deed.

**"Non-Migrated Bond Entrenched Right"** means an Entrenched Right as set out in paragraphs (c), (d), (h) or (o) of the definition of "Entrenched Right" insofar as the provisions set out therein include or relate to the Non-Migrated Bonds or the Non-Migrated Bondholders.

**"Non-Migrated Bond Excluded Default"** means:

- (a) a Loan Event of Default or a Potential Loan Event of Default under paragraph 2 (*Breach of other obligations*) of Schedule 4 (*Loan Events of Default*) of the CTA which has occurred solely as a result of a breach of the covenant set out at paragraph 7 (*Financial Indebtedness*) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) of the CTA; and
- (b) a Loan Event of Default or a Potential Loan Event of Default under paragraph 4 (*Cross-default*) of Schedule 4 (*Loan Events of Default*) of the CTA which has occurred solely as a result of:
  - (i) Financial Indebtedness under the Non-Migrated Bonds not being paid when due after the expiry of any originally applicable grace period; or

- (ii) Financial Indebtedness under the Non-Migrated Bonds being declared due and payable prior to its specified maturity or being capable of being declared by a trustee of Non-Migrated Bonds to be prematurely due and payable prior to its specified maturity.

**"Non-Migrated Bond Final Voting Date"** means, in respect of all tranches of Non-Migrated Bonds, the last Non-Migrated Bond Tranche Decision Date.

**"Non-Migrated Bond Guarantee"** means the guarantee of each Borrower of the obligations of BAA under the Non-Migrated Bonds and the Non-Migrated Bond Trust Deeds.

**"Non-Migrated Bond Refusal Date"** means, in respect of each tranche of Non-Migrated Bonds, the date on which the Non-Migrated Bond Accession Resolution is put to a meeting of the relevant Non-Migrated Bondholders and not passed (other than for want of quorum in circumstances where the Non-Migrated Bond Accession Resolution will be put to an adjourned meeting of such Non-Migrated Bondholders).

**"Non-Migrated Bond Tranche Decision Date"** means, in respect of each tranche of Non-Migrated Bonds, the Non-Migrated Bond Accession Date or the Non-Migrated Bond Refusal Date, as the case may be.

**"Non-Migrated Bond Trust Deeds"** means the trust deeds entered into by the Non-Migrated Bond Trustee and BAA as issuer in respect of and constituting each tranche of Non-Migrated Bonds.

**"Non-Migrated Bond Trustee"** means Prudential Trustee Company Limited or any successor appointed pursuant to the relevant trust deed.

**"Non-Migrated Bond Voting Matter"** is a matter which:

- (a) relates to removal of the Borrower Security Trustee or appointment of a successor Borrower Security Trustee in accordance with clause 29.2 (*Removal*) of the STID;
- (b) is the subject of an Enforcement Instruction Notice or a Further Enforcement Instruction Notice; or
- (c) is the subject of an Intercreditor Instruction Notice in respect of any enforcement of the Borrower Security,

and **"Non-Migrated Bond Voting Matters"** means all of them.

**"Non-Migrated Bondholders"** means the holders from time to time of any Non-Migrated Bonds.

**"Non-Migrated Bonds"** means any of the following bonds which remain in issue and a primary obligation of BAA after the Initial Issue Date:

- (a) £400,000,000 5.75 per cent. Notes due 2013;
- (b) €750,000,000 4.5 per cent. Notes due 2014;
- (c) €1,000,000,000 3.875 per cent. Notes due 2012;

- (d) €750,000,000 4.50 per cent. Notes due 2018; and
- (e) £750,000,000 5.125 per cent. Notes due 2023.

"**Non-RAB Enhancing JV**" means a Joint Venture which is not a RAB Enhancing JV.

"**Non-Relevant Activity Asset**" means any asset which is not required under the Airports Act 1986 for the provision at the Designated Airports of any services or facilities for the purposes of:

- (a) the landing, parking or taking off of aircraft;
- (b) the servicing of aircraft (including the supply of fuel); or
- (c) the handling of passengers or their baggage or of cargo at all stages while on airport premises (including the transfer of passengers, their baggage or cargo to and from aircraft).

"**Notice**" means, in respect of a notice to be given to Bondholders, a notice validly given pursuant to Condition 17 (*Notices*).

"**Notice of Demand**" has the meaning given to it in the Financial Guarantee.

"**Novation and Amendment to the Subordinated Facility Agreement**" means the novation and amendment agreement dated on or about the Initial Issue Date relating to the Subordinated Facility Agreement.

"**Obligor**" means any of HAL, GAL, STAL, HEX Opco, Security Parent and Asset Holdco and any other person who accedes to, *inter alia*, the Common Terms Agreement and the STID as an Obligor in accordance with the terms of the Transaction Documents and "**Obligors**" means all of them.

"**Obligor Accounts**" means the Operating Accounts, the Insurance Proceeds Accounts, any Disposal Proceeds Account, any Borrower Hedge Collateral Accounts, any Debt Collateralisation Account and "**Obligor Account**" means any of them.

"**Obligor Floating Charge Agreement**" means the floating charge agreement dated on or about the Initial Issue Date and entered into between the Issuer, the Borrower Security Trustee, the Bond Trustee and the Obligors.

"**Obtained Consents**" means, in respect of the Issuer, (a) the approval of the Prospectus by the Financial Services Authority (i) as required by listing rules made for the purposes of Section 74 of the FSMA and (ii) as required by Section 85(2) of the FSMA, (b) the approval for the Bonds to be listed on the official list of the UKLA, (c) the admission of the Bonds to trading on the Regulated Market of the Stock Exchange, and, in respect of the Issuer and the Obligors, (d) the consent of all relevant parties whose consent is required to charge the freehold properties and leasehold properties.

"**OFCA Floating Security**" means the floating charges granted by the Obligors in favour of the Issuer pursuant to the Obligor Floating Charge Agreement and assigned by way of security to the Bond Trustee pursuant to the Issuer Deed of Charge.

**"OFCA Secured Liabilities"** means, in respect of any Obligor (1) all sums from time to time owing to the Issuer under any Borrower Loan Agreement, (2) all sums eventually falling due and payable by such Obligor (if any) to the Issuer under the loan referred to in clause 2.1 (*Loan*) of the Obligor Floating Charge Agreement and made to such Obligor, (3) all obligations under and amounts owed to the Issuer by each Obligor under the Guarantees provided pursuant to clause 3 (*Guarantee and Indemnity*) of the Security Agreement and (4) all fees and expenses payable by the Obligors to the Bond Trustee (and any administrative receiver) by way of joint and several indemnity under the Obligor Floating Charge Agreement.

**"Official List"** means the official list of the UK Listing Authority.

**"Ongoing Facility Fee"** means the ongoing facility fee payable by the Borrowers pursuant to sub-clause 13.5.3 and sub-clause 13.5.4, and subject to any rebate under sub-clause 13.5.5, of a Borrower Loan Agreement.

**"Operating Accounts"** means each account of a Borrower with the following titles: HAL Operating Account, GAL Operating Account, STAL Operating Account and the HEX Opco Operating Account, held at the Borrower Account Bank and any sub-account or sub-accounts relating to those accounts including any operating account denominated in a currency other than Sterling and any replacement account or accounts from time to time.

**"Operating Companies"** means HAL, GAL, STAL and HEX Opco.

**"Opinions"** means, in respect of the Bonds issued on the Initial Issue Date, the legal opinions listed in paragraph 17 of Part A of Schedule 1 to the CP Agreement and, in respect of any further issue of Bonds on any further Issue Date, such legal opinions as are listed in paragraph 6 of Part A of Schedule 2 to the CP Agreement.

**"Ordinary Resolution"** has the meaning given to it in clause 14.3 of the STID.

**"Ordinary Voting Matters"** are matters which are not Discretion Matters or Extraordinary Voting Matters.

**"Outsourcing Agreement"** has the meaning ascribed to such term in the Outsourcing Policy.

**"Outsourcing Policy"** means each of the obligations in Schedule 6 (*Outsourcing Policy*) to the Common Terms Agreement (as amended or replaced from time to time).

**"outstanding"** means in relation to the Bonds, all of the Bonds issued other than:

- (a) those Bonds which have been redeemed in full or purchased, and cancelled, in accordance with Condition 8 (*Redemption, Purchase and Cancellation*) or otherwise under the Bond Trust Deed;
- (b) those Bonds in respect of which the date for redemption in full in accordance with the Conditions has occurred and the redemption monies for which (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Principal Paying Agent or a Registrar in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been provided or published in accordance with Condition 17 (*Notices*)) and remain available for payment against presentation of the relevant Bonds and/or Coupons and/or Receipts;

- (c) those Bonds which have become void or, in respect of which claims have become prescribed in each case, under Condition 13 (*Prescription*);
- (d) in the case of Bearer Bonds, those mutilated or defaced Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Bonds, Coupons, Receipts and Talons*);
- (e) in the case of Bearer Bonds, for the purpose only of ascertaining the Principal Amount Outstanding of the Bonds and without prejudice to the status, for any other purpose, of the relevant Bonds, those Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Bonds, Coupons, Receipts and Talons*);
- (f) the Temporary Global Bonds to the extent that they have been exchanged for Permanent Global Bonds or Definitive Bonds pursuant to the provisions contained therein and in clause 3 (*Forms of the Bonds*) of the Bond Trust Deed;
- (g) the Permanent Global Bonds that remain in escrow pending exchange of the Temporary Global Bonds therefor, pursuant to the provisions contained therein and in clause 3 (*Forms of the Bonds*) of the Bond Trust Deed;
- (h) the Permanent Global Bonds to the extent that they have been exchanged for Definitive Bonds, pursuant to the provisions contained therein and in clause 3 (*Forms of the Bonds*) of the Bond Trust Deed; and
- (i) the Bearer Bonds to the extent that they have been exchanged for Registered Bonds pursuant to the provisions contained therein and in clause 3 of the Bond Trust Deed.

**provided that** for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Bondholders;
- (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of clause 20 (*Consent, Waiver and Variation*) of the Bond Trust Deed and Schedule 6 Part 1 (*Provisions for Meetings of Bondholders*) to the Bond Trust Deed , Clause 16.1.1 (*Scope of Entrenched Rights*) of the STID, and Conditions 11 (*Bond Events of Default*), 12 (*Enforcement Against Issuer*), 15 (*Meetings of Bondholders, Modification, Waiver and Substitution*), 16 (*Bond Trustee Protections*) and 18 (*Indemnification Of The Bond Trustee*);
- (iii) any discretion, power or authority contained in the Bond Trust Deed which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Bondholders;
- (iv) the determination by the Bond Trustee whether any of the events specified in Condition 11 (*Bond Events of Default*) is materially prejudicial to the interests of the holders of the Most Senior Class of Bonds then outstanding;

(1) those Bonds of the relevant Sub-Class (if any) which, for the time being, are held by the Issuer, any member of the Security Group or the Non-Designated Group, or any of their respective holding companies (or any Affiliate of any such person) or by any person for the

benefit of the Issuer, any member of the Security Group or the Non-Designated Group, or any of their respective holding companies (or any Affiliate of any such person) shall (unless and until ceasing to be so held) be deemed not to remain outstanding and (2) any amounts due in respect of Subordinated Step-Up Fee Amounts in respect of a Class of Bonds shall be disregarded, **Provided that** notwithstanding the terms of paragraph (b) of this definition, the Issuer shall not be discharged from its obligations under the Bonds by any payment of principal, premium (if any) and/or interest in respect of the Bonds by the Relevant Financial Guarantor under the relevant Financial Guarantee and such Bonds will be deemed to remain outstanding, such obligations and all rights in respect thereof shall be deemed to be owed to and vested in the Relevant Financial Guarantor and the Relevant Financial Guarantor shall be deemed to be the holder of a corresponding amount of principal and interest of the Bonds, in each case until the Relevant Financial Guarantor has been paid as subrogee or reimbursed pursuant to the relevant G&R Deed, as evidenced by a written notice from the Relevant Financial Guarantor to the Bond Trustee.

**"Outstanding Principal Amount"** means, as at any date that the same falls to be determined in accordance with the STID:

- (a) in respect of Wrapped Debt (unless a FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of such Wrapped Debt), the aggregate of any unpaid amounts owing to a Financial Guarantor under the G&R Deed to reimburse it for any amount paid by it under a Financial Guarantee in respect of unpaid principal on such Wrapped Debt and the principal amount outstanding (or the Equivalent Amount) under such Wrapped Debt;
- (b) in respect of Wrapped Debt (if a FG Event of Default has occurred and is continuing in respect of the Financial Guarantor of such Wrapped Debt), the principal amount outstanding (or the Equivalent Amount) of such Wrapped Debt;
- (c) in respect of Unwrapped Debt, the principal amount outstanding (or the Equivalent Amount) of such Unwrapped Debt;
- (d) in respect of Non-Migrated Bonds, the principal amount outstanding (or the Equivalent Amount) of such Non-Migrated Bonds;
- (e) in respect of any Authorised Credit Facilities that are loans (but do not constitute Wrapped Debt), the principal amount (or the Equivalent Amount) of any drawn amounts that are outstanding under such Authorised Credit Facility;
- (f) in respect of each Hedging Agreement, the Equivalent Amount of the amount (if any) that would be payable to the relevant Hedge Counterparty if an early termination date was designated on such date in respect of the transaction or transactions arising under the Hedging Agreement pursuant to the ISDA Master Agreement governing such transaction or transactions and subject to Schedule 5 (*Hedging Policy and Overriding Provisions Relating to Hedging Agreements*) of the Common Terms Agreement;
- (g) in respect of each Finance Lease, the Equivalent Amount of either (i) prior to the delivery of a Loan Acceleration Notice and subject to any increase or reduction calculated in accordance with clause 10.2 (*Notification of Outstanding Principal Amount*



of *Qualifying Borrower Debt*) of the STID, the highest termination value which may fall due during the Rental Period encompassing such date, calculated upon the assumptions set out in the cashflow report provided by the relevant Finance Lessor on the first day of each such Rental Period (or in the most recently generated cashflow report which is current on such date) or (ii) following the delivery of a Loan Acceleration Notice (other than a Permitted Lease Termination), the actual amount (if any) that would be payable to the relevant Finance Lessor in respect of a termination of the leasing of the Equipment on the date on which such Loan Acceleration Notice is delivered (other than a Permitted Lease Termination); and

- (h) in respect of any other Borrower Secured Liabilities, the Equivalent Amount of the outstanding principal amount of such debt on such date in accordance with the relevant Finance Document,

all as most recently certified or notified to the Borrower Security Trustee, where applicable, pursuant to clause 10.2 (*Notification of Outstanding Principal Amount of Qualifying Borrower Debt*) of the STID.

**"Participating Qualifying Borrower Secured Creditors"** or **"Participating QBS Creditors"** means the Qualifying Borrower Secured Creditors which participate in a vote on any STID Proposal or other matter pursuant to the STID.

