

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the base prospectus following this notice (the "Base Prospectus"), and you are, therefore, advised to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them at any time you receive any information as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THE BASE PROSPECTUS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED BELOW) EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. IN ORDER TO BE ELIGIBLE TO READ THE BASE PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES DESCRIBED THEREIN, YOU MUST NOT BE A "U.S. PERSON" AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (A "U.S. PERSON").

WITHIN THE UNITED KINGDOM, THE BASE PROSPECTUS MAY NOT BE PASSED ON EXCEPT TO INVESTMENT PROFESSIONALS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THE BASE PROSPECTUS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE BASE PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND IN PARTICULAR MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE PROSPECTUS.

Confirmation of your representation: The Base Prospectus is being sent at your request and by accepting the email and accessing the Base Prospectus, you shall be deemed to have represented to us that you have understood and agreed to the terms set out in this Base Prospectus and you are not a U.S. Person or acting for the account or benefit of a U.S. Person and the electronic mail address that you have given to us and to which this email has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and that you consent to delivery of the Base Prospectus by electronic transmission.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Barclays Bank PLC, Lloyds TSB Bank plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, National Australia Bank Limited, Scotiabank Europe plc and The Royal Bank of Scotland plc (each a “Dealer”) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by a Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

Recipients of the Base Prospectus who intend to subscribe for or purchase any of the securities described therein are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus in combination with any relevant drawdown prospectus or final terms. The Base Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers, nor any person who controls the Dealers, nor any director, officer, employee or agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format herewith and the hard copy version available to you on request from the Dealers.



ABP Finance Plc

(incorporated with limited liability in England and Wales with registered no. 07847174)

£5,000,000,000

Multicurrency Programme for the Issuance of Notes

ABP Finance Plc (the “**Issuer**”) has authorised the establishment of a multicurrency note programme for the issuance of a single class of notes designated as the Notes (the “**Programme**”). There is no provision under the Programme for the issuance of other classes of notes.

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under EU Directive 2003/71/EC as amended (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the Relevant Member State) (the “**Prospectus Directive**”). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area (the “**EEA**”).

Application will be made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for certain Notes within 12 months of the date of this Base Prospectus to be admitted to the Official List (the “**Official List**”) and to trading on its regulated market (the “**Main Securities Market**”). This Prospectus constitutes a Base Prospectus for the purpose of the Prospectus Directive. References in this Base Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Main Securities Market.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer (as defined below). The Issuer may also issue unlisted Notes.

The Notes may be issued, on a continuing basis, to one or more of the Dealers specified under “*The Parties and Characteristics of the Note Programme - The Parties*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer or in respect of which subscriptions will be procured by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes or to procure subscriptions for such Notes, as the case may be.

Notes issued under the Programme have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may be offered, sold or delivered only outside the United States to persons who are not “U.S. persons” as defined in Regulation S under the Securities Act (“Regulation S”) (each, a “U.S. person”) in offshore transactions in reliance on Regulation S. Each purchaser of the Notes in making its purchase will be deemed to have made certain acknowledgements, representations and agreements (see “Subscription and Sale” in this Base Prospectus).

See “*Risk Factors*” to read about certain factors that prospective investors should consider before buying any of the Notes.

Arranger

Barclays

Dealers

Barclays

Lloyds Bank

National Australia Bank Limited

BofA Merrill Lynch

Mitsubishi UFJ Securities

Scotiabank

The Royal Bank of Scotland

Base Prospectus dated 22 May 2013

Under the Programme, the Issuer may, subject to all applicable legal and regulatory requirements, from time to time issue Notes in bearer or registered form (respectively “**Bearer Notes**” and “**Registered Notes**”). Copies of the Final Terms or Drawdown Prospectus for each Series will be available (in the case of all Notes) from the specified office set out below of Deutsche Trustee Company Limited as note trustee (the “**Note Trustee**”), (in the case of Bearer Notes) from the specified office set out below of each of the Paying Agents and (in the case of Registered Notes) from the specified office set out below of each of the Registrar and the Transfer Agent provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms or relevant Drawdown Prospectus will only be available for inspection by the relevant Noteholders.

Notes issued under the Programme shall comprise a single class (the “**Notes**”). Notes will be issued in series on each Issue Date (each a “**Series**”). The Notes may comprise one or more tranches (each a “**Tranche**”) with each Tranche pertaining to, among other things, the currency, interest rate and maturity date of the relevant Tranche. Each Tranche may be zero-coupon, fixed rate, floating rate or index-linked Notes and may be denominated in sterling, euro or U.S. dollars (or in other currencies subject to compliance with applicable laws). Investors in the Notes are notified that the Issuer may issue Notes under the Programme and may from time to time in the future issue further Notes, the terms of which will be specified in the relevant Final Terms.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £5,000,000,000 (or its equivalent in other currencies calculated as described in this Base Prospectus) unless increased from time to time by the Issuer.

Details of the aggregate principal amount, interest (if any) payable, the issue price and any other conditions not contained in this Base Prospectus, which are applicable to each Tranche of each Series of Notes will be set forth in a set of final terms (the “**Final Terms**”) or in a separate standalone prospectus specific to such Tranche (a “**Drawdown Prospectus**”), see “*Final Terms and Drawdown Prospectuses*” below. In the case of Notes to be admitted to the Official List, the Final Terms will be delivered to the Central Bank on or before the relevant date of issue of the Notes of such Tranche. The Issuer may agree with any Dealer and the Note Trustee that Notes may be issued in a form not contemplated by the Conditions (as defined below) in this Base Prospectus, in which event (in the case of Notes admitted to the Official List only) a supplementary Base Prospectus or further prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Ratings ascribed to all of the Notes reflect only the views of Fitch Ratings Ltd. (“**Fitch**”) and Moody’s Investor Services Limited (“**Moody’s**”) (and together with any other rating agency and any successor to any of the aforementioned parties appointed by the Issuer or the ABPAH Group, the “**Rating Agencies**”). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or all of the Rating Agencies. A suspension, reduction or withdrawal of the rating assigned to any of the Notes may adversely affect the market price of such Notes.

Each of Fitch and Moody’s is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

In the case of Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a member state of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 or not less than the equivalent of €100,000 in any other currency as at the date of issue of such Notes. Notes may be issued in such denominations and higher integral multiples of a smaller amount specified in the relevant Final Terms or relevant Drawdown Prospectus.