**"Partly Paid Bond"** means a bond issued in the amount as specified in the relevant Final terms and in respect of which further instalments will be payable in the amounts and on the dates as specified in the relevant Final Terms.

**"Party"** means, in relation to a Finance Document, a party to such Finance Document.

**"Paying Agency Agreement"** means (i) the agreement dated on or about the Initial Issue Date (as amended or supplemented from time to time) between the Issuer and the Agents referred to therein or (ii) any additional or supplemental paying agency agreement dated on or after the Initial Issue Date between the Issuer and any additional Agent referred to therein which is required in order to comply with the laws applicable in any jurisdiction, or to any currency, in each case, in which a Class, Sub-Class, Series or Tranche of Bonds may be issued, sold or denominated, as the case may be, from time to time.

**"Paying Agents"** means, in relation to all or any Sub-Classes of the Bonds, the several institutions (including, where the context permits, the Principal Paying Agent and/or the Registrar) at their respective specified offices initially appointed as paying agents in relation to such Bonds by the Issuer and the Obligors pursuant to the Agency Agreement and/or, if applicable, any Successor paying agents at their respective specified offices in relation to all or any Sub-Classes of the Bonds.

**"Payment Date"** means each date on which a payment is made or is scheduled to be made by an Obligor in respect of any obligations or liability under any Authorised Credit Facility.

**"Pensions Agreement"** means the pensions agreement between BAA, the BAA Pension Trustee, the Operating Companies and certain companies within the Non-Designated Group dated on or about the Initial Issue Date.

**"Pensions Regulator"** means the Pensions Regulator established under the Pensions Act 2004.

**"Permanent Global Bond"** means in relation to any Sub-Class of Bearer Bonds a permanent global bond in the form or substantially in the form set out in Part 2 (*Form of Permanent Global Bonds*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), together with the copy of each applicable Final Terms annexed thereto, comprising some or all of the Bearer Bonds of the same Sub-Class, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed in exchange for the whole or part of any Temporary Global Bond issued in respect of such Bearer Bonds.

**"Permitted Acquisition"** means, if no Loan Event of Default or Potential Loan Event of Default has occurred and is continuing, the acquisition by any Obligor (or, in the case of (a) below, insofar as it refers to a company established as a wholly-owned subsidiary) of:

- (a) shares in any company, the principal business of which is a Permitted Business or falls within the Permitted Non-Regulated Business Limits;
- (b) any assets required to replace obsolete, worn-out, damaged or destroyed assets which in the reasonable opinion of the applicable Obligor are required for the efficient operation of its business or in accordance with the Finance Leases or finance leases more generally;
- (c) any interest in a partnership the principal business of which is a Permitted Business or falls within the Permitted Non-Regulated Business Limits;
- (d) any asset which is intended for use in or to form part of a Permitted Business;
- (e) any issued share capital of any member of the Security Group **provided that** the sale of those shares constitutes a Permitted Disposal,

**provided that:**

- (i) any proposed acquisition of any asset falling under the categories described in paragraph (a) or (c) above the cost of which is by itself or when aggregated with any other permitted acquisitions made under paragraph (a) or (c) in the then current financial year in excess of 5 per cent. of the then Total RAB of the Borrowers shall in all circumstances be subject first to a Ratings Confirmation; and
  - (ii) if any asset is to be acquired in the ordinary course of business the condition as to the absence of any Loan Event of Default or Potential Loan Event of Default shall not apply;
- (f) shares in any company ("**Newco**") all of which are issued by that company to an acquiring Obligor in exchange for such acquiring Obligor's shareholding of another Obligor (subject to Newco acceding to the CTA and the Security Documents as an Obligor).

**"Permitted Business"** means the business of owning, operating and developing the Designated Airports undertaken by the Security Group as at the Initial Issue Date (including, without limitation, provision of facilities for and connected with aeronautical activities including retail, car parks, advertising and surface transport and the development thereof) and thereafter any new business undertaken by the Security Group the revenues from which are reasonably expected by the applicable Borrower or Borrowers to be brought into account by the applicable Regulator as at the following Review Date for the purpose of imposing price caps pursuant to Section 40(4) of the Airports Act or would be if the relevant Designated Airport remained designated.

**"Permitted Disposal"** means any disposal which:

- (a) is made in the ordinary course of business of the disposing entity or in connection with an arm's length transaction entered into for *bona fide* commercial purposes for the benefit of the Permitted Business;
- (b) is of assets in exchange for other assets comparable or superior as to type, value and quality;
- (c) would not result in the Senior RAR for each subsequent Relevant Date calculated by reference to the most recently occurring Reporting Date (adjusted on a pro-forma basis to take into account the proposed disposal) adjusted for any prepayment to be made out of all or part of the net proceeds of such Permitted Disposal, being prior to 1 April 2018 more than or equal to 0.70, and thereafter, more than or equal to 0.725;
- (d) is a disposal for cash on arm's length terms of any surplus or obsolete or worn-out assets which, in the reasonable opinion of the applicable Borrower, are not required for the efficient operation of its business and which does not cause a Trigger Event under Paragraphs 1 and 2 of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement;
- (e) is of any Equipment pursuant to or to be leased under a Finance Lease;
- (f) is a disposal of all or part of a Designated Airport (including by way of a sale of the shares in the Borrower which owns the relevant Designated Airport) required by, or pursuant to undertakings given to any Regulator;
- (g) is a disposal made in connection with any outsourcing, subject, where applicable, to compliance with the Outsourcing Policy;
- (h) insofar as the same give rise to an obligation on the part of the Obligor, is made in compliance with the Public Procurement Rules;
- (i) is a disposal or surrender of tax losses which is permitted pursuant to the Tax Deed of Covenant;
- (j) is the disposal made on arm's length terms of assets forming part of any business which is not a Permitted Business;
- (k) unless paragraph 7 (*No Disposal to Joint Ventures*) of Part 2 (*Trigger Event Consequences*) of Schedule 3 (*Trigger Events*) of the CTA applies, is (1) a disposal of assets made on arm's length terms entered into for *bona fide* commercial purposes to a

company, partnership or a Joint Venture which is or will upon such acquisition become an Obligor or (2) is a disposal of a Non-Relevant Activity Asset made on arm's length terms entered into for bona fide commercial purposes to a Permitted Joint Venture;

- (l) is a Minor Disposal;
- (m) is of the issued share capital of a member of the Security Group to another member of the Security Group;
- (n) is a disposal of Authorised Investments;
- (o) constitutes the payment of cash and other funds not otherwise prohibited by the Finance Documents;
- (p) is made in respect of any asset under or pursuant to any compulsory purchase powers exercised by the relevant authority under whose remit such asset may fall; or
- (q) arises as a result of any Permitted Security Interest,

**provided that**, notwithstanding (a) to (q) (inclusive) above, HAL shall not dispose or sell the whole or substantially the whole of Heathrow and the immediate Holding Company for the time being of HAL shall not dispose of or sell any shares in HAL (whether in a single transaction or through a series of transactions and whether related or not) to any party other than a member of the Security Group save with the consent of the relevant Borrower Secured Creditors.

**"Permitted Encumbrance"** means any Encumbrance permitted to be created in accordance with an Issuer Transaction Document.

**"Permitted Financial Indebtedness"** means:

- (a) in the case of the Borrowers:
  - (i) Financial Indebtedness incurred under the Borrower Loan Agreements; and
  - (ii) Financial Indebtedness incurred under the Authorised Credit Facilities the providers of which have acceded to the Common Terms Agreement and the STID,

which, in either case, will not result in a breach of the Additional Indebtedness Tests,

- (iii) any Financial Indebtedness arising under Treasury Transactions to which a Borrower is party and Borrower Hedging Agreements, in each case entered into in accordance with the Hedging Policy;
- (iv) the amount of any liability under an advance or deferred purchase agreement if either (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the relevant payment is advanced or deferred for a period in excess of 90 days;
- (v) any overdraft owing to any bank, up to a maximum aggregate amount at any time of an amount up to 0.5 per cent. of Total RAB net of all current account

balances held with such bank (it being understood that the provider(s) of any such overdraft will not be required to accede to the STID);

- (vi) any Financial Indebtedness under any finance leases, up to a maximum aggregate capitalised amount of 0.5 per cent. of Total RAB (such finance lessor in respect of such finance leases shall not be required to accede to the STID);
- (vii) any Financial Indebtedness pursuant to such other arrangements as have been approved by the Qualifying Borrower Secured Creditors by way of an Extraordinary Voting Matter;
- (viii) Financial Indebtedness incurred under or in respect of the Non-Migrated Bonds (including any intercompany receivable from HAL, GAL and/or STAL in respect thereof);
- (ix) any Financial Indebtedness arising in the ordinary course of business of the Borrowers under any standby letter of credit facility or similar ancillary facility up to a maximum aggregate amount at any time of up to 0.5 per cent. of Total RAB;
- (x) Financial Indebtedness incurred under a Borrower Liquidity Facility Agreement; and
- (xi) any Financial Indebtedness arising under or in respect of a lease which is either not a Finance Lease nor otherwise captured by (vi) above (and such Financial Indebtedness shall not necessitate accession to the STID by a creditor).

**provided that** at no time shall the aggregate of Financial Indebtedness arising under sub-paragraphs (v), (vi) and (ix) above exceed 1 per cent. of Total RAB; and

- (b) in the case of any Obligor or in the case of (ii) and (iii) below, the Security Parent and Asset Holdco:
  - (i) any Financial Indebtedness constituted by the guarantee of the Borrowers' obligations under each Borrower Loan Agreement, the relevant Capex Facilities, the Working Capital Facilities and the other Authorised Credit Facilities;
  - (ii) any Financial Indebtedness incurred under any Working Capital Facilities for the purpose set out in item (b) of that definition;
  - (iii) any Financial Indebtedness incurred under the Security Parent Debenture;
  - (iv) any Financial Indebtedness owed to any other Obligor;
  - (v) any Financial Indebtedness under any subordinated shareholder loans;
  - (vi) any Bankers Automated Clearing System indebtedness owed to any bank of which it is a customer and which provides payment clearing services to it;
  - (vii) the amount of any liability under an advance or deferred purchase agreement if either (i) one of the primary reasons behind entering into the agreement is to

raise finance or (ii) the relevant payment is advanced or deferred for a period in excess of 90 days;

- (viii) any Financial Indebtedness under the Composite Guarantee Deed; and
- (ix) any Financial Indebtedness constituted by the guarantee by the Obligors of amounts due under the Subordinated Facility Agreement.

**"Permitted Hedge Termination"** means the termination of a Hedging Agreement in accordance with the provisions of Schedule 5 (*Hedging Policy and Overriding Provisions Relating to Hedging Agreements*) to the Common Terms Agreement.

**"Permitted Inter-Company Distribution"** means any payment which is to be made by an Obligor under a Permitted Inter-Company Loan for the purposes of providing funds to the recipient to enable it to:

- (v) fund the making of a dividend payment on the same date to an Obligor; or
- (vi) meet its payments under any Permitted Inter-Company Loan.

**"Permitted Inter-Company Loan"** means any loan contemplated in the Reorganisation Steps.

**"Permitted Interest Payment"** means payment of any interest which has accrued since the last payment date and any applicable default interest in respect of the relevant Non-Migrated Bond.

**"Permitted Joint Venture"** means a Joint Venture:

- (a) which is not an Obligor;
- (b) of which the principal business would, if undertaken by an Obligor, be a Permitted Business or fall within the Permitted Non-Regulated Business Limits; and
- (c) which is either:
  - (i) a Non-RAB Enhancing JV **provided that** the aggregate of all amounts (1) invested or (2) for which commitments have been given (including by way of guarantee or similar surety of the obligations of a Non-RAB Enhancing JV) by all or any of the Obligors in respect of all Non-RAB Enhancing JVs shall not exceed at any time 5 per cent. of Total RAB; or
  - (ii) a RAB Enhancing JV **provided that** the regulatory assets of all RAB Enhancing JVs shall not represent at any time more than 10 per cent. of Total RAB.

**"Permitted Lease Termination"** means any termination of the leasing of all or any part of the Equipment (or the prepayment of the Rentals arising by reason of such termination) in the following circumstances:

- (a) *Total Loss*: Pursuant to any provision of a Finance Lease whereby the leasing of all or any part of the Equipment thereunder will terminate following a total loss of such Equipment save that the relevant Obligor will not make payment to the relevant Finance Lessor of any sums due and payable under the relevant Finance Lease in respect of such

total loss if (i) a Loan Acceleration Notice has been delivered or (ii) a Loan Event of Default is subsisting or would occur as a result of such payment;

- (b) *Illegality*: Pursuant to any provision of a Finance Lease which permits the relevant Finance Lessor to terminate the leasing of the Equipment thereunder and to require payment of a termination sum or sums where it is unlawful for such Finance Lessor to continue to lease the relevant Equipment save that the relevant Obligor will not make payment to the relevant Finance Lessor of any sums due and payable under the Finance Lease in respect of such circumstances if either (i) a Loan Acceleration Notice has been delivered or (ii) a Loan Event of Default is subsisting or would occur as a result of such payment;
- (c) *Voluntary Prepayment/Termination*: Pursuant to any provision of a Finance Lease whereby the relevant Obligor is or will be entitled to voluntarily terminate (and require payment of a termination sum), or prepay the Rentals relating to the leasing of the relevant Equipment under such Finance Lease **provided that** (i) no Loan Acceleration Notice has been delivered or (ii) no Loan Event of Default is subsisting or would occur as a result of such payment; and
- (d) *Incorrect Tax Assumptions*: Pursuant to any provision of a Finance Lease which permits the relevant Finance Lessor to terminate the leasing of the Equipment thereunder and to require payment of a termination sum or sums where any of the tax assumptions contained in such Finance Lease prove to be incorrect save that the relevant Obligor will not make payment to the relevant Finance Lessor of any sums due and payable under the Finance Lease in respect of such circumstances if either (i) a Loan Acceleration Notice has been delivered or (ii) a Loan Event of Default is subsisting or would occur as a result of such payment.

**"Permitted Non-Migrated Bond Distribution"** means any payment whether by loan or otherwise and whether in the discharge of any intercompany loan obligations or otherwise which is to be made by an Obligor (excluding any payment under the Non-Migrated Bond Guarantees) to ensure timely payment of interest by BAA under the Non-Migrated Bonds.

**"Permitted Non-Regulated Business Limits"** means, in respect of all businesses which are not or are not expected to be or have never been or were never expected to be Permitted Businesses, that the average of any expenses incurred in connection with such businesses during the current Relevant Period and the immediately two preceding Relevant Periods does not exceed 2 per cent. of Total RAB.