Notes that are Bearer Notes may be represented initially by one or more temporary global notes (each a “**Temporary Global Note**”) (which may be held either in new global note form or classic global note form), without interest coupons or principal receipts, which will be deposited with a common depositary (in the case of Temporary Global Notes in classic global note form) or a common safekeeper (in the case of Temporary Global Notes in new global note form) for Euroclear and Clearstream, Luxembourg on or about the Issue Date of such Tranche. Each such Temporary Global Note will be exchangeable for a permanent global note (each a “**Permanent Global Note**”) or definitive notes in bearer form as specified in the relevant Final Terms or the relevant Drawdown Prospectus following the expiration of 40 days after the later of the commencement of the offering and the relevant Issue Date, upon certification as to non-U.S. beneficial ownership and as may be required by U.S. tax laws and regulations, as described in the section entitled “*Forms of the Notes*”. Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Bearer Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Notes that are Registered Notes will be represented on issue by beneficial interests in one or more global certificates (each a “**Global Note Certificate**”), in fully registered form, without interest coupons or principal receipts attached, which will be deposited with, and registered in the name of, a common depositary (where not held under the New Safekeeping Structure) or a common safekeeper (where held under the New Safekeeping Structure) for Euroclear and Clearstream, Luxembourg. Ownership interests in the Global Note Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive, certificated and fully registered form will be issued only in the limited circumstances described in this Base Prospectus. In each case, purchasers and transferees of Notes will be deemed to have made certain representations and agreements (see the section entitled “*Subscription and Sale*”).

IMPORTANT NOTICES

This Base Prospectus is being distributed only to, and is directed only at, persons who (i) are outside the UK or (ii) are persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) are high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(1) of the Order (all such persons together being referred to as “**relevant persons**”). Neither this Base Prospectus, nor any of its contents, may be acted upon or relied upon by persons who are not relevant persons. Any investment or investment activity to which this Base Prospectus relates is available only to, and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such investments will be engaged in only with, relevant persons.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Note shall in any circumstances imply that the information contained in this Base Prospectus concerning ABPA Holdings Limited (“**ABPAH**”), ABP Acquisitions UK Limited (“**ABPA**”), Associated British Ports Holdings Limited (“**ABPH**”), Associated British Ports (“**ABP**”), each Material Subsidiary (together the “**Covenantors**”) and any other Subsidiary of those entities and the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct or that there has been no adverse change in the financial position of the Issuer or the Covenantors or any Subsidiary thereof as of any time subsequent to the date indicated in the document containing such information. None of the Arranger, the Dealers, the Note Trustee, the ABPA Security Trustee, the Issuer Security Trustee, any of the Hedge Counterparties, the Initial Facilities Providers, the Agents, the Liquidity Facility Providers or the Account Bank undertakes to review the financial condition or affairs of any of the Issuer, ABPAH, ABPA, ABPH, ABP or any Subsidiary of those entities during the life of the Programme or the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to their attention.

This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any other member of the ABPAH Group, the Arranger, any Dealer, the Note Trustee, the Issuer Security Trustee, the ABPA Security Trustee, any of the Hedge Counterparties, the Initial Facilities Providers, the Agents, the Liquidity Facility Providers or the Account Bank that any recipient of this Base Prospectus should purchase any of the Notes.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Covenantors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Notes should consult independent professional advisers.

The distribution of this Base Prospectus and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. This Base Prospectus does not constitute, and may not be used for the purposes of, an offer to or solicitation by any person to subscribe for or purchase any Notes in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Notes and the other financing arrangements described in this Base Prospectus to be entered into by the Issuer will be obligations solely of the Issuer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which

might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person(s) acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

Any individual intending to invest in any Note described in this Base Prospectus should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it. The price of securities can go down as well as up.

All references in this Base Prospectus to “pounds”, “sterling” or “£” are to the lawful currency of the United Kingdom, all references to “U.S.\$” and “U.S. dollars” are to the lawful currency of the United States of America, and references to “€”, “EUR”, or “euro” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, from time to time.

FORWARD-LOOKING STATEMENTS

This Base Prospectus contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Issuer to differ materially from the information presented in this Base Prospectus. When used in this Base Prospectus, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer and its management and the Covenantors and their management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer and Covenantors do not undertake any obligation publicly to release the result of any revision to these forward-looking statements to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

RESPONSIBILITY STATEMENTS

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Covenantors which, according to the particular nature of the Issuer, the Covenantors and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Covenantor (other than ABP) accepts responsibility for the information concerning itself and ABPH additionally accepts responsibility for the information concerning ABP contained in the sections entitled “*Overview of the Programme, Financing Structure, Ownership and Debt Structure*”, “*Risk Factors*”, “*Use of Proceeds*”, “*Description of the Issuer and the Covenantors*”, “*Business of ABP*”, “*The UK Ports Industry*”, “*Summary of the Financing Agreements*” and in the paragraphs relating to each such Covenantor under the headings “*No Material Change*” and “*Litigation*” in the section entitled “*General Information*” (the “**Covenantor Information**”). To the best of the knowledge and belief of each Covenantor (other than ABP) (each of which has taken all reasonable care to ensure that such is the case), the Covenantor Information is in accordance with the facts and does not omit anything likely to affect the import of such information. No Covenantor accepts responsibility for any other information contained in this Base Prospectus. Save for the Covenantor Information (on the basis described above), no Covenantor has separately verified the information contained in this Base Prospectus. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Covenantor as to the accuracy or completeness of any information contained in this Base Prospectus (other than the Covenantor Information) or any other information supplied in connection with the Programme or distribution of any Notes issued under the Programme. ABP accepts no responsibility for any of the information contained in this Base Prospectus.

The Issuer has accurately reproduced the information contained in the section entitled “*Description of the Initial Liquidity Facility Providers*” (the “**ILFP Information**”) from information provided to it by the Initial Liquidity Facility Providers but has not independently verified such information. The Issuer accepts responsibility for the accurate reproduction of such information from the Initial Liquidity Facility Providers and as far as the Issuer is aware and is able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No person has been authorised to give any information or to make any representation other than the information or the representations contained in this Base Prospectus in connection with the issue of the Notes, any member of the ABPAH Group or the offering or sale of the Notes. If given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Covenantors or any other member of the ABPAH Group, the Arranger, the Dealers, the Note Trustee, the ABPA Security Trustee or the Issuer Security Trustee, any of the Hedge Counterparties, the Initial Facilities Providers, the Agents, the Liquidity Facility Providers or the Account Bank. Neither the delivery of this Base Prospectus nor any offering or sale of Notes made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, the Covenantors or any other member of the ABPAH Group since the date hereof. Unless otherwise indicated in this Base Prospectus, all information in this Base Prospectus is given as of the date of this Base Prospectus. This Base Prospectus does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, any Covenantor or any Dealer to subscribe for or purchase any of the Notes.

Save for the Issuer and the Covenantors (other than ABP) which have only verified the information for which they specifically accept responsibility as described in the preceding paragraphs (other than the IFLP Information), no other party has separately verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, any of the Dealers, the Note Trustee, the Issuer Security Trustee, the ABPA Security Trustee, any of the Hedge Counterparties, the Initial Facilities Providers, the Agents, the Liquidity Facility Providers or the Account Bank as to the accuracy or completeness of the information contained in this Base Prospectus or any other information supplied in connection with the Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer. Each person receiving this Base Prospectus acknowledges that such person has not relied on the Arranger, the Dealers, the Note Trustee, the ABPA Security Trustee, the Issuer Security Trustee, any of the Hedge Counterparties, the Initial Facilities Providers, the Agents, the Liquidity Facility Providers or the Account Bank to review the financial condition or affairs of any of the Issuer, ABPA, ABPH, ABP, ABPAH and each of its Material Subsidiaries, nor on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

SUPPLEMENTARY BASE PROSPECTUS

The Issuer has undertaken, in connection with the admission of the Notes to the Official List, that, if there shall occur any significant new factor, mistake or material inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement prospectus for use in connection with any subsequent issue by the Issuer of Notes and will supply to the Arranger, each Dealer and the Note Trustee such number of copies of such supplement hereto or replacement prospectus as such Dealer and Note Trustee may reasonably request. The Issuer will also supply to the Central Bank such number of copies of such supplement hereto or replacement prospectus as may be required by the Central Bank and will make copies available, free of charge, upon oral or written request, at the specified offices of the Paying Agents and in respect of Registered Notes, the Registrar and the Transfer Agent (as defined in this Base Prospectus).

If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as so modified or amended, inaccurate or misleading, a new prospectus will be prepared.

If at any time the Issuer shall be required to prepare a supplementary Base Prospectus, the Issuer shall prepare and make available an appropriate supplement to this Base Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Main Securities Market, shall constitute a supplementary Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section, the expression “**necessary information**” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Covenantors and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. The terms and conditions of the Notes as set out in the section entitled “*Terms and Conditions of the Notes*” (the “**Conditions**”) as supplemented, amended and/or replaced are the terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms.

The Conditions as amended and/or replaced to the extent described in the relevant Drawdown Prospectus are the terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus. Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Tranche(s) of Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the documents specified in the cross-reference list below, which documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus; provided, however, that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Any further information or documents incorporated by reference in the documents incorporated by reference below does not form part of this Base Prospectus. Information contained in the documents incorporated by reference into this Base Prospectus, which is not itself incorporated by reference herein, is not relevant for investors.

Copies of the documents deemed to be incorporated by reference in this Base Prospectus may be viewed at the ABP Group's investor website www.abports.co.uk (the "Designated Website"). The Designated Website is provided for convenience only and its content does not form any part of this Base Prospectus. The information incorporated by reference into this Base Prospectus is an important part of this Base Prospectus.

The list below sets out the details of each of the documents incorporated by reference in this Base Prospectus. The non-incorporated sections of the following documents do not form part of this Base Prospectus.

Cross Reference List

- Audited annual non-consolidated financial statements of the Issuer for the financial year ended 31 December 2012 (pages 6 – 19 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/2013/ABP%20Finance%202012%20signed%20financial%20statements.pdf>).
- Audited annual non-consolidated financial statements of the Issuer for the financial year ended 31 December 2011 (pages 5 to 17 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/ABP%20Finance%20Plc%202011%20Financial%20Statements.pdf>).
- Audited annual consolidated financial statements of ABPAH for the financial year ended 31 December 2012 (pages 21 – 86 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/2013/ABPAH%202012%20Signed%20financial%20statements%20.pdf>).
- Audited annual consolidated financial statements of ABPAH for the financial year ended 31 December 2011 (pages 28 – 82 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/ABPA%20Holdings%20Limited%202011%20Group%20Financial%20Statements.pdf>).
- Audited annual non-consolidated financial statements of ABPA for the financial year ended 31 December 2012 (pages 5 – 24 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/2013/ABPA%202012%20Signed%20financial%20statements%20.pdf>).
- Audited annual non-consolidated financial statements of ABPA for the financial year ended 31 December 2011 (pages 6 – 24 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/ABP%20Acquisitions%20UK%20Limited%202011%20Financial%20Statements.pdf>).

- Audited annual consolidated financial statements of ABPH for the financial year ended 31 December 2012 (pages 20 – 85 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/2013/ABPH%202012%20signed%20financial%20statements%20.pdf>).
- Audited annual consolidated financial statements of ABPH for the financial year ended 31 December 2011 (pages 28 – 77 inclusive)
(<http://www.abports.co.uk/admin/content/files/Investor%20Relations/Associated%20British%20Ports%20Holdings%20Limited%202011%20Financial%20Statements.pdf>).
- The terms and conditions of the Notes as set out in the base prospectus dated 25 November 2011 (pages 152 – 185 inclusive)
(<http://www.abports.co.uk/admin/content/files/Financial%20Info/Project%20Cook%20-%20Final%20Prospectus.PDF>).

CONTENTS

Section	Page
OVERVIEW OF THE PROGRAMME, FINANCING STRUCTURE, OWNERSHIP AND DEBT STRUCTURE.....	10
RISK FACTORS.....	23
USE OF PROCEEDS	51
DESCRIPTION OF THE ISSUER AND THE COVENANTORS	52
THE UK PORTS INDUSTRY.....	61
BUSINESS OF ABP	70
SUMMARY OF THE FINANCING AGREEMENTS.....	100
TERMS AND CONDITIONS OF THE NOTES	162
FORMS OF THE NOTES	198
BOOK-ENTRY CLEARANCE PROCEDURE.....	203
PRO FORMA FINAL TERMS	205
DESCRIPTION OF THE INITIAL LIQUIDITY FACILITY PROVIDERS	216
TAX CONSIDERATIONS.....	219
SUBSCRIPTION AND SALE.....	221
GENERAL INFORMATION	225
GLOSSARY OF DEFINED TERMS.....	228

OVERVIEW OF THE PROGRAMME, FINANCING STRUCTURE, OWNERSHIP AND DEBT STRUCTURE

The following does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus, and, in relation to the Conditions of any particular Tranche of Notes, the applicable Final Terms or Drawdown Prospectus.

Introduction

The Issuer has authorised the establishment and update of the Programme in order to raise finance in the capital markets through the issuance of Notes for the general corporate purposes of the Covenantors.

Under the Programme the Issuer will, from time to time, issue Notes the proceeds of which will be lent by the Issuer to ABPA pursuant to an Issuer Borrower Loan Agreement (the “**Issuer Borrower Loan Agreement**”).

Under the Programme, the Issuer has outstanding £635m of nominal debt under three separate note issues with scheduled maturities between 2022 and 2033 (the proceeds of which were on-lent to ABPA pursuant to IBLAs).

ABPA has borrowed money under a senior facilities agreement (the “**Initial Senior Facilities Agreement**”) entered into with certain lenders on the Initial Issue Date. ABPA subsequently entered into Authorised Credit Facilities of £200m amortising between 2029 and 2033 and £80m due 2029, from Authorised Credit Providers.

The ABPAH Group has the benefit of Subordinated Debt provided by ABPS (and provided to ABPS indirectly by the Sponsors).

ABPA has entered into hedging arrangements (the “**Initial ABPA Hedging Agreements**”) with certain hedge counterparties (the “**Initial ABPA Hedge Counterparties**” and each an “**Initial ABPA Hedge Counterparty**”) with respect to the debt incurred under the Initial Senior Facilities. The Issuer has not entered into Issuer Hedging Agreements but it may do so in the future in accordance with the Hedging Policy.