**"Permitted Post Closing Events"** means:

- (a) payment of transaction fees and expenses, to the extent not paid on the Initial Issue Date;
- (b) any Permitted Inter-Company Distribution contemplated in accordance with the Reorganisation Steps; and
- (c) any other payments listed in writing by the Borrowers as at the Initial Issue Date and signed by way of approval by the Borrower Security Trustee.

**"Permitted Securitisation"** means the financing constituted by, among other things, the issuance of capital markets debt (some or all of which may be wrapped and with bond proceeds to be on-lent to operating companies who are members of the Security Group), bank debt, finance leases and/or related hedging and derivative transactions and as provided for in the Finance Documents (as at the Initial Issue Date) including, without limitation:

- (a) the Initial Credit Facilities Agreement;
- (b) the Refinancing Facility Agreement;
- (c) the Common Terms Agreement;
- (d) the EIB Facility Agreements; and
- (e) each Borrower Liquidity Facility Agreement,

all as more particularly described in the Prospectus of the Issuer dated 14 July 2008.

**"Permitted Security Interest"** means any security interest falling under paragraphs (a) to (t) (inclusive) below which is created by any Obligor:

- (a) a Security Interest created under the Security Documents or contemplated by the Transaction Documents;
- (b) a Security Interest created under or contemplated by the Senior/Subordinated Intercreditor Agreement or in connection with any Subordinated Debt on terms no more favourable than the security granted to the Subordinated Secured Creditors (having regard also to the terms of the Senior/Subordinated Intercreditor Agreement);
- (c) any Security Interest specified in Schedule 9 (*Borrower Cash Management*) to the Common Terms Agreement, if the principal amount thereby secured is not increased;
- (d) a Security Interest comprising a netting or set-off arrangement entered into by a member of the Security Group in the ordinary course of its banking arrangements;
- (e) a right of set-off, banker's liens or the like arising by operation of law or by contract by virtue of the provision of any overdraft facility (including an Ancillary Facility which is an overdraft comprising more than one account) and like arrangements arising as a consequence of entering into arrangements on the standard terms of any bank providing an overdraft;
- (f) any Security Interest arising under statute or by operation of law in favour of any government, state or local authority in respect of taxes, assessments or government charges which are being contested by the relevant member of the Security Group in good faith and with a reasonable prospect of success;
- (g) any Security Interest created in respect of any pre-judgment legal process or any judgment or judicial award relating to security for costs, where the relevant proceedings are being contested in good faith by the relevant member of the Security Group by appropriate procedures and with a reasonable prospect of success;



- (h) a security interest comprising a netting or set-off arrangement entered into under any hedge arrangement entered into in accordance with the Hedging Policy where the obligations of other parties thereunder are calculated by reference to net exposure thereunder (but not any netting or set-off relating to such hedge arrangement in respect of cash collateral or any other Security Interest except as otherwise permitted hereunder);
- (i) a lien in favour of any bank over goods and documents of title to goods arising in the ordinary course of documentary credit transactions entered into in the ordinary course of trade;
- (j) a Security Interest created over shares and/or other securities acquired in accordance with the Common Terms Agreement held in any clearing system or listed on any exchange which arise as a result of such shares and/or securities being so held in such clearing system or listed on such exchange as a result of the rules and regulations of such clearing system or exchange;
- (k) a Security Interest approved by the Borrower Security Trustee, the holder of which has become a party to the STID;
- (l) a Security Interest over or affecting any asset acquired on arm's length terms after the date hereof and subject to which such asset is acquired, if:
  - (i) such Security Interest was not created in contemplation of the acquisition of such asset;
  - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by a member of the Security Group; and
  - (iii) unless such Security Interest falls within any of Paragraphs (m) to (t) below (A) such Security Interest is removed or discharged within six months of the date of acquisition of such asset; or (B) the holder thereof becomes party to the STID;
- (m) a Security Interest arising in the ordinary course of business and securing amounts not more than 90 days overdue or if more than 90 days overdue, the original deferral was not intended to exceed 90 days and such amounts are being contested in good faith;
- (n) a Security Interest arising under or contemplated by any Finance Leases, hire purchase agreements, conditional sale agreements or other agreements for the acquisition or disposal of assets on deferred purchase terms where the counterparty becomes party to the STID **provided that** the provider of any lease, hire purchase or conditional sale agreements in respect of assets acquired or disposed of in the ordinary course of business on deferred purchase terms and for an aggregate amount not exceeding 0.5 per cent. of Total RAB shall not be required to become a party to the STID;
- (o) a right of set-off existing in the ordinary course of trading activities between a Borrower and its suppliers or customers;
- (p) a lien arising under statute or by operation of law (or by agreement having substantially the same effect) and in the ordinary course of business **provided that** such lien is

discharged within 30 days of any member of the Security Group becoming aware that the amount owing in respect of such lien has become due;

- (q) a Security Interest arising on rental deposits in connection with the occupation of leasehold premises in the ordinary course of business;
- (r) any retention of title arrangements entered into by any Obligor in the ordinary course of business;
- (s) any escrow arrangements entered into with the Highways Agency in respect of construction costs; or
- (t) in addition to any Security Interests subsisting pursuant to the above, any other Security Interests **provided that** the aggregate principal amount secured by such Security Interests does not at any time exceed an amount equal to 0.5 per cent. of Total RAB.

**"Permitted Variances"** means, in respect of any Obligor, the difference between:

- (a) the amount of regulatory capital expenditure actually incurred by such Obligor in the regulatory year immediately preceding the next price determination for such Obligor and the amount of regulatory capital expenditure assumed by the Regulator to be incurred by such Obligor during such regulatory year as at the date that the regulatory asset base, published by the Regulator for the regulatory year immediately following such price determination, is effective;
- (b) the net proceeds from disposals of regulatory assets actually achieved by such Obligor in the regulatory year immediately preceding the next price determination for such Obligor and the amount of the net proceeds from disposals of regulatory assets assumed by the Regulator to be achieved by such Obligor during such regulatory year as at the date that the regulatory asset base, published by the Regulator for the regulatory year immediately following such price determination, is effective;
- (c) the actual outcome in respect of any other item in the regulatory year immediately preceding the next price determination for such Obligor and the amount specifically assumed by the Regulator to be the outcome for such regulatory year as at the date that the regulatory asset base, published by the Regulator for the regulatory year immediately following such price determination, is effective,

in each case as certified by the Finance Director or Chief Financial Officer of the Security Group Agent on behalf of each Obligor in each Compliance Certificate in respect of which the Calculation Date for such Compliance Certificate falls in the regulatory year following the price determination for such Obligor and setting out the amount of each adjustment and the basis therefor.

**"Post-Enforcement Surplus Revenue Prepayment Proposal"** has the meaning given to it in clause 24.2 of the STID.

**"Post-Enforcement Surplus Revenue Prepayment Resolution"** has the meaning given to it in clause 24.3.4 of the STID.

**"Potential Loan Event of Default"** means any event which, with the lapse of time and/or the giving of any notice and/or the making of any determination (in each case where the lapse of time and/or giving of notice and/or determination is provided for in the terms of such Loan Event of Default, and assuming no intervening remedy), will become a Loan Event of Default.

**"Pre-hedges"** means derivative instruments such as forward starting interest rate swap transactions and/or inflation rate swap transactions, entered into by the Group, with an effective date no later than 24 months from the date of entry into such Treasury Transaction, in respect of Financial Indebtedness which is projected to be incurred within 24 months from the date of entry into such Treasury Transactions and which would not, on the basis of the most recent projections of the Security Group, be projected to breach the Additional Indebtedness Tests at the projected date of incurrence.

**"Principal Amount Outstanding"** means, in relation to a Bond, Sub-Class or Class or a Non-Migrated Bond, the original face value thereof less any repayment of principal made to the holder(s) thereof in respect of such Bond, Sub-Class or Class or Non-Migrated Bond.

**"Principal Collections"** means, on any date, the amount standing to the credit of the Disposal Proceeds Account as at such date.

**"Principal Paying Agent"** means Deutsche Bank AG, London Branch as principal paying agent under the Agency Agreement, or its Successors thereto.

**"Proceedings"** means any legal proceedings relating to a dispute.

**"Programme"** means the £50,000,000,000 (or the equivalent thereof in other currencies) bond programme established by the Issuer in August 2008 as may be supplemented, amended or modified from time to time.

**"Programme Limit"** means £50,000,000,000.

**"Projected Excess Cashflow Before Capex"** means the Security Group's projection as to the amount of surplus cash that, absent a Trigger Event, will be available to pay Restricted Payments in respect of that 12 month period following the most recently occurring Calculation Date after adding back any projected Capital Expenditure less any amounts assumed to be drawn under the Capex Facilities.

**"Proportion"** has the meaning given to it in the relevant Liquidity Facility Agreement.

**"Prospectus"** means (i) the base prospectus relating to the Bonds prepared in connection with the Programme and constituting (in the case of Bonds to be listed on a Stock Exchange), to the extent specified in it, a base prospectus for the purposes of Article 5.4 of the Prospectus Directive, as revised, supplemented or amended from time to time by the Issuer and, in relation to each Tranche of Bonds, the applicable Final Terms shall be deemed to be included in the Prospectus, and (ii) any additional standalone or drawdown prospectus that may be prepared by the Issuer from time to time in connection with the issuance of any Series, Tranche or Sub-Class of Bonds.

**"Prospectus Directive"** means Directive 2003/71/EC;

**"Prospectus Rules"** means the prospectus rules issued by the FSA under Part VI of FSMA.

**"Public Procurement Rules"** means the Public Contracts Regulations 2006 (SI 2006 No 5), the Utilities Contracts Regulations 2006 (SI 2006 No 6), the Public Contracts (Scotland) Regulations 2006 (SSI 2006 No 1) and the Utilities Contracts (Scotland) Regulations 2006 (SI 2006 No 2) implementing in the United Kingdom Directives 2004/18/EC (public sector) and 2004/17/EC (utilities sector) respectively, including any jurisprudence by the European Community and the UK courts and the case law of the European Commission including the soft law instructions (Guidelines, Communications, Notice, etc.) issued by the European Commission from time to time.

**"QIB"** means a "qualified institutional buyer" within the meaning of Rule 144A.

**"QP"** means a "qualified purchaser" within the meaning of the Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder.

**"Qualifying Bank"** means at any time a person:

- (a) which is authorised to take deposits under the Financial Services and Markets Act 2000;
- (b) which is at that time a bank within the meaning of that term in section 991 of the Income Tax Act 2007 and is a bank for the purposes of section 878 of that Act; and

whose short term unsecured, unsubordinated and unguaranteed debt is at that time rated at least P-1 by Moody's, at least A-1 by S&P and at least F1 by Fitch (or at least any two of the above including S&P).

**"Qualifying Borrower Debt"** has the meaning given to it in clause 10.1.3 of the STID.

**"Qualifying Borrower Junior Creditor"** means each Borrower Secured Creditor (other than any Subordinated Borrower Secured Creditor) to which the relevant Junior Debt is owed and provided that the Issuer shall not be a Subordinated Borrower Secured Creditor except in respect of any Subordinated Tranches.

**"Qualifying Borrower Junior Debt"** means:

- (a) the principal amount outstanding under the Borrower Loan Agreement corresponding to the Class B Wrapped Bonds and the Class B Unwrapped Bonds;
- (b) the mark-to-market value of any transaction or transactions arising under Cross Currency Hedging Agreements in respect of the Class B Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transaction or transactions;
- (c) the principal amount outstanding under any Capex Facility at such time to the extent that such amount is designated Junior Debt (ranking *pari passu* with other Junior Debt);
- (d) the principal amount outstanding under the Refinancing Facility at such time to the extent that such amount is designated Junior Debt (ranking *pari passu* with other Junior Debt);

- (e) (subject to the applicable Finance Lessor under a Finance Lease acceding to the STID as a Borrower Secured Creditor) the termination value of any Finance Leases at such time designated as Junior Debt; and
- (f) the principal amounts outstanding under any other Authorised Credit Facility ranking *pari passu* with the above.

"**Qualifying Borrower Secured Creditors**" has the meaning given to it in clause 10.1.3 of the STID.

"**Qualifying Borrower Senior Creditor**" means each Borrower Secured Creditor (other than any Subordinated Borrower Secured Creditor) to which the relevant Senior Debt is owed and provided that the Issuer and the Non-Migrated Bondholders shall not be Subordinated Borrower Secured Creditors except in respect of any Subordinated Tranches.

"**Qualifying Borrower Senior Debt**" means at any time:

- (a) the principal amount outstanding under the Borrower Loan Agreements corresponding to the Class A Wrapped Bonds and Class A Unwrapped Bonds;
- (b) the amount owed by the Borrowers to the Issuer in respect of the mark-to-market value of any transaction or transactions arising under Cross Currency Hedging Agreements in respect of the Class A Bonds to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated at such time in respect of such transaction or transactions;
- (c) the mark-to-market value of any transaction or transactions arising under Cross Currency Hedging Agreements between a Cross Currency Hedge Counterparty and a Borrower in respect of the Non-Migrated Bonds denominated in euro to the extent that such value represents an amount which would be payable to the relevant Cross Currency Hedge Counterparties if an early termination date was designated a such time in respect of such transaction or transactions;
- (d) the principal amount outstanding under each Capex Facility at such time to the extent that such amount is designated Senior Debt (ranking *pari passu* with other Senior Debt);
- (e) the principal amount outstanding under each Working Capital Facility at such time;
- (f) the principal amount outstanding under the Refinancing Facility at such time to the extent that such amount is designated Senior Debt (ranking *pari passu* with other Senior Debt);
- (g) the principal amount outstanding to EIB under the EIB Facilities;
- (h) (subject to the applicable Finance Lessor under a Finance Lease acceding to the STID as a Borrower Secured Creditor designated as Senior Debt), the termination value of any Finance Leases at such time;
- (i) in respect of any Non-Migrated Bond Voting Matter only, and the definitions of "**Senior Debt**" the principal amount outstanding under the Non-Migrated Bonds at such time; and

- (j) the principal amounts outstanding under any other Authorised Credit Facility at such time ranking *pari passu* with the above (but excluding for the avoidance of doubt any Borrower Liquidity Facilities or Interest Rate Hedging Agreements with any Borrower Hedge Counterparties).

"**Quorum Requirement**" has the meaning given to it in clause 14.2 (*Quorum Requirement*) of the STID.

"**RAB**" or "**Regulatory Asset Base**" means in respect of any Obligor as at any date the sum of (i) the Regulatory RAB of such Obligor as at such date and (ii) the Transfer RAB of such Obligor as at such date.

"**RAB Enhancing JV**" means a Joint Venture:

- (a) of which all or any of the assets are included by the Regulators in the Regulatory RAB of any Obligor investing in such Joint Venture or are expected to be included by the Regulators in the Regulatory RAB of any Obligor investing in such Joint Venture at the next Review Date; or
- (b) the shares or other investment in which are included by the Regulators in the Regulatory RAB of any Obligor owning such shares or investing in such Joint Venture or are expected to be included by the Regulators in the Regulatory RAB of any Obligor owning such shares or otherwise investing in such Joint Venture at the next Review Date.

"**Rating Agencies**" means Fitch and S&P and any further or replacement rating agency appointed by the Issuer to provide a public credit rating or ratings for the Senior Debt and the Junior Debt and public underlying ratings in respect of Class A Wrapped Bonds and Class B Wrapped Bonds for so long as the Issuer seeks such public credit rating or public underlying rating and they are willing and able to provide credit ratings generally (and "**Rating Agency**" means any one of them).

"**Rating Agency Criteria**" means the criteria set out in:

- (a) the publications entitled "Fitch Ratings: Structured Finance - Criteria for Rating Currency Swap Obligations of an SPV in Structured Finance Transactions" dated 10 January 2008 and "Fitch Ratings: Credit Policy = Counterparty Risk in Structured Finance Transactions: Hedge Criteria" dated 1 August 2007, taking into account any replacement of, or amendments or supplements to, such criteria after its date of publication; and
- (b) the S&P publication entitled "Revised Framework for Applying Counterparty and Supporting Party Criteria" dated 8 May 2007, taking into account any replacement of, or amendments or supplements to, such criteria after its date of publication.

"**Ratings Confirmation**" in respect of a proposed action means a confirmation by the relevant Rating Agencies, in respect of each class of the relevant Bonds, to the effect that the then ratings on such class of Bonds would not be reduced below the lower of (i) the credit ratings of such Bonds as at the Initial Issue Date or (ii) the then current credit ratings (before the proposed action).

**"Reallocation Prepayment"** means a prepayment of all or any part of an Advance or Sub-Advance in circumstances where the proceeds of such prepayment are to be used by the Issuer to make an advance to another Borrower pursuant to clause 7.2.1 of the Borrower Loan Agreement.

**"Receiptholders"** has the meaning given thereto in the Conditions.

**"Receipts"** means a receipt attached on issue to a Definitive Bond redeemable in instalments for the payment of an instalment of principal and includes any replacements for Receipts and Talons issued pursuant to Condition 14 (*Replacement of Bonds, Coupons, Receipts and Talons*).

**"Receiver"** means any receiver, manager, receiver and manager or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act 1986 and who is appointed:

- (a) by the Borrower Security Trustee under the Security Documents in respect of the whole or any part of the Borrower Security; or
- (b) by the Bond Trustee (as assignee by way of security of the Issuer's rights under the Finance Documents) under the Obligor Floating Charge Agreement in respect of the whole or any part of the security granted in favour of the Issuer under the Obligor Floating Charge Agreement; or
- (c) by the Bond Trustee under the Issuer Deed of Charge in respect of the whole or any part of the Issuer Security.

**"Reference Banks"** (i) in relation to the Bonds, has the meaning given to such term in Condition 6(i) (*Definitions*) and (ii) in relation to a Liquidity Facility Agreement, has the meaning given to such term in clause 1.1 (*Definitions*) of such agreement.

**"Refinancing Facility"** means the term loan facility of an aggregate facility amount of £4,400,000,000 to be made available to the Borrowers by the Refinancing Facility Providers on or about the Initial Issue Date pursuant to the Refinancing Facility Agreement.

**"Refinancing Facility Agent"** means The Royal Bank of Scotland plc or any successor thereto.

**"Refinancing Facility Agreement"** means the facility agreement to be dated on or about the Initial Issue Date under which the Refinancing Facility is made available to Borrowers.

**"Refinancing Facility Payment Date"** means each date on which a payment of interest or other finance charges (excluding, for the avoidance of doubt, any principal payments) is scheduled to be made by a Borrower under the Refinancing Facility Agreement.

**"Refinancing Facility Providers"** means the Initial Refinancing Facility Providers together with any further refinancing facility providers which provide the Borrower with the Refinancing Facility and accede to the Common Terms Agreement and the STID.

**"Register"** has the meaning given thereto in Condition 1(b) (*Form, Denomination and Title*).

**"Registerable Transaction Documents"** means, in respect of the Issuer, the Issuer Deed of Charge and in respect of the Borrowers, the Security Agreement, the Obligor Floating Charge Agreement and the Borrower Liquidity Reserve Account Trust Deed.

**"Registered Bonds"** means those Bonds which are for the time being in registered form.

**"Registrar"** means Deutsche Bank Trust Company Americas as registrar under the Agency Agreement and any other entity appointed as a registrar under the Agency Agreement.

**"Regulation S"** means Regulation S adopted by the SEC under the Securities Act.

**"Regulation S Bond Certificate"** means any Regulation S Global Bond Certificate and any Regulation S Individual Bond Certificate.

**"Regulation S Bonds"** means Bonds sold outside the United States of America pursuant to, and in compliance with, Regulation S.

**"Regulation S Global Bond Certificates"** means, in relation to any class or sub-class of Regulation S Bonds which are Registered Bonds, a global bond certificate representing the Regulation S Bonds of such class or sub-class in the form or substantially in the form set out in Part 1 of Schedule 5 to the Bond Trust Deed, with such modifications (if any) as may be agreed between the Issuer, the Registrar, the Bond Trustee and the relevant Dealer(s).

**"Regulation S Individual Bond Certificates"** means, in relation to any Class or Sub-Class of Regulation S Bonds which are Registered Bonds, an individual bond certificate representing the Regulation S Bonds of such Class or Sub-Class in the form or substantially in the form set out in Part 4 of Schedule 5 to the Bond Trust Deed.

**"Regulations"** means the regulations concerning the transfer of Bonds as the same may be promulgated from time to time by the Issuer and approved by the Registrar and the Bond Trustee (the initial such regulations being set out in Schedule 2 (Register and Transfer of Registered Bonds) to the Agency Agreement).

**"Regulators"** means the Civil Aviation Authority ("CAA") and the Competition Commission, and any other additional or replacement governmental authority which may from time to time regulate any of the Obligors' businesses or in respect of which any Obligor is required to comply.

**"Regulatory Accounts"** means the individual financial information of each Borrower, each prepared in the form required (for so long as they are required) by the "accounts condition" to BAA's permission to levy airport charges.

**"Regulatory Change"** means any change in law, enactment, order, regulation, regulatory policy, guideline, industry code or regulatory permit or licence after the Initial Issue Date which impacts on the performance, scope or details of the services provided pursuant to the Shared Services Agreement in any material respect.

**"Regulatory Direction"** means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply.



**"Regulatory Period"** means the period in respect of which the maximum charges to airport users at Heathrow are fixed by (currently) the Civil Aviation Authority (currently a five year period).

**"Regulatory RAB"** means in respect of any Obligor:

- (a) in respect of any date in the current year (the **"Relevant Current Year Date"**), the regulatory asset base for such Obligor as set out in the last published Regulatory Accounts of such Obligor plus cumulative regulatory capital expenditure incurred between the date to which the Regulatory Accounts related and the Relevant Current Year Date plus indexation accrued between the date to which the Regulatory Accounts relate and the Relevant Current Year Date less (i) regulatory depreciation (as adjusted for indexation) accrued between the date to which the Regulatory Accounts relate and the Relevant Current Year Date and (ii) (A) the net proceeds received from any disposal of regulatory assets during the Relevant Current Year or (B), where such amount differs, the amount the Obligor reasonably expects the Regulator to apply in reduction of such Obligor's regulatory asset base as a consequence of such disposal;
- (b) in respect of each 12 month period starting on the first day of the current year and for each successive 12 month period up to 31 December of the financial year immediately preceding the year in which falls the Date Prior of such Obligor, the regulatory asset base for such Obligor as set out in the latest published Regulatory Accounts for such Obligor plus cumulative regulatory capital expenditure spent or to be spent by such Obligor to the end of such 12 month period plus indexation to the end of such 12 month period less (i) regulatory depreciation (as adjusted for indexation) to the end of such 12 month period and (ii) (A) the net proceeds forecast to be received from any disposal of regulatory assets during the Relevant Period or (B), where such amount differs, the amount the Obligor reasonably expects the Regulator to apply in reduction of such Obligor's regulatory asset base as a consequence of such projected disposal; and
- (c) if the Calculation Date falls within the 18 month period immediately prior to the year in which falls the Date Prior of such Obligor and in respect of the 12 month period starting on the first day of the financial year in the same year as the Date Prior of such Obligor, the regulatory asset base most recently submitted to the Regulators by such Obligor for the regulatory period commencing immediately following the Date Prior of such Obligor plus cumulative regulatory capital expenditure to be spent by such Obligor in the 9 month period from the Date Prior of such Obligor plus indexation for the 9 month period from the Date Prior of such Obligor less (i) regulatory depreciation (as adjusted for indexation) for the 9 month period from the Date Prior of such Obligor and (ii) (A) the net proceeds forecast to be received from any disposal of regulatory assets during the Relevant Period or (B), where such amount differs, the amount the Obligor reasonably expects the Regulator to apply in reduction of such Obligor's regulatory asset base as a consequence of such projected disposal,

**Provided that:**

- (1) in relation to each of (a), (b) and (c) above, the regulatory asset base of each Obligor shall be the regulatory asset base after any profiling (as adjusted for

indexation) that may be applied by the Regulator in accordance with the most recent price determination for such Obligor;

- (2) if the opening regulatory asset base for such Obligor as specified in the Regulatory Accounts of such Obligor for the first regulatory year is not equal to the regulatory asset base published by the Regulator for such Obligor as the opening regulatory asset base for that regulatory year, the Regulatory RAB of such Obligor shall be determined not by reference to the regulatory asset base published in the Regulatory Accounts of such Obligor but instead by reference to the opening regulatory asset base published by the Regulator as adjusted by such Obligor for any Permitted Variances;
- (3) if any Regulator has stated in any correspondence or other communication with such Obligor that any capital expenditure which the Obligor in its Regulatory Accounts has accounted for or expects will be accounted for as regulatory capital expenditure will not be included in the regulatory asset base of such Obligor for the start of the regulatory year immediately following the next price determination, the amount of such regulatory capital expenditure shall be excluded as part of the calculation of the Regulatory RAB of such Obligor;
- (4) if any Regulator has stated in any correspondence or other communication with such Obligor that the aggregate amount it will apply as a deduction from the regulatory asset base of such Obligor for the start of the regulatory year immediately following the next price determination, on account of disposals of regulatory assets will differ from the aggregate amount of deductions from the regulatory asset base of such Obligor accounted for by such Obligor as a consequence of disposals of regulatory assets in its Regulatory Accounts, the amount by which the Regulator's deduction exceeds or is less than the amount deducted by such Obligor from its regulatory asset base in its Regulatory Accounts shall be deducted from (in the case of an excess) or added to (in the case of any shortfall) the regulatory asset base of such Obligor as part of the calculation of Regulatory RAB of such Obligor; and
- (5) if the auditors of an Obligor qualify their statement of opinion in relation to any regulatory capital expenditure included by the Obligor in the regulatory asset base of such Obligor as specified in the Regulatory Accounts of the Obligor, the amount of the regulatory capital expenditure to which such qualification relates shall be excluded as part of the calculation of the Regulatory RAB of such Obligor.

**"Relevant Borrower Secured Creditor"** means any Borrower Secured Creditor who ranks (other than in relation to amounts payable by the Borrowers in respect of Subordinated Step-Up Fee Amounts) in point of payment and security subordinate to payments of principal and interest on the Borrower Loans relating to the proposed Subordinated Bonds.

**"Relevant Currency"** means the currency specified as such or, if none is specified, the currency in which the Bonds are denominated.

**"Relevant Date"** means in respect of the Senior RAR or Junior RAR in respect of any Reporting Date means: (i) 31 December in the year immediately preceding such Reporting Date; (ii) each subsequent 31 December to the year immediately preceding the year in which falls the relevant Date Prior; and (iii) if the Reporting Date falls within the 18 month period immediately prior to the year in which falls the relevant Date Prior, 31 December in the same year as the relevant Date Prior, provided that the first Relevant Date shall be 31 December 2008.

**"Relevant Date Prior"** means, at any time, the date which is one day before the commencement of the next Regulatory Period.

**"Relevant Debt"** has the meaning given to it in the Hedging Policy.

**"Relevant Document"** means a Transaction Document to which the relevant person is a party.

**"Relevant EBITDA"** means the earnings before interest, tax, depreciation and amortisation and pre-exceptional costs (revenues minus expenses) in respect of a business of the Borrower which was brought into account or not expressly disallowed by the CAA for any price determination published by the Regulator for that Borrower for the purpose of imposing price caps pursuant to Section 40(4) of the Airports Act but which ceases to be brought into account or is expressly disallowed for such purpose.

**"Relevant Financial Guarantor"** means, in relation to any Class of Wrapped Debt, the Financial Guarantor which provides a Financial Guarantee in respect of such Class of Wrapped Debt.

**"Relevant Issuer Secured Creditor"** means any Issuer Secured Creditor who ranks (other than in relation to Subordinated Step-Up Fee Amounts) in point of payment and security subordinate to payments of any amounts payable in respect of the proposed Subordinated Bonds.

**"Relevant Multiple"** means the multiple determined by dividing the Relevant Transfer Value by the sum of the Relevant EBITDA for the three financial years of the relevant Borrower prior to the Relevant Transfer Date as determined by reference to the audited financial statements of such Borrower for such financial years divided by 3.

**"Relevant Period"** means each of the following periods in respect of the Senior ICR or Junior ICR in respect of any Reporting Date:

- (a) the period of 12 months ending on the last day of the Financial Year in the year preceding such Reporting Date;
- (b) the period of 12 months starting on 1 January in the same year as such Reporting Date;
- (c) each subsequent 12 month period up to 31 December of the year immediately preceding the year in which falls the Relevant Date Prior; and
- (d) if such Reporting Date falls within the 18 month period prior to the year in which falls the Relevant Date Prior, the 12 month period from 1 January in the same year as the Relevant Date Prior,

provided that the first Relevant Period shall be the 12 month period ending on 31 December 2009.

**"Relevant Regulatory Year"** means the annual regulatory accounting period of the Obligors ending on 31 March in each year.

**"Relevant Subscription Agreement"** means an agreement between, among others, the Issuer, the Bond Guarantor, each Obligor and any Dealer(s) for the issue by the Issuer and the subscription as principal by such Dealer(s) (or on such other basis as may be agreed between the Issuer, the Bond Guarantor (in respect of any BAA Guaranteed Bonds), the Obligors and the relevant Dealer(s) at the relevant time) of any Bonds, including any agreement in the form or based on the form set out in Schedule 5 (*Pro Forma Subscription Agreement*) to the Dealership Agreement;

**"Relevant Transfer Date"** means the first date from which a business of a Borrower which was brought into account or not expressly disallowed by the CAA for any price determination published by the Regulator for that Borrower for the purpose of imposing price caps pursuant to Section 40(4) of the Airports Act ceases to be brought into account or is expressly disallowed for such purpose.