The Issuer has the benefit of the Issuer Liquidity Facility to support debt service in respect of the Notes.

ABPA has the benefit of the ABPA Liquidity Facility which will support debt scheduled service obligations under the external bank debt, other Authorised Credit Facilities and the hedging relating to the Initial Senior Facilities (other than the IBLAs).

Guarantee, security and intercreditor voting arrangements

ABPH and ABPAH (together the “**Guarantors**”) have provided guarantees of ABPA’s obligations under the Initial Senior Facilities Agreement, the ABPA Hedging Agreements, other Authorised Credit Facilities and the IBLAs. ABPA and the Guarantors (the “**Security Providers**”) have also given security over all of their respective assets, properties and undertaking in respect of their obligations under the Initial Senior Facilities, the ABPA Hedging Agreements, other Authorised Credit Facilities and the IBLAs for the benefit of the ABPA Secured Creditors. For a more detailed description of the security arrangements in respect of the obligations of ABPA see “*Summary of the Financing Agreements - STID*” and “*Summary of the Financing Agreements - The ABPA Floating Charge Agreement*” below.

Neither ABP nor any of its Subsidiaries are guarantors or provide any security in respect of ABPA’s obligations under the Initial Senior Facilities Agreement, the ABPA Hedging Agreements and the IBLAs because of the restrictions imposed by the Transport Act 1981 (the “**Transport Act**”) (see “*Business of ABP – Regulation of ABP – The Transport Act 1981*” below). However, ABP and its Subsidiaries will be required to become guarantors and provide security if there is a change in law resulting in them being permitted freely to do so.

The Issuer Security Trustee (for itself and on behalf of the Issuer Secured Creditors), the Note Trustee (for itself and on behalf of the Noteholders), the Noteholders, the Issuer Hedge Counterparties, the Issuer Liquidity Facility Providers, the Issuer Liquidity Facility Agent, the Issuer Account Bank, the Principal Paying Agent, the other Paying Agents, the Transfer Agent, the Registrar, the Agent Bank, any Calculation Agent, the Issuer Cash Manager (defined below) and the Issuer Corporate Administration Providers (together the “**Issuer Secured Creditors**”) have the benefit of security granted by the Issuer and ABPAH pursuant to the Issuer Deed of Charge. For a more detailed description of the security arrangements in respect of the obligations of the Issuer see “*Summary of the Financing Agreements - Issuer Deed of Charge*”.

The Issuer has the benefit of a floating charge granted by each of the Security Providers over the whole of its assets and undertaking pursuant to the ABPA Floating Charge Agreement.

Pursuant to the terms of the Security Trust and Intercreditor Deed, the following ABPA Secured Creditors are entitled to vote (in the case of (a) to (d) below, represented by their respective agent or, in the case of the Issuer, the Note Trustee):

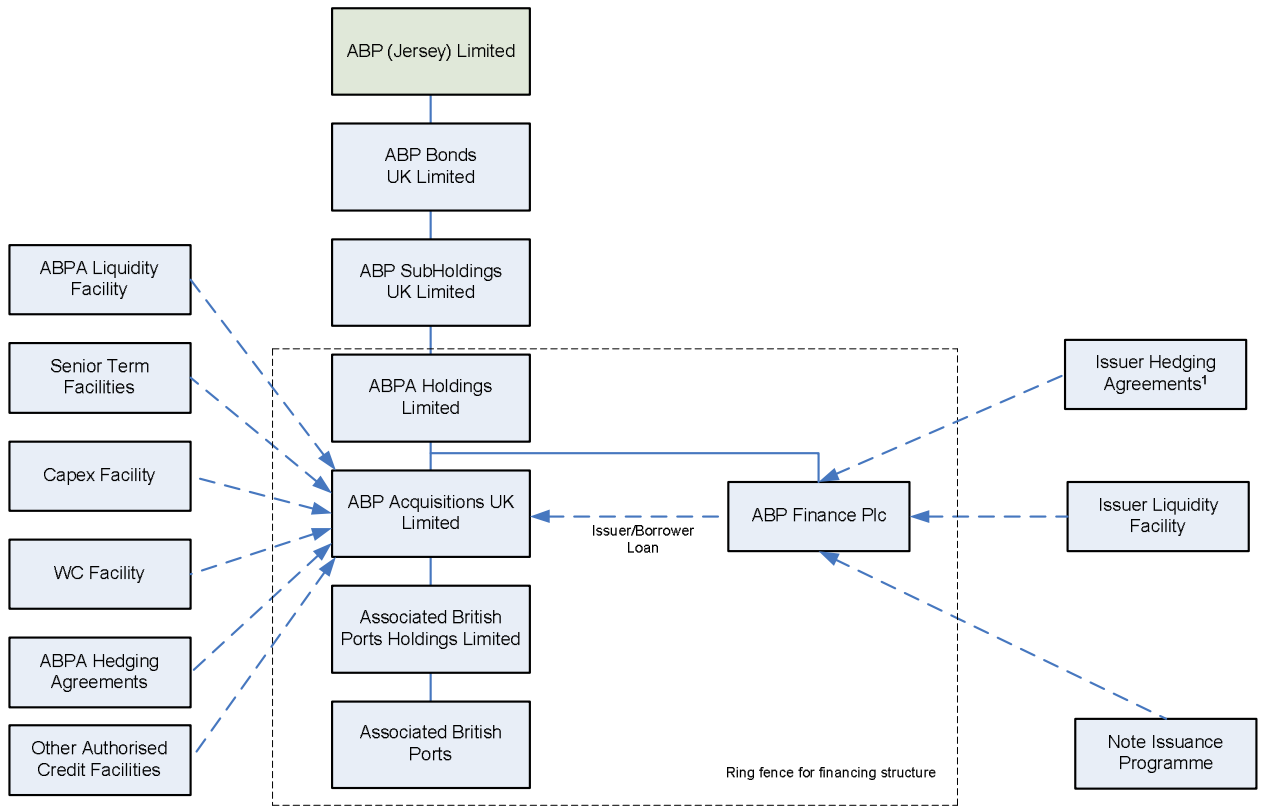
- (a) the Initial Senior Term Facilities Providers;
- (b) the Issuer, as directed by the Note Trustee;
- (c) the Initial WC Facility Providers;
- (d) the Initial Capex Facility Providers;
- (e) in relation to any vote on whether to take Enforcement Action or following Enforcement Action, the Pari Passu ABPA Hedge Counterparties are permitted to vote on (i) the amount (if any) outstanding to the relevant Pari Passu ABPA Hedge Counterparty following a termination of any Hedging Transaction arising under a Pari Passu ABPA Hedging Agreement, or (ii) their “mark-to-market” exposure in respect of the ABPA Hedging Agreements that rank *pari passu* with the bank debt. ABPA Hedge Counterparties in respect of ABPA Hedging Agreements that rank super senior have no voting other than in respect of Entrenched Rights;
- (f) in relation to any vote on whether to take Enforcement Action or following Enforcement Action, the Pari Passu Issuer Hedge Counterparties are permitted to vote on (i) the amount (if any) outstanding to the relevant Pari Passu Issuer Hedge Counterparty following a termination of any Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement, or (ii) their “mark-to-market” exposure in respect of any Issuer Hedging Agreements that rank *pari passu* with the Notes (if any) only. Any Issuer Hedge Counterparty in respect of Issuer Hedging Agreements that rank super senior to the Notes (if any) has no voting rights, other than in respect of Entrenched Rights; and
- (g) any representative in respect of other Authorised Credit Facilities,

(together, the “**Qualifying ABPA Secured Creditors**”, and each, a “**Qualifying ABPA Secured Creditor**”).

The Liquidity Facility Providers, the Super Senior Swap Providers and the holders of any other debt that rank senior in point of priority of payment to the Notes in the post-default priority of payments do not have voting rights but have certain Entrenched Rights. For a more detailed description of the voting mechanics see “*Summary of the Financing Agreements – Voting under the STID*” and for more detail regarding the post-default priority of payments see “*Summary of the Financing Agreements – STID – ABPA Post-Default Priority of Payments*” and “*Summary of the Financing Agreements – Issuer Deed of Charge – Issuer Post-Enforcement Priority of Payments*”.

Financing Structure

The diagram below is a simplified representation of the ABPAH Group and the current financing structure as at the Closing Date. Certain subsidiaries are not represented below.

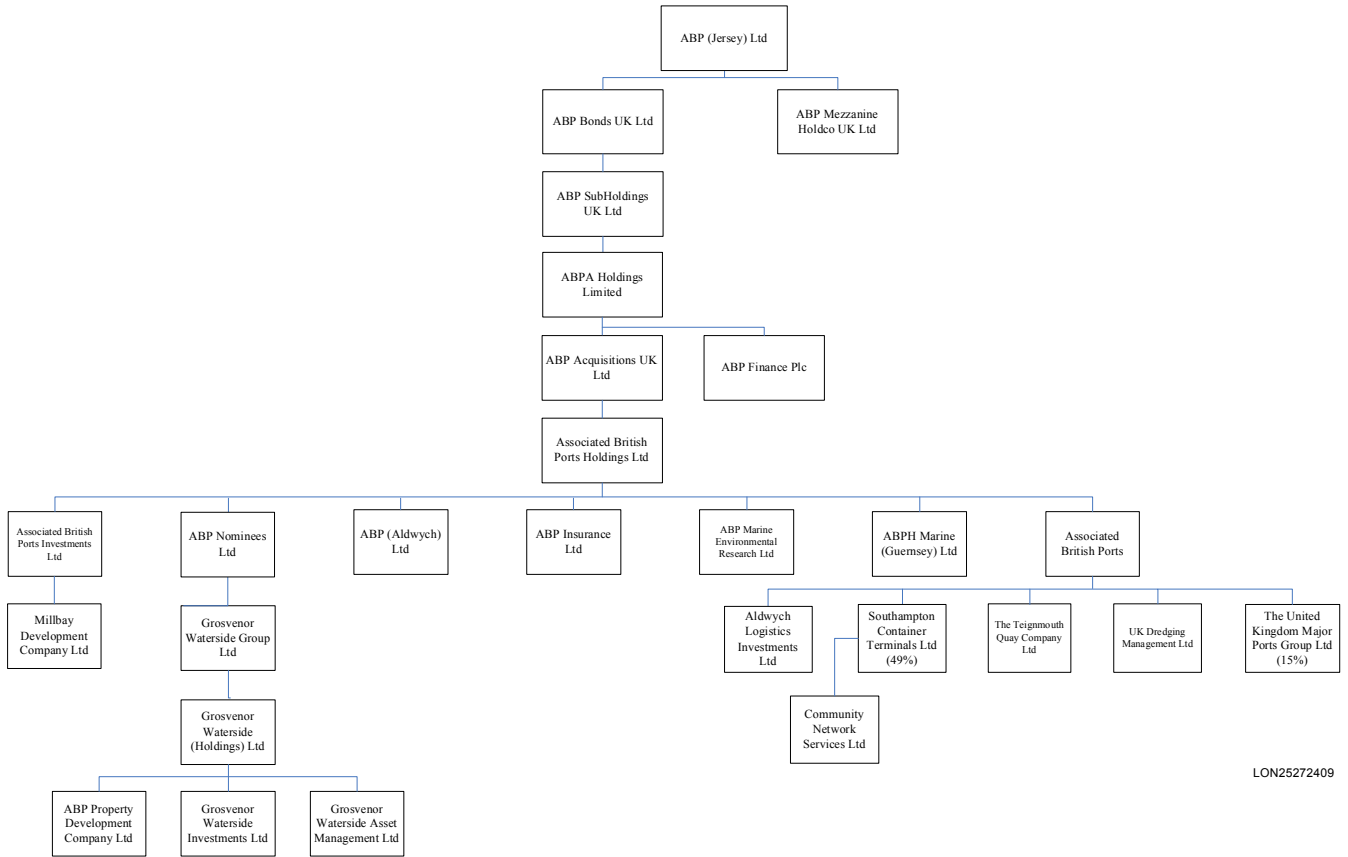


¹ The Issuer has not entered into Hedging Agreements

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Ownership Structure

The “**ABP Group**” consists of ABP (Jersey) Limited (“**ABPJ**”) and its subsidiaries. The following diagram sets out a simplified structure of the ABP Group (showing non-dormant members of the ABP Group only) with effect from the Closing Date. Each entity in the diagram is a 100 per cent. directly or indirectly owned subsidiary of ABPJ (except for Southampton Container Terminals Ltd and The United Kingdom Major Ports Group Ltd in which the ABP Group holds 49 per cent. and 15 per cent. stakes respectively). For the ownership of ABPJ see “*Business of ABP – Ownership of ABP*”.