**"Relevant Transfer Value"** means in respect of any business of a Borrower which was brought into account by the CAA for the price determination for any regulatory period for the purpose of imposing price caps pursuant to Section 40(4) of the Airports Act and which ceases to be brought into account for such purpose, unless and until a transfer value has been published by the CAA for such business representing the reduction in the regulatory asset base of such Borrower as determined by the CAA, the transfer value attributed by the Borrower to such business in its most recent Regulatory Accounts and, following publication by the CAA of a transfer value for such business, such published transfer value excluding, in either case, the transfer value published by the CAA or attributed by the Borrower to any assets which are held by a Joint Venture which is not an Obligor.

**"Remedy Period"** means in relation to each Obligor,

- (a) for any failure duly to perform or comply with any of the obligations contained in Paragraphs 5 (*Negative Pledge*), 6 (*Disposals*), 7 (*Financial Indebtedness*), 16 (*Loans and Credit*) and 31 (*Restricted Payments*) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) to the CTA, the period expiring 5 Business Days after the earlier to occur of the date on which the Borrower Security Trustee has given notice thereof to the relevant Obligor or the Security Group Agent and the date the relevant Obligor becomes aware of the non-compliance (the "**Earlier Date**");
- (b) for any failure to perform or comply with any of the obligations contained in Schedule 2 (*Covenants*) to the Common Terms Agreement or any other obligations contained in that Agreement (unless, in each case, paragraph (a) above or (c) below applies), the period expiring 60 days after the Earlier Date;
- (c) for any other failure duly to perform or comply with (1) any of the obligations contained in Paragraphs 1 (*Financial Statements*), 2 (*Compliance Certificate*), 4 (*Investor Reports*) and 5 (*Form of financial statements*) of Schedule 2, Part 1 of the CTA or (2) any obligation and where such failure has a Material Adverse Effect, the period expiring 30 days after the Earlier Date.

"**Rental**" means any scheduled payment of rental, periodic charge or equivalent sum under a Finance Lease.

"**Rental Payment Date**" means any date on which Rental is scheduled to be paid under any Finance Lease.

"**Rental Period**" means, in respect of a Finance Lease, each period falling between two consecutive Rental Payment Dates under such Finance Lease.

"**Reorganisation Steps**" means the steps set out in the Steps Paper detailing the reorganisation process in connection with BAA and its Affiliates.

"**Repeated Representations**" means the representations set out in Paragraphs 1 (*Status*) to 7 (*Authorisations*) inclusive other than 5(a) (*No Default or Trigger Event*), 10 (*Full Disclosure*), 14 (*Property*), 16(b) (*Status of Security*) and 29 (*Centre of Main Interests*) of Schedule 1 (*General Representations*) of the Common Terms Agreement.

"**Replacement Bonds**" means the Bonds issued by the Issuer to BAA and transferred by BAA to existing bondholders in exchange for their existing bonds on the Initial Issue Date.

"**Reporting Accountants**" means any firm of independent accountants of international repute nominated by the Security Group and agreed by the Borrower Security Trustee.

"**Reporting Date**" means 30 June and 31 December in each year starting on 31 December 2008 or any other date as may be agreed as a result of a change in the financial year end or regulatory year end date of any Obligor.

"**Request**" means a request for utilisation of any Authorised Credit Facility.

"**Required Agents**" means (if and for so long as any Bearer Bonds are outstanding) a Principal Paying Agent, (if and for so long as any Registered Bonds are outstanding) a Registrar, (if and for so long as any Floating Rate Bonds or Indexed Bonds are outstanding) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms), a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced to conform to, such Directive and (if and for so long as any Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent, Transfer Agent or Registrar in any particular place) a Paying Agent, Transfer Agent and/or Registrar, as applicable, having its specified office in the place required by such listing authority, stock exchange and/or quotation system and "**Required Agent**" means any one of them.

"**Required Amount**" means the Borrower Hedging Required Amount, the EIB Required Amount, the Tranche A Required Amount and/or the Tranche B Required Amount, as the context requires.

"**Required Balance**" has the meaning given to such term in Paragraph 4 of Schedule 10 (*Liquidity Facilities*) to the Common Terms Agreement.

**"Required Filings"** means, (i) in respect of the Issuer, (a) the filing of the Prospectus with the Company Announcements Office of the Stock Exchange, (b) the filing with the UKLA and making available to the public of the Prospectus with the UKLA in accordance with rule 3.2 of the Prospectus Rules, and, in respect of the Issuer and the Obligors, (c) the registration of a correctly completed Form 395 and an original executed copy of each Registerable Transaction Document with the Registrar of Companies, (d) the registration at the Land Registry for all freehold properties and leasehold properties where the lease has more than 7 years to run, and, (ii) in respect of the Obligors, (a) the registration relating to any registered Intellectual Property Rights registered in each Obligor's name, in each case, in accordance with any relevant Requirement of Law or any Regulatory Direction and (b) the filing of the Prospectus with the Jersey Financial Services Commission.

**"Requirement of Law"** in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Governmental Authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply.

**"Requisite Ratings"** means (i) in respect of the Liquidity Facilities and the Borrower Liquidity Reserve Account Trust Deed, in respect of any person, such person's short term unsecured debt obligations being rated, in the case of S&P, "A-1", in the case of Moody's "P-1" and in the case of Fitch, "F1" or at least any two of the above (including S&P), and (ii) in respect of all other Transaction Documents, the Minimum Short-term Rating.

**"Reservations"** means the reservations contained in the Opinions as to matters of law (and not fact) relating to the enforceability of obligations by virtue of (i) the nature of the remedies available in the relevant jurisdictions in which the relevant enforcement occurs (including the power to stay proceedings), (ii) the provisions of the Limitations Act 1980, (iii) any limitations resulting from applicable laws of bankruptcy, insolvency, reorganisation or other similar laws relating to or affecting the enforcement of creditors' rights generally and (iv) general equitable principles regardless of whether such enforceability is considered in a proceeding in equity or at law.

**"Reserve Account Beneficiary"** means Deutsche Trustee Company Limited.

**"Reserved Matters"** has the meaning given to it in Schedule 3 to the STID.

**"Restricted Loan Event of Default"** means a Loan Event of Default other than a Loan Event of Default occurring pursuant to paragraph 1 (*Non Payment*), paragraph 5 (*Insolvency*), paragraph 6 (*Insolvency Proceedings*), paragraph 10 (*Failure to comply with judgement*) and paragraph 14(b) (*Material Proceedings*) of Schedule 4 (*Loan Events of Default*) of the Common Terms Agreement and **"Restricted Potential Loan Event of Default"** shall mean a Potential

Loan Event of Default which relates to a Loan Event of Default which is a Restricted Loan Event of Default as defined herein.

**"Restricted Payment"** means (i) any payment under or in respect of Subordinated Debt, (ii) any payment under or in respect of any guarantee granted to any creditor subordinated to the Borrower Secured Creditors pursuant to the Senior/Subordinated Intercreditor Agreement, and (iii) any payment (including any payments of distributions, dividends, bonus issues, return of capital, fees, interest, principal or other amounts whatsoever) (by way of loan or repayment of any loan or otherwise) (in cash or in kind) to any direct or indirect affiliate of an Obligor which is not itself an Obligor or the Issuer other than:

- (a) payments made pursuant to and in accordance with the Shared Services Agreements;
- (b) payments made pursuant to and in accordance with any contracts entered into with any sponsor in compliance with the covenants set out in the Common Terms Agreement;
- (c) payments made pursuant to a Permitted Inter-Company Distribution (other than pursuant to the Security Parent Debenture where the conditions for making the same pursuant to Schedule 2 (*Covenants*), Part 3 (*General Covenants*), paragraph 32 (*Permitted Inter-Company and Non-Migrated Bond Distributions*) of the Common Terms Agreement are not met) or Permitted Non-Migrated Bond Distribution;
- (d) payments made in the ordinary course of the relevant Obligor's business on arm's length terms; or
- (e) payments made pursuant to and in accordance with the provisions of the Tax Deed of Covenant, save for any excess amounts permitted to be paid in accordance with clause 2.12 of the Tax Deed of Covenant.

**"Restricted Payment Condition"** means each of the conditions in Paragraph 31 (*Restricted Payments*) of Part 3 (*General Covenants*) Schedule 2 (*Covenants*) to the Common Terms Agreement which must be satisfied or waived by the Borrower Security Trustee before a Restricted Payment may be made by the Issuer or an Obligor.

**"Revenue Collections"** means, on any date, the sum of Available Enforcement Proceeds and Available Surplus Revenue Collections (prior to the making of a Post-Enforcement Surplus Revenue Prepayment Resolution) and for the avoidance of doubt shall not include (i) any amounts standing to the credit of the Disposal Proceeds Account and any Debt Collateralisation Account as at such date, (ii) amounts standing to the credit of any Borrower Liquidity Reserve Account; (iii) amounts standing to the credit of the Borrower Hedge Collateral Accounts and (iv) Borrower Hedge Replacement Premium (if any).

**"Reverse Charge"** means the charge imposed by section 8(1) of VATA.

**"Review Date"** means the date falling at the end of each regulatory period from which the regulatory asset base published by the Regulator is effective.

**"Revolving Loan"** means any revolving loan outstanding under any Authorised Credit Facility.

**"Rule 144A"** means Rule 144A adopted by the SEC under the Securities Act.

**"Rule 144A Bond Certificate"** means any Rule 144A Global Bond Certificate or any Rule 144A Individual Bond Certificate.

**"Rule 144A Bonds"** means Bonds sold within the United States of America pursuant to, and in compliance with, Rule 144A.

**"Rule 144A DTC Global Bond Certificates"** means, in relation to any Class or Sub-Class of Rule 144A Bonds, a global bond certificate representing the Rule 144A Bonds of such Class or Sub-Class in the form or substantially in the form set out in Part 2 of Schedule 5 to the Bond Trust Deed, which are or are intended to be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC.

**"Rule 144A EC Global Bond Certificates"** means, in relation to any Class or Sub-Class of Rule 144A Bonds, a global bond certificate representing the Rule 144A Bonds of such Class or Sub-Class in the form or substantially in the form set out in Part 3 of Schedule 5 to the Bond Trust Deed, which are or are intended to be deposited with, and registered in the name of, a common depository for Euroclear and Clearstream, Luxembourg.

**"Rule 144A Global Bond Certificate"** means any Rule 144A DTC Global Bond Certificate or any Rule 144A EC Global Bond Certificate.

**"Rule 144A Individual Bond Certificates"** means, in relation to any Class or Sub-Class of Rule 144A Bonds, individual bond certificates representing the Rule 144A Bonds of such Class or Sub-Class in the form or substantially in the form set out in Part 5 of Schedule 5 to the Bond Trust Deed.

**"Scheduled Payment"** has the meaning given to it in the relevant Financial Guarantee.

**"Scheduled Redemption Date"** has the meaning given to it in the relevant Final Terms.

**"Secured Creditor Representative"** means the representative of a Borrower Secured Creditor appointed in accordance with clause 9 (*Appointment of Representatives*) of the STID.

**"Securities Act"** means the United States Securities Act of 1933, as amended.

**"Security Agreement"** means the deed of charge and guarantee executed in favour of the Borrower Security Trustee and the Subordinated Security Trustee by each of the Obligors on or about the Initial Issue Date, any Legal Charge and any other deed of charge supplemental thereto.

**"Security Agreement Floating Security"** means the floating charges granted by the Obligors in favour of the Borrower Security Trustee pursuant to the Security Agreement and the Existing Security Agreements.

**"Security Documents"** means:

- (a) for as long as amounts remain owing under the Subordinated Facility Agreement, the Existing Security Agreements;
- (b) the Security Agreement;
- (c) the Obligor Floating Charge Agreement;



- (d) the STID and each deed of accession thereto, together with any deed supplemental to the STID and referred to in the STID as a "Supplemental Deed";
- (e) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Borrower Secured Creditor in respect of the Borrower Secured Liabilities.

**"Security Group"** means Asset Holdco, the Security Parent, the Borrowers, HEX Opco and any other Subsidiary of any member of the group (other than the Issuer) which accedes, *inter alia*, to the Common Terms Agreement, the STID in accordance with the terms of the Transaction Documents and, for so long as amounts remain outstanding under the Subordinated Facility Agreements, the Senior/Subordinated Intercreditor Agreement.

**"Security Group Agent"** means:

- (a) BAA in its capacity as the agent of the Security Group in accordance with sub-clause 17.4.3 of the Common Terms Agreement; and
- (b) upon and following termination of the agency of BAA in accordance with sub-clause 17.4.3 of the Common Terms Agreement, HAL pursuant to its appointment under sub-clause 17.4.4 of the Common Terms Agreement.

**"Security Interest"** means:

- (a) any mortgage, pledge, lien, charge, assignment or hypothecation or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.

**"Security Parent Debenture"** means the loan note issued by Security Parent on 31 January 2008 as amended on 29 February 2008, and as to be further amended on the Initial Issue Date.

**"Security Protection Notice"** has the meaning given to it in clause 11.1 of the Issuer Deed of Charge.

**"Senior Debt"** means any financial accommodation that is, for the purposes of the STID, to be treated as Senior Debt and includes:

- (a) all Qualifying Borrower Senior Debt; and
- (b) all Interest Rate Hedging Agreements and the Cross Currency Hedging Agreements entered into by the Obligors in relation to such Senior Debt.

**"Senior Facility Agreement"** means the senior facility agreement dated 7 April 2006 as amended from time to time.

**"Senior Hedging Liabilities"** means the liabilities of the Group under the Hedging Agreements.

**"Senior ICR"** means for any Relevant Period, the ratio of (a) Cashflow from Operations of the Obligors (after adding back any cash outflows of a one-off, non-recurring, extraordinary or exceptional nature in respect of the Obligors), less corporation tax paid to HM Revenue & Customs, less two per cent. multiplied by the Total RAB to (b) interest and equivalent recurring finance charges paid or, in the case of forward looking ratios, forecasted to be paid on Senior Debt and any Permitted Financial Indebtedness that is not, pursuant to the STID, subordinated to such Senior Debt (less all interest received or, in the case of forward looking ratios, interest forecasted to be received by any member of the Security Group from any third party other than pursuant to a Permitted Inter-Company Loan or Permitted Non-Migrated Bond Distribution).