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THE PARTIES AND CHARACTERISTICS OF THE NOTE PROGRAMME

THE PARTIES

The Issuer:	ABP Finance Plc, a public company with limited liability incorporated under the laws of England and Wales.
ABP:	Associated British Ports, a statutory body corporate without share capital which is deemed by the Transport Act to be a wholly owned subsidiary of ABPH.
ABPH:	Associated British Ports Holdings Limited, a company incorporated in England and Wales. ABPH is a 100 per cent. subsidiary of ABPA.
ABPA:	ABP Acquisitions UK Limited, a company incorporated in England and Wales, which was established for the purposes of acquiring ABPH. ABPA is a 100 per cent. subsidiary of ABPAH.
ABPS:	ABP SubHoldings UK Limited, a company incorporated in England and Wales and the immediate holding company of ABPAH.
ABPAH:	ABPA Holdings Limited a special purpose company incorporated in England and Wales and the immediate holding company of ABPA and the Issuer.
ABPAH Group (and each company in the ABPAH Group other than ABPAH, an ABPAH Subsidiary):	ABPAH, ABPH, ABPA, ABP and any other Subsidiary of ABPAH other than the Issuer.
Guarantors:	ABPH and ABPAH have guaranteed ABPA's obligations under the Initial Senior Facilities, the ABPA Hedging Agreements, other Authorised Credit Facilities and the IBLAs. If there is a change of law (including a change to the Transport Act) resulting in ABP and its Subsidiaries no longer being restricted from becoming full guarantors of the debt outstanding to the ABPA Secured Creditors, ABP and its Material Subsidiaries will also become Guarantors.
Security Providers:	Each of ABPA, ABPH and ABPAH (and if there is a change in the law (including the Transport Act) resulting in ABP and its Subsidiaries no longer being restricted from providing security for all of the obligations of ABPA in respect of the ABPA Senior Debt) ABP and its Material Subsidiaries have given security over all of its assets, properties and undertaking pursuant to the Security Agreement.
Covenantors:	ABPAH, ABPA, ABPH, ABP (subject to certain limitations) and each Material Subsidiary (if any) and any other person who has acceded or will accede to, <i>inter alia</i> , the Common Terms Agreement and the STID as a Covenantor in accordance with the terms of the Finance Documents.
Material Subsidiaries:	An ABPAH Subsidiary: <ul style="list-style-type: none">(a) whose Adjusted Consolidated EBITDA equals or exceeds 5 per cent. of the Consolidated EBITDA of the ABPAH Group;(b) whose net assets are equal to or exceed 5 per cent. of the net assets of the ABPAH Group (in each case as shown in the most recent financial statements) but disregarding for the purposes of determining the net assets of an ABPAH Subsidiary or the ABPAH Group, any outstanding Subordinated Debt; and(c) any other ABPAH Subsidiary nominated by ABPAH to be a "Material Subsidiary" from time to time.

For the avoidance of doubt, ABP is a Material Subsidiary but it is not required to provide guarantees or security due to the restrictions of the

	Transport Act.
Noteholders:	Holders of the Notes issued by the Issuer from time to time.
Initial Senior Term Facilities Providers:	The lenders of the Initial Senior Term Facilities pursuant to the Initial Senior Facilities Agreement.
Initial WC Facility Providers:	The lenders of the Initial WC Facility pursuant to the Initial Senior Facilities Agreement.
Initial Capex Facility Providers:	The lenders of the Initial Capex Facility pursuant to the Initial Senior Facilities Agreement.
Initial Facilities Providers:	The Initial Senior Term Facilities Providers, the Initial WC Facility Providers and the Initial Capex Facility Providers.
Initial Senior Facilities Agent:	The Royal Bank of Scotland plc.
ABPA Secured Creditors:	The ABPA Security Trustee (in its own capacity and on behalf of the other ABPA Secured Creditors), the Issuer, the Initial WC Facility Providers, the Initial Capex Facility Providers, the Initial Senior Term Facilities Providers, the Initial Senior Facilities Agent, each ABPA Hedge Counterparty, each ABPA Liquidity Facility Provider, the ABPA Liquidity Facility Agent and each other Authorised Credit Provider, the ABPA Account Bank, any replacement Cash Manager and any Additional ABPA Secured Creditor, and “ ABPA Secured Creditor ” means any one of them.
ABPA Security Trustee:	Deutsche Trustee Company Limited (or any successor trustee appointed pursuant to the STID) acts as ABPA Security Trustee on behalf of the ABPA Secured Creditors.
Issuer Secured Creditors:	The Issuer Security Trustee (for itself and on behalf of the other Issuer Secured Creditors), the Note Trustee (for itself and on behalf of the Noteholders), any Receiver appointed by the Note Trustee, the Noteholders, any Issuer Hedge Counterparties, the Issuer Liquidity Facility Providers, the Issuer Liquidity Facility Agent, the Issuer Account Bank, the Principal Paying Agent, the other Paying Agents, the Agent Bank, the Transfer Agent, the Registrar, any Calculation Agent, the Issuer Cash Manager, the Issuer Corporate Administration Provider and any other person having the benefit of the Issuer Security from time to time, and “ Issuer Secured Creditor ” means any one of them.
Note Trustee:	Deutsche Trustee Company Limited (or any successor trustee appointed pursuant to the Note Trust Deed) will act as note trustee on behalf of the Noteholders, Receiptholders and Couponholders.
Issuer Security Trustee:	Deutsche Trustee Company Limited (or any successor trustee appointed pursuant to the Issuer Deed of Charge) acts as security trustee for itself and on behalf of each Issuer Secured Creditors and will hold, and will be entitled to enforce the Issuer Security provided by the Issuer and ABPAH subject to the terms of the Issuer Security Documents.
ABPA Hedge Counterparties:	Barclays Bank PLC, Bank of America, N.A., Canadian Imperial Bank of Commerce, JPMorgan Chase Bank, N.A., Lloyds TSB Bank plc, Mitsubishi UFJ Securities International plc, National Australia Bank Limited, The Bank of Nova Scotia, The Commonwealth Bank of Australia and The Royal Bank of Scotland plc.
Hedge Counterparties:	The ABPA Hedge Counterparties and the Issuer Hedge Counterparties (if any).
Account Bank:	In the case of the Issuer, Barclays Bank PLC (or any successor account bank appointed pursuant to the Issuer Account Bank Agreement) (the “ Issuer Account Bank ”).

	In the case of ABPA, Barclays Bank PLC (or any successor account bank appointed pursuant to the ABPA Account Bank Agreement) (the “ ABPA Account Bank ”).
ABPA Cash Manager:	ABPH or any substitute cash manager.
Issuer Cash Manager:	ABPH and any successor thereto.
Initial ABPA Liquidity Facility Providers:	Barclays Bank PLC, Bank of America, N.A., Lloyds TSB Bank plc, National Australia Bank Limited, The Bank of Nova Scotia (London Branch), The Bank of Tokyo-Mitsubishi UFJ Ltd and The Royal Bank of Scotland plc.
Initial Issuer Liquidity Facility Providers:	Barclays Bank PLC, Bank of America, N.A., Lloyds TSB Bank plc, National Australia Bank Limited, The Bank of Nova Scotia (London Branch), The Bank of Tokyo-Mitsubishi UFJ Ltd and The Royal Bank of Scotland plc.
Liquidity Facility Providers:	The ABPA Liquidity Facility Providers and the Issuer Liquidity Facility Providers, as the context requires, and each a “ Liquidity Facility Provider ”.
Registrar:	Deutsche Bank Luxembourg SA (or any successor registrar appointed pursuant to the Agency Agreement) acts as registrar and provides certain registrar services to the Issuer in respect of the registered Notes.
Transfer Agent:	Deutsche Bank AG, London Branch (or any other entity appointed as transfer agent under the Agency Agreement) acts as transfer agent and provides certain transfer agency services to the Issuer in respect of the registered Notes.
Principal Paying Agent:	Deutsche Bank AG, London Branch (or any other entity appointed as a registrar under the Agency Agreement) acts as principal paying agent and, together with any other paying agents appointed by the Issuer, provides certain issue and paying agency services to the Issuer in respect of the Notes.
Agent Bank:	Deutsche Bank AG, London Branch (or any successor agent bank appointed pursuant to the Agency Agreement) acts as agent bank in respect of the Notes.
Arranger:	Barclays Bank PLC.
Dealers:	Barclays Bank PLC; Lloyds TSB Bank plc; Merrill Lynch International; Mitsubishi UFJ Securities International plc; National Australia Bank Limited; Scotiabank Europe plc; and The Royal Bank of Scotland plc.
	The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme or as a dealer in respect of one or more Tranches (and whose appointment has not been terminated).
Rating Agencies:	Fitch and Moody’s or any other recognised rating agency and any successor to any of the aforementioned parties appointed by the Issuer or the ABPAH Group.

CHARACTERISTICS OF THE NOTE PROGRAMME

Programme Size:	Up to £5,000,000,000 (or its equivalent in other currencies) aggregate nominal amount of Notes outstanding at any time as increased from time to time by the Issuer.
Purpose:	For the general corporate purposes of the ABPAH Group.
Issuance in Series and Tranches:	<p>Notes will form a single class and be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. Notes issued after the initial issuance may be fungible with the Notes issued on or after the Closing Date or may be issued on different terms in accordance with the Note Trust Deed.</p> <p>On each Issue Date, the Issuer will issue the Tranches of Notes set out in the Final Terms or relevant Drawdown Prospectus published on the relevant Issue Date.</p>
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the restrictions applicable at the date of this Base Prospectus (see “ <i>Subscription and Sale</i> ”).
Currencies:	Sterling, euro, U.S. dollars and subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (a) pursuant to this Base Prospectus and associated Final Terms or (b) pursuant to a Drawdown Prospectus.
Denomination of Notes:	Notes will be issued in such denominations as may be specified in the relevant Final Terms or relevant Drawdown Prospectus, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements applicable to the currency of the relevant Tranche of Notes. Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, shall have a minimum specified denomination of €100,000, or not less than the equivalent of €100,000 in any other currency as at the date of issue of the relevant Notes.
Redenomination:	The applicable Final Terms or applicable Drawdown Prospectus may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination will be contained in Condition 19 (<i>European Economic and Monetary Union</i>), as amended by the applicable Final Terms or applicable Drawdown Prospectus.
Maturities:	<p>Subject to the Maximum Maturities Condition (see “<i>Summary of the Financing Agreements—Common Terms Agreement</i>”) and any law or regulation applicable to the Issuer or the relevant specified currency, the Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer.</p> <p>In certain circumstances, where Notes have a maturity of less than one year, such Notes will be subject to limitations to ensure the Issuer complies with section 19 of FSMA. For further details please see the United Kingdom selling restrictions as set out in the “<i>Subscription and Sale</i>” section of this Base Prospectus and the Final Terms or the relevant Drawdown Prospectus for any particular Series of Notes.</p>
Issue Price:	Notes may be issued on a fully paid basis and at an issue price which is at par or at a discount to, or premium over, par, as set out in the relevant Final Terms or relevant Drawdown Prospectus.

Interest:	Notes will, unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus, be interest-bearing and interest will be calculated (unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus) on the Principal Amount Outstanding of such Notes. Interest will accrue at a fixed or floating rate (plus, in the case of Indexed Notes, amounts in respect of indexation) and will be payable in arrear, as specified in the relevant Final Terms or relevant Drawdown Prospectus, or on such other basis and at such rate as may be so specified. Interest will be calculated on the basis of such Day Count Fraction (as defined in the Conditions) as may be agreed between the Issuer and the relevant Dealer as specified in the relevant Final Terms or relevant Drawdown Prospectus.
Form and Status of Notes:	The Notes will constitute unconditional obligations of the Issuer. Notes will rank <i>pari passu</i> without preference or priority in point of security amongst themselves and will be issued in bearer or registered form.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service plus the applicable margin (if any). The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Indexed Notes:	Payments of principal or interest in respect of Indexed Notes will be calculated by reference to the UK Retail Price Index.
Other provisions in relation to the Notes:	The Notes may also have a maximum interest rate, a minimum interest rate, a step-up in the interest rate after a certain date (or any combination of the foregoing).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Interest Periods and Payment Dates:	Such interest periods and interest payment dates as the Issuer and the relevant Dealer may agree in relation to a particular Series.
Taxation:	All payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom, unless and save to the extent that the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will not be obliged to pay additional amounts in respect of any such withholding or deduction.
Scheduled Redemption:	As set out in Condition 8(a) (<i>Scheduled Redemption</i>), if a Scheduled Redemption Date (falling prior to the Final Maturity Date) is specified in respect of a Series of Notes in the applicable Final Terms or applicable Drawdown Prospectus they will be redeemed on that date from the proceeds of repayment of the relevant IBLA and on each Interest Payment Date thereafter until redeemed in full (or until the applicable Final Maturity Date if such proceeds do not suffice).
Final Redemption:	As set out in Condition 8(b) (<i>Final Redemption</i>), if a Tranche of Notes has not previously been redeemed in full, such Tranche will be finally redeemed at its Principal Amount Outstanding (in the case of Indexed Notes, as adjusted in accordance with Condition 7(b) (<i>Application of the Index Ratio</i>)) plus accrued but unpaid interest on the Final Maturity Date as specified in the applicable Final Terms or relevant Drawdown Prospectus.