**"Senior Net Indebtedness"** means, as at any date, and without double counting:

- (a) the Outstanding Principal Amount and the Indexation Accretion Amount (or, in respect of a future date, forecast to be outstanding) under any Senior Debt on such date; and
- (b) the principal amount of any other Financial Indebtedness outstanding (or, in respect of a future date, forecast to be outstanding) on such date under paragraphs (a) (iv)-(ix) inclusive and (xi) of the definition of Permitted Financial Indebtedness, excluding any Financial Indebtedness that remains a contingent liability, (and the principal amount outstanding under any lease relating to paragraph (a)(vi) and (xi) shall be determined as if it were a Finance Lease under paragraph (g) of the definition of Outstanding Principal Amount),

together with all indexation accrued on any such liabilities, but excluding any early termination amount relating to any Hedging Agreement which has not crystallised as referred to in paragraph (f) of the definition of Outstanding Principal Amount (other than, for the avoidance of doubt, any Indexation Accretion Amount and less all amounts held in Authorised Investments or cash in any bank account of the Security Group and the Issuer (excluding any Excluded Cash and Excluded Issuer Cash).

**"Senior Only Security"** means the (a) the OFCA Floating Security; (b) the trust declared by the Borrower Security Trustee in respect of its beneficial interest in the Borrower Liquidity Reserve Account and which the Borrower Security Trustee holds on trust for EIB, Senior Hedge Counterparties and the Refinancing Facility Providers only; (c) the security over any Borrower Hedge Collateral Account (which relates to collateral provided by Senior Hedge Counterparties for their obligations under Senior Hedging Agreements) granted in favour of the Senior Security Trustee as security for the Borrower Secured Liabilities owed to Hedge Counterparties only and is not granted as security for any other Borrower Secured Liabilities; (d) the security over any Debt Collateralisation Account (which relates to monies which are applied after enforcement of the Transaction Shared Security but prior to any acceleration of the Borrower Secured Liabilities in collateralising (as opposed to prepaying) the principal claims of Borrower Secured Creditors that have provided fixed rate or inflation linked debt or hedging (including termination payments under Hedging Agreements)) granted in favour of the Borrower Security Trustee as security for the Borrower Secured Liabilities owed to those fixed rate and inflation linked senior creditors only and is not granted as security for any other Borrower Secured Liabilities and (e) the security over any Liquidity Standby Account opened pursuant to a Borrower Liquidity Facility Agreement held on trust by the Borrower Security Trustee for the relevant Borrower Liquidity Facility Provider under the relevant Borrower Liquidity Facility

Agreement as security for the obligations of the relevant Borrower to repay or redeliver (as the case may be) such sum to such Borrower Liquidity Facility Provider in accordance with the terms of such Borrower Liquidity Facility Agreement..

"**Senior RAR**" means the ratio of Senior Net Indebtedness to Total RAB.

"**Senior Revenue Shortfall**" means, on any date, the amount by which the aggregate amount of claims falling due for payment on such date pursuant to paragraphs (i)-(vi) of the Borrower Post- Enforcement (Pre-Acceleration) Revenue Priority of Payments exceeds the aggregate amount of Revenue Collections on such date.

"**Senior Security Documents**" means:

- (a) each of the following security documents:
  - (i) the Security Agreement;
  - (ii) Legal Charge dated on or about the Initial Issue Date between Heathrow Airport Limited and the Security Trustees;
  - (iii) Legal Charge dated on or about the Initial Issue Date between Gatwick Airport Limited and the Security Trustees;
  - (iv) Legal Charge dated on or about the Initial Issue Date between Stansted Airport Limited and the Security Trustees;
  - (v) the Obligor Floating Charge Agreement;
  - (vi) the STID and each deed of accession thereto together with any deed supplemental to the STID and referred to in the STID as a "Supplemental Deed"; and
  - (vii) the Existing Security Agreements.
- (b) any other document entered into at any time by any of the Senior Obligors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Senior Creditors and which is held by the Senior Security Trustee on trust and has not been released; and
- (c) any security granted under any covenant for further assurance in any of the documents referred to in paragraphs (a) and (b) above.

"**Senior/Subordinated Intercreditor Agreement**" means the intercreditor agreement dated 6 April 2006, between, *inter alios*, the Obligors, the Borrower Security and the Subordinated Security Trustee, as amended from time to time.

"**Series**" means a series of Bonds issued under the Programme on a particular Issue Date, together with any Tranche or Tranches of Bonds which are expressed to be consolidated and form a single Sub-Class with any Sub-Class issued on such Issue Date.

"**Services**" means the employee and other administration services to be provided by BAA to the Obligors in accordance with the Shared Services Agreement including, without limitation, the

services listed at Schedule 2 of said agreement, as amended from time to time under the Shared Services Agreement.

"**Shared Services Agreement**" means the shared services agreement to be entered into on or prior to the Initial Issue Date between BAA, the Borrower Security Trustee and certain Obligors.

"**Shared Services Agreements**" means the Shared Services Agreement and the BSC Services Agreement.

"**Shared Services Provider**" means BAA.

"**Shared Services Sub-Contractor**" means BSC.

"**Shortfall**" has the meaning ascribed to it in the relevant Financial Guarantee.

"**Solicitors**" means Herbert Smith LLP and Lovells LLP.

"**Specified BAA Party**" means any member of the BAA Group (other than any member of the Group) or the Non-Designated Group.

"**Specified Currency Amount**" has the meaning given to it in clause 13.1 of the Agency Agreement.

"**Specified Denomination**" has the meaning given to it in the Final Terms.

"**Specified Office**" means, in relation to any Agent, either the office identified with its name in the relevant Final Terms or any other office notified to any relevant parties pursuant to the Agency Agreement.

"**Specified Time**" means 11.00 a.m. London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR.

"**SPV Criteria**" means the criteria for a single purpose company as established from time to time by the Rating Agencies.

"**SSA Ancillary Documents**" means the Pensions Agreement, the Cross-Licensing Agreement and the deeds for the provision of IT services to be entered into pursuant to clause 11.3 of the Shared Services Agreement.

"**SSA Instruction Notice**" has the meaning given to it in clause 19.1 (*SSA Instruction Notice*) of the STID.

"**SSA Report**" has the meaning given to it in clause 15.3 of the Shared Services Agreement.

"**Standard & Poor's**" or "**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc. or any successor to the rating business of Standard & Poor's Rating Services.

"**Standby Drawing**" has the meaning given to it in the relevant Liquidity Facility Agreement.

"**Standby Reserve Ledger**" means the sub-ledger in which all Standby Drawings which are deposited into the Borrower Liquidity Reserve Account shall be recorded prior to the satisfaction of the LC Release Conditions.

"**Standby Reserve Ledger Withdrawal**" means any withdrawal of funds credited to the Borrower Liquidity Reserve Account and recorded in the Standby Reserve Ledger in respect of a Borrower Liquidity Shortfall prior to the satisfaction of the LC Release Conditions and made pursuant to a Standby Utilisation Request delivered in accordance with a Borrower Liquidity Facility Agreement.

"**Stansted**" means Stansted airport.

"**Step-Up Fixed Fee Rate**" means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or, if no such rate is specified, zero.

"**Step-Up Floating Fee Rate**" means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or, if no such rate is specified, zero.

"**Steps Paper**" means the steps paper prepared by PricewaterhouseCoopers LLP dated on or about the Initial Issue Date and addressed to FGP Topco Limited and certain of its subsidiaries detailing the reorganisation process in connection with BAA and its Affiliates.

"**Sterling**" and "**£**" denote the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"**STID**" means the security trust and intercreditor deed entered into on or about the Initial Issue Date between, among others, the Borrower Security Trustee, the Obligors, the Bond Trustee and each Relevant Financial Guarantor which accedes thereto, together with any deed supplemental to the STID and referred to in the STID as a "**Supplemental Deed**".

"**STID Proposal**" means a proposal or request made by the Security Group Agent in accordance with the STID proposing or requesting the Borrower Security Trustee to concur in making any modification, giving any consent or granting any waiver under or in respect of any Common Document.

"**STID Voting Request**" has the meaning given to it in clause 12.7 of the STID.

"**Stock Exchange**" means the London Stock Exchange or any other or further stock exchange(s) on which any Bonds may from time to time be listed, and references to the "**relevant Stock Exchange**" shall, in relation to any Bonds, be references to the Stock Exchange on which such Bonds are, from time to time, or are intended to be, listed.

"**Sub Holdco**" means BAA (SH) Limited, a company incorporated in England and Wales with limited liability (registered number 06458635), whose registered office is at 130 Wilton Road, London SW1V 1LQ. Sub Holdco is a 100% subsidiary of Reg Sub Holdco which is a 100% indirect subsidiary of BAA.

"**Sub-Class**" means, with respect to a Class of Bonds, those Bonds which are identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Price, such Sub-Class comprising one or more Tranches of Bonds.

**"Subordinated Bonds"** means any bonds issued by the Issuer which pursuant to the Issuer Deed of Charge rank in point of payment and security subordinate to the Class A Bonds and the Class B Bonds.

**"Subordinated Borrower Secured Creditor"** means any Borrower Secured Creditor (other than the Borrower Security Trustee and the Non-Migrated Bond Trustee) which takes Independent Enforcement Action provided that:

- (a) the Issuer shall not be a Subordinated Borrower Secured Creditor except to the extent it takes Independent Enforcement Action at the direction of any of its Secured Creditor Representatives and only in respect of the relevant debt owed to the Issuer Secured Creditor(s) represented by such Secured Creditor Representative; and
- (b) the Non-Migrated Bondholders shall only be Subordinated Borrower Secured Creditors in respect of any Tranche of Non-Migrated Bonds in respect of which Independent Enforcement Action has been taken.

**"Subordinated Borrower Security"** means the security granted by the Obligors on a second ranking basis to the Subordinated Security Trustee on behalf of the Subordinated Secured Creditors.

**"Subordinated Class A Step-Up Fee Amounts"** means, in respect of Class A Bonds which are Fixed Rate Bonds or Indexed Bonds, any amounts (other than deferred interest) of step-up fee at the rate specified in the relevant Final Terms to be payable on such Class A Bonds in excess of the initial Coupon as at the date on which such Class A Bonds were issued and, in the case of Class A Bonds which are Floating Rate Bonds, any amounts (other than deferred interest) of step-up fee at the rate specified in the relevant Final Terms to be payable on such Class A Bonds in excess of the initial margin on the Coupon on such Class A Bonds as at the date on which such Class A Bonds were issued.

**"Subordinated Class B Step-Up Fee Amounts"** means, in respect of Class B Bonds which are Fixed Rate Bonds or Indexed Bonds, any amounts (other than deferred interest) of step-up fee at the rate specified in the relevant Final Terms to be payable on such Class B Bonds in excess of the initial Coupon as at the date on which such Class B Bonds were issued and, in the case of Class B Bonds which are Floating Rate Bonds, any amounts (other than deferred interest) of step-up fee at the rate specified in the relevant Final Terms to be payable on such Class B Bonds in excess of the initial margin on the Coupon on such Class B Bonds as at the date on which such Class B Bonds were issued.

**"Subordinated Debt"** means any Financial Indebtedness that is fully subordinated, in a manner satisfactory to the Borrower Security Trustee, to the Senior Debt and Junior Debt and where the relevant credit provider has acceded to the Common Terms Agreement and the STID.

**"Subordinated Facility"** means the facility made available pursuant to the Subordinated Facility Agreement.

**"Subordinated Facility Agreement"** means the subordinated facility agreement dated 7 April 2006 as amended from time to time.

**"Subordinated Finance Documents"** means:

- (a) the Finance Documents as defined in the Subordinated Facility Agreement; and
- (b) any agreement or document relating to any of the Subordinated Financings.

**"Subordinated Financings"** means the Subordinated Facility and the Subordinated Hedging Liabilities (as defined in the Subordinated Facility Agreement).

**"Subordinated First Ranking Security"** means the Debenture dated 30 January 2008 between BAA (AH) Limited, BAA (SH) Limited, BAA (SP) Limited, and BAA (DSA) Limited, as Chargors and the Royal Bank of Scotland plc as Security Trustee to the extent such security is expressed or created by BAA (SH) Limited, and BAA (DSH) Limited, the BAA (D&ND Holdco) Limited Debenture, the ADIL Debenture, the BAA Debenture (each as defined in the Subordinated Facility Agreement) and any other security securing only the Subordinated Liabilities (but not the Borrower Secured Liabilities) provided by a Subordinated Obligor which is not a member of the Security Group from time to time.

**"Subordinated Group"** means BAA Limited, ADIL, BAA (D&ND Holdco) Limited and Designated Sub Holdco and each Subsidiary of Designated Sub Holdco for the time being.

**"Subordinated Hedge Amounts"** means Borrower Subordinated Hedge Amounts and Issuer Subordinated Hedge Amounts and **"Subordinated Hedge Amounts"** means either of them.

**"Subordinated Intragroup Creditor"** means BAA, (for as long as any amounts are outstanding under the Security Parent Debenture) Sub Holdco and any other Affiliate of BAA to whom Subordinated Intragroup Liabilities are owed.

**"Subordinated Intragroup Liabilities"** means all present and future liabilities at any time of any Obligor to a Subordinated Intragroup Creditor, in respect of any Financial Indebtedness.

**"Subordinated Lender Consent Matter"** means any amendment to the Common Documents in respect of which the consent of the Subordinated Secured Creditors is required, in accordance with clause 3.3 of the Senior/Subordinated Intercreditor Agreement.

**"Subordinated Lenders"** means Banco Santander, S.A., London Branch, Citigroup Global Markets Limited, The Royal Bank of Scotland plc, HSBC Bank plc and CALYON, Sucursal en España as providers of a subordinated debt facility.

**"Subordinated Liabilities"** means the liabilities owed by the Subordinated Obligors to the Subordinated Secured Creditors under or in connection with the Subordinated Finance Documents and the Subordinated Hedging Liabilities (as defined as "Junior Hedging Liabilities" in the Senior/Subordinated Intercreditor Agreements).

**"Subordinated Obligor"** means BAA Limited, Airport Development and Investment Limited, BAA (D&ND Holdco) Limited, BAA (DSH) Limited and its subsidiaries and any holding company of BAA (DSH) Limited that is a subsidiary of BAA, in each case which has any indebtedness with respect to any of the Subordinated Liabilities.

**"Subordinated Ranking Security"** means any security created pursuant to the Subordinated Security Documents over any asset which is also subject to any security created pursuant to any of the Senior Security Documents (including, for the avoidance of doubt, where both the

Subordinated Security Document and the Senior Security Document comprise the same document).

**"Subordinated Secured Creditors"** means the Finance Parties under (and as defined in) the Subordinated Facility Agreement.

**"Subordinated Security Documents"** means:

- (a) each of the following security documents:
  - (i) the Security Agreement;
  - (ii) Legal Charge dated on or about the Initial Issue Date between Heathrow Airport Limited and the Security Trustees;
  - (iii) Legal Charge dated on or about the Initial Issue Date between Gatwick Airport Limited and the Security Trustees;
  - (iv) Legal Charge dated on or about the Initial Issue Date between Stansted Airport Limited and the Security Trustees;
  - (v) the ADIL Debenture (as defined in the Senior/Subordinated Intercreditor Agreement);
  - (vi) Debenture dated 30 January 2008 between BAA (AH) Limited, BAA (SH) Limited, BAA (SP) Limited and BAA (DSH) Limited as Chargors and The Royal Bank of Scotland plc as Security Trustee;
  - (vii) Debenture dated 19 January 2007 made between Heathrow Airport Limited, Gatwick Airport Limited and Stansted Airport Limited as Chargors and The Royal Bank of Scotland plc as Security Trustee;
  - (viii) the BAA Debenture (as defined in the Senior/Subordinated Intercreditor Agreement);
  - (ix) Mortgage dated 19 January 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as Security Trustee;
  - (x) Mortgage dated 19 January 2007 between Gatwick Airport Limited and The Royal Bank of Scotland plc as Security Trustee;
  - (xi) Mortgage dated 19 January 2007 between BAA Limited and The Royal Bank of Scotland plc as Security Trustee;
  - (xii) Mortgage dated 19 January 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as Security Trustee;
  - (xiii) the BAA (D&ND Holdco) Limited Debenture (as defined in the Senior/Subordinated Intercreditor Agreement);
  - (xiv) the mortgage dated 30 August 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;



- (xv) the mortgage dated 30 August 2007 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xvi) the mortgage dated 30 August 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xvii) the mortgage dated 17 September 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xviii) the mortgage dated 17 September 2007 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xix) the mortgage dated 17 September 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xx) the mortgage dated 19 September 2007 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxi) the mortgage dated 12 October 2007 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxii) the mortgage dated 3 April 2008 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxiii) the mortgage dated 7 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxiv) the mortgage dated 9 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxv) the mortgage dated 10 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxvi) the mortgage dated 15 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxvii) the mortgage dated 30 April 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxviii) three mortgages each dated 6 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxix) the mortgage dated 7 May 2008 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxx) the mortgage dated 8 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
- (xxxi) three mortgages each dated 12 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;

- (xxxii) the two mortgages dated 16 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxiii) the mortgage dated 19 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxiv) the mortgage dated 21 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxv) the mortgage dated 30 May 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxvi) the mortgage dated 11 June 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxvii) the mortgage dated 20 June 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxviii) the mortgage dated 7 July 2008 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xxxix) the mortgage dated 10 July 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xl) the mortgage dated 18 July 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xli) two mortgages each dated 1 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xlii) the mortgage dated 4 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xliii) the two mortgages dated 5 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xliv) the mortgage dated 8 August 2008 between Heathrow Airport Limited and The Royal Bank of Scotland plc as security trustee;
  - (xlv) the mortgage dated 8 August 2008 between Gatwick Airport Limited and The Royal Bank of Scotland plc as security trustee; and
  - (xlvi) the mortgage dated 8 August 2008 between Stansted Airport Limited and The Royal Bank of Scotland plc as security trustee,
- and any other mortgage entered into between an Operating Company and The Royal Bank of Scotland plc prior to the Initial Issue Date.
- (b) any other document entered into at any time by any of the Subordinated Obligors creating any guarantee, indemnity, security or other assurance against financial loss in favour of any of the Subordinated Secured Creditors and which is held by the Senior

Security Trustee and/or the Subordinated Security Trustee on trust and which has not been released; and

- (c) any security granted under any covenant for further assurance in any of the documents referred to in paragraphs (a) and (b) above.

**"Subordinated Security Trustee"** means The Royal Bank of Scotland plc as security trustee for the Subordinated Secured Creditors under the Subordinated Facility Agreement.

**"Subordinated Segregated Proceeds"** means any proceeds received by or on behalf any Subordinated Secured Creditor from:

- (a) a Subordinated Obligor or any insolvency official thereof which is not an Obligor; or
- (b) the enforcement of the Subordinated First Ranking Security,

in each case in compliance with the provisions of the Senior/Subordinated Intercreditor Agreement.

**"Subordinated Step-Up Fee Amounts"** means the Subordinated Class A Step-Up Fee Amounts and the Subordinated Class B Step-Up Fee Amounts.

**"Subordinated Tranche"** means:

- (a) in the case of the Issuer, that Tranche of Qualifying Borrower Senior Debt which would be capable of being voted by any Secured Creditor Representative of the Issuer that has taken Independent Enforcement Action; and
- (b) in the case of the Non-Migrated Bondholders, any Tranche of Non-Migrated Bonds in respect of which Independent Enforcement Action has been taken.

**"Subordinated Transaction Security"** means the security created or expressed to be created under or pursuant to the Subordinated Security Documents.

**"Subscription Agreement"** means an agreement supplemental to the Dealership Agreement (by whatever name called) substantially in the form set out in Schedule 6 to the Dealership Agreement or in such other form as may be agreed between, among others, the Issuer and the Lead Manager or one or more Dealers (as the case may be).

**"Subsidiary"** means:

- (a) a subsidiary within the meaning of section 736 of the Companies Act; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 258 of the Companies Act.

**"Substituted Issuer"** means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria which is substituted for the Issuer in accordance with the provisions of the Bond Trust Deed.

**"Successor"** means, in relation to the Principal Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent, the Agent Bank and the Calculation Agent, any successor to any

one or more of them in relation to the Bonds which shall become such pursuant to the provisions of the Bond Trust Deed and/or the Agency Agreement (as the case may be) and/or such other or further principal paying agent, paying agents, registrar, transfer agent, agent bank and calculation agent (as the case may be) in relation to the Bonds as may (with the prior approval of, and on terms previously approved by, the Bond Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the case of the Principal Paying Agent being within the same city as the office(s) for which it is substituted) as may from time to time be nominated, in each case by the Issuer and the Obligors, and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Bondholders.

**"Supplemental Charges"** means charges by way of legal mortgage or other security approved by the Borrower Security Trustee over real property executed pursuant paragraph 11(b) of Part 3 (*General Covenants*) of Schedule 2 (*Covenants*) of the CTA.

**"Supplemental Deed"** means a deed supplemental to the STID entered into by the Borrower Security Trustee on its own behalf and on behalf of the Borrower Secured Creditors in the circumstances referred to in clause 2.1 (*Accession of Additional Borrower Secured Creditor*) or clause 3 (*Additional Finance Documents*) of the STID.

**"Supported Agreements"** means:

- (a) each Borrower Hedging Agreement;
- (b) each Supported EIB Facility; and
- (c) the Refinancing Facility Agreement.

**"Supported Creditors"** means EIB, each Borrower Hedge Counterparty and each Refinancing Facility Provider, in respect of whom a Borrower Liquidity Reserve Shortfall or a Borrower Liquidity Shortfall has arisen or is deemed to have arisen.

**"Supported EIB Facilities"** means the EIB Facilities existing or available to any Obligor on the Initial Issue Date and any other EIB Facilities in respect of which EIB requires a Borrower Liquidity Facility to be maintained in respect of potential EIB Liquidity Shortfalls, in each case to the extent permitted pursuant to paragraph 36 of Part 3 of Schedule 2 to the CTA.

**"Surplus Revenue Collection Account"** means the account designated as the "Surplus Revenue Collection Account", held in the name of the Borrower Security Trustee (or a Receiver appointed by the Borrower Security Trustee) and maintained with the Borrower Account Bank or any other bank or financial institution which has the Requisite Ratings.

**"Surveillance Letter"** means a letter issued by the Issuer and/or a member of the Security Group to a Relevant Financial Guarantor from time to time, in which the Issuer and/or each Borrower undertakes to provide the Relevant Financial Guarantor with certain information and to comply with certain reporting requirements as outlined in that letter.

**"Talonholders"** means the several persons who are for the time being holders of the Talons.

"**Talons**" means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Definitive Bonds (other than Zero Coupon Bonds), such talons being in the form or substantially in the form set out in Part 6 (*Form of Talon*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Talons*) to the Bond Trust Deed or in such other form as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 14 (*Replacement of Bonds, Receipts, Coupons and Talons*).

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

"**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.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions will be construed accordingly.

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function, including HM Revenue & Customs.

"**Tax Deed of Covenant**" means the deed to be entered into on or about the Initial Issue Date by (among others) the relevant Obligors, the Issuer, the Borrower Security Trustee and the Bond Trustee.

"**Tax Relief Group**" means the group as it may be constituted from time to time of which FGP Topco is at the Initial Issue Date the parent company for the purposes of Chapter IV, Part X Income and Corporation Taxes Act 1988 (Group Relief), as amended from time to time.

"**Temporary Global Bond**" means in relation to any Tranche of Bearer Bonds a temporary global bond in the form or substantially in the form set out in Part 1 (*Form of Temporary Global Bond*) of Schedule 3 (*Forms of Global and Definitive Bonds, Receipts, Coupons and Tables*) to the Bond Trust Deed together with the copy of the applicable Final Terms annexed thereto, with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), comprising some or all of the Bearer Bonds of the same Tranche, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed.

"**Title Reports**" means:

- (a) the report prepared by Herbert Smith LLP in relation to title to a part of Terminal 5 at Heathrow;
- (b) the General Title Report; and
- (c) the Leasehold Provisions Report,

and any further title report addressed to the Borrower Security Trustee.

**"Total Commitments"** has the meaning given to it in the Issuer Liquidity Facility Agreement or the Borrower Liquidity Facility Agreement, as the context may require.

**"Total Notional Hedged Amount"** has the meaning given thereto in the Hedging Policy.

**"Total RAB"** means, at any date, the aggregate of the RAB of each Obligor less the aggregate of the RAB attributable to any RAB Enhancing JV as at such date.

**"Tranche"** means all Bonds which are identical in all respects (save for the Issue Date, Interest Commencement Date and Issue Price).

**"Tranche A Loan"** means a Tranche A loan designated as Senior Debt under the Refinancing Facility Agreement (any two or more, together, the **"Tranche A Loans"**).

**"Tranche A Available Amount"** means, in respect of any Refinancing Facility Payment Date, the maximum potential Borrower Liquidity Shortfall attributable to any amounts owed under the Tranche A Loans for the succeeding 12 month period as most recently notified to the Parties by the Borrower Cash Manager less the aggregate of (i) the aggregate amount of Borrower Liquidity Reserve Account Withdrawals made in respect of any Tranche A Loans and (ii) the amount of any Utilisations made in respect of any Tranche A Loans outstanding under the Refinancing Facility Agreement.

**"Tranche B Loans"** means a Tranche B loan designated as Junior Debt under the Refinancing Facility Agreement (any two or more, together, the **"Tranche B Loans"**).

**"Tranche B Required Amount"** means, in respect of any Refinancing Facility Payment Date, the maximum potential Borrower Liquidity Shortfall attributable to any amounts owed under the Tranche B Loans for the succeeding 6 month period as most recently notified to the Parties by the Borrower Cash Manager less the aggregate of (i) the aggregate amount of Borrower Liquidity Reserve Account Withdrawals made in respect of any Tranche B Loans and (ii) the amount of any Utilisations made in respect of any Tranche B Loans outstanding under the Refinancing Facility Agreement.

**"Transaction Documents"** means:

- (a) each Finance Document;
- (b) the Shared Services Agreement, the SSA Ancillary Documents and the BSC Services Agreement; and
- (c) any other document designated as such by the Borrower Security Trustee and the Issuer.

**"Transaction Shared Security"** means the security created or expressed to be created under or pursuant to the Senior Security Documents (other than the Senior Only Security) and the Subordinated Ranking Security (other than Subordinated First Ranking Security).

**"Transfer Agent"** means the transfer agent appointed under the Agency Agreement, including any Successors thereto.

**"Transfer RAB"** means, at any date, in respect of any Obligor the aggregate of the product of (a) the sum of the Relevant EBITDA for the three financial years of such Obligor preceding such date as determined by reference to the audited financial statements of such Obligor for such financial years where available or, otherwise, the management accounts of such Obligor divided by 3 and (b) the Relevant Multiple.

**"Treasury Transaction"** means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index-linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any rate or price.

**"Trigger Credit Rating"** means each credit rating referred to in Paragraph 2 (*Credit Rating Downgrade*) of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement.

**"Trigger Event"** means any of the events or circumstances identified as such in Part 1 of Schedule 3 (*Trigger Events*) to the Common Terms Agreement.

**"Trigger Event Consequences"** means any of the consequences of a Trigger Event identified in Part 2 (*Trigger Event Consequences*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement.

**"Trigger Event Ratio Levels"** means the financial ratios set out in Paragraph 1 (*Financial Ratios*) of Part 1 (*Trigger Events*) of Schedule 3 (*Trigger Events*) to the Common Terms Agreement.

**"Trigger Event Remedies"** means the remedies set out in Part 3 of Schedule 3 (*Trigger Events*) to the Common Terms Agreement and **"Trigger Event Remedy"** means any of them.

**"Trust Corporation"** means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation;

**"Trust Documents"** means the Bond Trust Deed, the Issuer Deed of Charge and any deed or other document executed in accordance with the Bond Trust Deed or Issuer Deed of Charge and expressed to be supplemental to the Bond Trust Deed or Issuer Deed of Charge (as applicable).

**"Trust Property"** means, in relation to the Borrower Liquidity Reserve Account Trust Deed:

- (a) until such time as monies transferred by the Borrowers have been applied in accordance with the terms of the Borrower Liquidity Reserve Account Trust Deed, all monies which may from time to time be deposited by the Borrowers in the Borrower Liquidity Reserve Account and assigned to the Borrower Liquidity Reserve Account Trustee;
- (b) all monies, investments and property from time to time representing or derived from item (a) above, including, without limitation, monies deposited from time to time in the Borrower Liquidity Reserve Account and assigned to the Borrower Liquidity Reserve Account Trustee.

"**Trustee Acts**" means the Trustee Act 1925 and the Trustee Act 2000 of England and Wales.

"**UK**" means the United Kingdom.

"**UK Listing Authority**" or "**UKLA**" means the Financial Services Authority in its capacity as competent authority under FSMA.

"**Unwrapped Bondholders**" means the holders for the time being of the Unwrapped Bonds and "**Unwrapped Bondholder**" shall be construed accordingly.

"**Unwrapped Debt**" or "**Unwrapped Bond**" means any indebtedness or bond (respectively) that does not have the benefit of a guarantee from a Financial Guarantor.

"**U.S. Dollar**", "**USD**" or "**\$**" means the lawful currency for the time being of the United States of America.

"**U.S. Holder**" means a beneficial owner of Registered Bonds that is (i) a citizen or individual resident of the United States for U.S. federal income tax purposes, (ii) a corporation, partnership or other business entity organised in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

"**U.S. Paying Agent**" means Deutsche Bank Trust Company Americas as U.S. paying agent under the Agency Agreement, or its Successors thereto.

"**U.S. Transfer Agent**" means Deutsche Bank Trust Company Americas as U.S. transfer agent under the Agency Agreement, or its Successors thereto.

"**Utilisation**" means, with respect to any Borrower Liquidity Facility Agreement or the Borrower Liquidity Reserve Account Trust Deed, any Revolving Facility Drawing, Liquidity Standby Account Drawing, claim made under a Letter of Credit or Standby Reserve Ledger Withdrawal thereunder.

"**Utilisation Date**" means in relation to each Authorised Credit Facility, each date on which the relevant Authorised Credit Facility is utilised.

"**VAT**" (a) in respect of any Finance Lease Document which contains a definition of VAT, has the meaning given thereto in such Finance Lease Document; and (b) in any other case, means value added tax as imposed by VATA and legislation and regulations supplemental thereto and includes any other tax of a similar fiscal nature whether imposed in the UK (instead of, or in addition to, value added tax) or elsewhere from time to time.

"**VAT Group**" means a group for the purposes of the VAT Grouping Legislation.

"**VAT Grouping Legislations**" means (a) section 43 to 43D (inclusive) of VATA and (b) the Value Added Tax (Groups: eligibility) Order 2004.

"**VATA**" means the Value Added Tax Act 1994.



**"Voted Qualifying Debt"** means the Participating QBS Creditors voting on a pound for pound basis by reference to the Outstanding Principal Amount owed at the relevant time to the relevant Participating QBS Creditors.

**"Working Capital Facilities"** means the facilities, including the Initial WCF, made available to (a) the Borrowers to fund their working capital needs and (b) to the Security Parent and Asset Holdco to fund on an intra-day basis a Permitted Inter-Company Distribution.

**"Working Capital Facility Providers"** or **"WCF Provider"** means the Initial Working Capital Facility Providers together with any further working capital facility providers which provide the Borrower with Working Capital Facilities and accede to the Common Terms Agreement and the STID.

**"Wrapped Bondholders"** means the holders for the time being of the Wrapped Bonds and **"Wrapped Bondholder"** shall be construed accordingly.

**"Wrapped Debt"** or **"Wrapped Bond"** means any indebtedness or bond (respectively) that has the benefit of a financial guarantee from a Relevant Financial Guarantor.

**"Zero Coupon Bond"** means a Bond specified as such in the relevant Final Terms and on which no interest is payable.

**Part 2**  
**Construction**

1. In any Finance Document or Issuer Transaction Document, unless the contrary intention appears, a reference to:
  - (a) an "**Act**" of Parliament is a reference to such act as amended from time to time;
  - (b) "**acting reasonably**" or like references means, in relation to the Borrower Security Trustee, acting on the instructions of any of the Borrower Secured Creditors pursuant to the STID;
  - (c) "**adversely**" means, in respect of a change which has the effect of changing the priority of the Borrower Secured Creditors relative to each other **provided that** the creation of payments which rank subordinate to the Borrower Secured Creditors shall not be an adverse change;
  - (d) "**agency**" of a state is a reference to any political sub-division thereof, and any ministry, department or authority thereof and any company or corporation which is controlled and of which 50 per cent. or more of the issued share capital is owned by one or more of such agencies;
  - (e) a document being in an "**agreed form**" means that the form of the document has been agreed between the proposed parties to such document and that a copy of the document has been signed for the purposes of identification by the Borrower Security Trustee, where applicable, and the proposed parties to that document;
  - (f) an "**amendment**" includes a supplement, novation, restatement or re-enactment and "**amended**" will be construed accordingly;
  - (g) an "**approval**" shall be construed as a reference to any approval, consent, authorisation, exemption, permit, licence, registration, filing or enrolment by or with any competent authority;
  - (h) "**assets**" includes present and future assets, properties, revenues and rights of every description;
  - (i) an "**authorisation**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
  - (j) "**Bonds**" shall include any Global Bond or Global Bond Certificate representing the Bonds;
  - (k) a "**certificate**" delivered by an Authorised Signatory of the relevant Obligor shall be a certificate, signed by one Authorised Signatory of such Obligor containing *inter alia* a warranty that the matters certified therein are, to the best of the knowledge and belief of the relevant Obligor having made due and careful enquiries, true and accurate (or, to the extent that the matters certified are matters of opinion, are opinions honestly and reasonably held) and do not omit any fact, matter or thing that may cause such certificate to be misleading

but which shall not, for the avoidance of doubt, impose any personal liability on such Authorised Signatories;

- (l) "**consent or approval not to be unreasonably withheld**" or like references mean, in relation to the Borrower Security Trustee, that, in determining whether to give such consent or approval, the Security Trustee shall have regard to the time necessary to seek and act upon the instructions of any of the Borrower Secured Creditors pursuant to the provisions of the STID;
- (m) a "**currency**" is a reference to the lawful currency for the time being of the relevant country;
- (n) "**Euroclear**" and/or "**Clearstream, Luxembourg**" shall be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Bond Trustee and the Principal Paying Agent or as may otherwise be specified in the applicable Final Terms;
- (o) "**disposal**" means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and "**dispose**" will be construed accordingly;
- (p) "**Finance Document**" includes all amendments and supplements to a Finance Document including supplements providing for further advances;
- (q) "**guarantee**" includes any guarantee, indemnity, contingent liability, surety obligation or liability in respect of the obligations of any person other than the grantor;
- (r) "**including**" shall be construed as a reference to "**including without limitation**", so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including";
- (s) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;
- (t) "**indexed**" means, in respect of any reference to an amount, a reference to that amount (as previously indexed) as such amount may be adjusted up or down at any time by a percentage equal to the amount of percentage increase or, as the case may be, decrease in the Retail Price Index from the index level used for the preceding indexation amount or as is otherwise specified in the relevant Transaction Document;
- (u) "**interest payable**" means any interest which is accrued but not yet paid whether or not such interest is payable at such time;
- (v) "**Issuer Transaction Document**" includes all amendments and supplements to an Issuer Transaction Document;
- (w) a "**law**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law,

order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;

- (x) a Bond having a "*listing*" or being "*listed*" on a Stock Exchange shall (i) in relation to the London Stock Exchange, be construed to mean that such Bonds have been admitted to the Official List by the UK Listing Authority and admitted to trading on the London Stock Exchange's regulated market, (ii) in relation to any other Stock Exchange in a jurisdiction within the European Economic Area, be construed to mean that such Bonds have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Investment Services Directive (Directive 93/22/EEC), and (iii) in relation to any other Stock Exchange outside of the European Economic Area, be construed to mean that such Bonds have been admitted to trading on a market in the relevant jurisdiction as agreed by the Relevant Dealers and the Issuer from time to time in relation to a particular Series, Tranche or Sub-Class of Bonds in accordance with the rules and regulations of that market, and all references to "*listing*" and "*listed*" shall include references to "*quotation*" and "*quoted*" respectively.;
- (y) "**may reasonably direct**" or "**may reasonably request**" or like references means, in relation to the Borrower Security Trustee, such directions and requests acting on the instructions of any of the Borrower Secured Creditors pursuant to the provisions of the STID;
- (z) "**may reasonably require**" or like references means, in relation to the Borrower Security Trustee, such requirements acting on behalf of any of the Borrower Secured Creditors pursuant to the provisions of the STID;
- (aa) "**Obligor Account**" includes any sub-account of the relevant Obligor Account;
- (bb) a "**person**" includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
- (cc) "**principal**" shall, where applicable, include premium;
- (dd) "**reasonable satisfaction**" or "**is otherwise reasonably satisfied**" or like references mean in relation to the Borrower Security Trustee that it shall be reasonably satisfied if it has acted upon the instructions of any Borrower Secured Creditors pursuant to the provisions of the STID;
- (ee) "**relevant currency**" shall be construed as references to the currency in which payments in respect of the relevant Bonds and/or Coupons are to be made;
- (ff) "**reasonable**" or like references, when used herein in relation to the Bond Trustee and the exercise by it of any power, discretion, opinion, determination or other similar matter shall be construed as meaning reasonable by reference to the interest of the Bondholders only;

- (gg) "**reasonable time**" means, in relation to the Borrower Security Trustee and any action to be taken, consent to be given or determination to be made by it, the time necessary to seek and act upon the instructions of the Borrower Secured Creditors or otherwise pursuant to the provisions of the STID;
- (hh) "**reasonably acceptable**" means, in relation to the Borrower Security Trustee, reasonably acceptable to it acting on the instructions of any of the Borrower Secured Creditors pursuant to the provisions of the STID;
- (ii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (jj) a "**relevant Transaction Document**" in relation to any person means each of the Transaction Documents to which that person is or will be a party;
- (kk) "**repay**", "**redeem**" and "**pay**" shall each include both of the others and cognate expressions shall be construed accordingly;
- (ll) any statement made which is qualified by reference to "**so far as it is aware**" or to the "**best of its knowledge**" or similar means that statement is made on the basis of the knowledge of the person making such statement and, where appropriate the knowledge of the directors of that person (if a body corporate) and includes such knowledge as that person or those persons could have had, had it or they actually carried out the appropriate enquiries and any reference to a person "becoming aware" of a matter or similar shall mean that such person, and where appropriate, the directors of that person (if a body corporate) has knowledge of the relevant matter or could have had knowledge of such matter, had it or they actually carried out the appropriate enquiries;
- (mm) a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under the relevant Transaction Document or to which, under such laws, such rights and obligations have been transferred or any permitted assignee in accordance with the terms of the Transaction Documents;
- (nn) "**value**" means an amount in pounds sterling calculated by the Borrower Account Bank, or failing which, the Security Group, as being its determination of the amount which would be realised by liquidating, selling or otherwise disposing of all Authorised Investments and as certified by the Security Group and the Borrower Security Trustee;

- (oo) a Default or Trigger Event being "**outstanding**", "**continuing**" or "**subsisting**" means that it has not been remedied within the relevant grace period or waived in accordance with the relevant Finance Document;
  - (pp) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
  - (qq) a Clause, a Sub-clause or a Schedule is a reference to a clause or sub-clause of, or a schedule to, this Agreement;
  - (rr) a person includes its successors in title, permitted assigns and permitted transferees;
  - (ss) a Transaction Document or another document is a reference to that Transaction Document or other document amended as permitted in the Common Terms Agreement;
  - (tt) a time of day is a reference to London time; and
  - (uu) singular includes the plural and vice versa.
2. Unless the contrary intention appears, a reference to a "**month**" or "**months**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (a) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - (b) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - (c) notwithstanding sub-paragraph (a) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
3. (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
- (a) **HIDDEN**
  - (b) Subject to the terms of the Common Terms Agreement and the STID, the consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of that Finance Document.

4. Unless the contrary intention appears or except as otherwise provided in any Finance Document:
  - (a) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
  - (b) an amount in euro is payable only in the euro unit;
  - (c) a term used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement;
  - (d) if there is an inconsistency between this Agreement and any other Finance Document, this Agreement will prevail;
  - (e) any obligation of an Obligor under the Finance Documents which is not a payments obligation remains in force for so long as any payment obligation is or may be outstanding under the Finance Documents;
  - (f) the headings in this Agreement do not affect its interpretation; and
  - (g) all calculations and payment obligations will be made without double-counting.
5. Any reference in any Finance Document or Issuer Transaction Document to any right, entitlement or obligation of any person under the laws in relation to VAT, or to any business carried on by any person for VAT purposes, shall (where appropriate and unless the context otherwise requires) be construed, at any time when such person is treated as a member of a VAT Group, to include a reference to the right, entitlement or obligation under such laws of, or the business carried on for VAT purposes by, the representative member of such group at such time (the term "representative member" to have the same meaning as for the purposes of the VAT Grouping Legislation).
6. Any reference in any Finance Document or Issuer Transaction Document to any election to waive exemption made or to be made by any person pursuant to paragraph 2 of Schedule 10 to VATA includes a reference to an election made or to be made pursuant to that paragraph by a relevant associate of that person (the term "**relevant associate**" has the same meaning as for the purposes of paragraph 3 of the said Schedule 10).
7. Any reference in any Finance Document or Issuer Transaction Document to any person, at any time when the grant of an interest in, right over or licence to occupy any land would, if made by that person, be treated pursuant to paragraph 8 of Schedule 10 to VATA as having been made by any other person, includes (where appropriate and unless the context otherwise requires) a reference to such other person, and "the grant of an interest in right over or licence to occupy" has the same meaning as for the purposes of paragraph 8 of the said Schedule 10.
8. For the purposes of this Agreement, the Bonds of each Series shall form a separate series of Bonds and the provisions of this Agreement shall apply *mutatis mutandis* separately and independently to the Bonds of each Series and in this Agreement the expressions

**"Bonds", "Bondholders", "Receipts", "Receiptholders", "Coupons", "Couponholders", "Talons"** and related expressions shall be construed accordingly.



**SCHEDULE 2**  
**FINANCIAL INSTITUTIONS**

**Part A**  
**Initial Capex Facility Providers**

Banco Bilbao Vizcaya Argentaria S.A., London Branch

Banco Santander S.A., London Branch

BNP Paribas, London Branch

Caja De Ahorros Y Monte De Piedad De Madrid

CALYON

Citibank, N.A., London Branch

HSBC Bank plc

Royal Bank of Canada

The Royal Bank of Scotland plc

**Part B**  
**Initial WCF Providers**

Banco Bilbao Vizcaya Argentaria S.A., London Branch

Banco Santander S.A., London Branch

BNP Paribas, London Branch

Caja De Ahorros Y Monte De Piedad De Madrid

CALYON

Citibank, N.A., London Branch

HSBC Bank plc

Royal Bank of Canada

The Royal Bank of Scotland plc

**Part C**  
**Refinancing Facility Providers**

Banco Bilbao Vizcaya Argentaria S.A., London Branch

Banco Santander S.A., London Branch

BNP Paribas, London Branch

Caja De Ahorros Y Monte De Piedad De Madrid

CALYON

Citibank, N.A., London Branch

HSBC Bank plc

Royal Bank of Canada

The Royal Bank of Scotland plc

**Part D**  
**Initial Issuer Hedge Counterparties**

Banco Bilbao Vizcaya Argentaria S.A.

Banco Santander S.A.

BNP Paribas

Caja De Ahorros Y Monte De Piedad De Madrid

CALYON

Citibank, N.A., London Branch

HSBC Bank plc

The Royal Bank of Scotland plc

Morgan Stanley & Co. International plc

Barclays Bank plc

**Part E**  
**Initial Borrower Hedge Counterparties**

Banco Bilbao Vizcaya Argentaria S.A.

Banco Santander S.A.

BNP Paribas

Caja De Ahorros Y Monte De Piedad De Madrid

CALYON

Citibank, N.A., London Branch

HSBC Bank plc

The Royal Bank of Scotland plc

Morgan Stanley & Co. International plc