Issuer Optional Redemption:	As set out in Condition 8(d) (<i>Optional Redemption</i>), the Issuer may (prior to the Final Maturity Date (as defined in the Conditions)) redeem the Notes in whole or in part (but on a <i>pro rata</i> basis only) upon giving not more than 15 nor fewer than 5 Business Days' prior written notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders at their Redemption Amount (as defined in the Conditions). Floating Rate Notes may only be redeemed on an Interest Payment Date.
Issuer Redemption for Index Events:	As more particularly set out in Condition 8(e)(i) (<i>Redemption for Index Events</i>), upon the occurrence of any Index Event, the Issuer may, upon giving not more than 15 nor fewer than 5 Business Days' prior written notice to the Note Trustee, the Issuer Secured Creditors and the holders of the Indexed Notes, redeem all (but not some only) of the Indexed Notes on any Interest Payment Date at the Principal Amount Outstanding (adjusted for indexation) plus accrued but unpaid interest.
Issuer Redemption for Taxation Reasons:	As more particularly set out in Condition 8(e)(ii) (<i>Redemption for Taxation Reasons</i>), if the Issuer would become obliged to deduct or withhold from any payment of interest or principal in respect of the Notes any amount for or on account of taxes or certain amounts payable or receivable by the Issuer are subject to any such withholding or deduction, the Issuer may, upon giving not more than 15 nor fewer than 5 Business Days' prior written notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders in accordance with Condition 17 (<i>Notices</i>), redeem all (but not some only) of the affected Series of Notes on any Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Notes, in accordance with Condition 7(b) (<i>Application of the Index Ratio</i>)).
Early Redemption on Prepayment of IBLAs:	<p>As more particularly set out in Condition 8(f) (<i>Early Redemption on Prepayment of IBLAs</i>), if:</p> <ul style="list-style-type: none"> (a) ABPA gives notice to the Issuer under an IBLA that it intends to prepay all or part of any advance made under such IBLA or ABPA is required to prepay all or part of any advance made under an IBLA; and (b) in each case, such advance was funded by the Issuer from the proceeds of a Series of Notes, <p>the Issuer shall, upon giving not more than 15 nor fewer than 5 Business Days' notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders, (where such advance is being prepaid in whole) redeem all of the relevant Series of Notes or (where part only of such advance is being prepaid) the proportion of the relevant Series of Notes which the proposed prepayment amount bears to the amount of the relevant advance at the applicable amount (as set out in Condition 8(f) (<i>Early Redemption on Prepayment of IBLAs</i>)).</p>
Early redemption following a Default:	As more particularly set out in Condition 8(g) (<i>Early Redemption following a Default</i>), if the Issuer receives (or is to receive) any moneys from ABPA following the occurrence of a Default in repayment of all or any part of an IBLA Loan, the Issuer shall, upon giving not more than 10 nor fewer than 5 Business Days' notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders (in accordance with Condition 17 (<i>Notices</i>)) apply such moneys to redeem the then outstanding Notes (corresponding to the advance under an IBLA which is prepaid at their Principal Amount Outstanding (adjusted for indexation in the case of Indexed Notes) plus accrued but unpaid interest on the next Interest Payment Date (or, if sooner, the Final Maturity Date)).
Note Purchases:	As set out in Condition 8(i) (<i>Purchase of Notes</i>), each of the Issuer or any other Connected Creditor may, provided that no Loan Event of

Default or Note Event of Default has occurred and is continuing, purchase Notes (together with all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto) in the open market or otherwise at any price (without any obligation to surrender such Notes for cancellation other than as set out in Condition 8(k) (*Cancellation*)) and, to the extent that such Notes have not been cancelled, may resell them in the open market or otherwise at any price. Any purchase by tender shall be made available to all Noteholders alike.

Any Note purchased by the Issuer or any other Connected Creditor shall, for so long as it is held by it (or on its behalf), cease to have voting rights and be excluded from any quorum or voting calculations set out in the Conditions.

Issuer Security:

The obligations of the Issuer in respect of the Notes are secured pursuant to the Issuer Deed of Charge. The Issuer will grant first ranking security over its assets, undertakings and property, including the following:

- (a) an assignment by way of first fixed security of the Benefit of the Issuer under the Finance Documents to which it is a party;
- (b) an assignment by way of first fixed security of the Benefit of the Issuer under each Issuer Transaction Document (other than the Trust Documents);
- (c) a first fixed charge of the Benefit of the bank accounts of the Issuer (including any non-sterling account and for the benefit of the holders of the Note issued at the Initial Issue Date only, the Prefunding Account) pursuant to or in accordance with any Issuer Transaction Document including any sub-account or sub-accounts relating to that account and any replacement account from time to time and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit;
- (d) first fixed charge of the Benefit of each Authorised Investment of the Issuer; and
- (e) a first floating charge over the whole of the Issuer's undertaking, assets, property and rights whatsoever and wheresoever situated, present and future, including the Issuer's uncalled capital.

In addition, pursuant to the Issuer Deed of Charge, ABPAH will grant a first fixed charge over the Benefit of all of the shares in the Issuer and related rights as continuing security for the payment or discharge of the Issuer Secured Liabilities.

Limited Recourse:

Each Noteholder will have a claim only in respect of the Issuer Charged Property and will not have any claim by operation of law or otherwise, against or recourse to any of the other assets or the contributed capital of the Issuer or ABPAH.

Covenants:

The representations, warranties, covenants and events of default which apply to the Notes are set out in the Note Trust Deed (see "*Summary of the Financing Agreements - Note Trust Deed*") and the Issuer Deed of Charge (see "*Summary of the Financing Agreements – Issuer Deed of Charge*").

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Extraordinary Resolutions:

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification of the Conditions, the Note Trust Deed and any other Issuer Transaction Document to which the Note Trustee is a party or in relation to the Issuer Security. Any modification (except in relation to any Ordinary Voting Matter or Extraordinary Voting Matter or matter giving rise to an Entrenched Right, Direction Notice, Enforcement

Instruction Notice, SC Instruction Notice or Further Enforcement Instruction Notice and subject to the provisions concerning ratification and/or meetings of Noteholders as set out in Condition 15(c) (*Modification, Waiver and Substitution*) and the Note Trust Deed) may be made if sanctioned by a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Note Trust Deed by a majority of not less than 75 per cent. of the votes cast (an “**Extraordinary Resolution**”) of such Noteholders. Such a meeting may be convened by the Note Trustee or the Issuer, or by the Issuer (failing which the Note Trustee) upon the request in writing of the Noteholders holding not less than one tenth of the aggregate Principal Amount Outstanding of the relevant outstanding Notes.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders (provided that where there is only one holder of the relevant Notes, that person or a representative thereof shall form the quorum), whatever the Principal Amount Outstanding of the relevant outstanding Notes held or represented. Basic Terms Modifications may be sanctioned only by an Extraordinary Resolution passed at a meeting of Noteholders of the relevant Series of Notes at which two or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, 25 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of such Series form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the relevant Noteholders, Receiptholders and Couponholders whether present or not.

Basic Terms Modifications:

Any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of a Series of Notes, to reduce the amount of principal or the rate of interest payable on any date in respect of the Notes or (other than as specified in Conditions 7 (*Indexation*) and Condition 8 (*Redemption, Purchase and Calculation*)) to alter the method of calculating the amount of any payment in respect of any Notes on redemption or maturity;
- (b) to effect the exchange, conversion or substitution of a Series of Notes for, or their conversion into shares, notes or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of a Series of Notes are payable other than pursuant to redenomination into euro pursuant to Condition 19 (*European Union and Monetary Union*);
- (d) to alter the Issuer Payment Priorities insofar as such alteration would affect the Notes;
- (e) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or
- (f) to amend the definition of “Basic Terms Modification” or Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Listing:

It is expected that Notes issued under the Programme will be admitted to the Official List. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.

Unlisted Notes may also be issued. The applicable Final Terms will

state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

Ratings:

The ratings assigned to the Notes by the Rating Agencies reflect only the views of the Rating Agencies. The ratings will be specified in the relevant Final Terms or relevant Drawdown Prospectus.

A rating is not a recommendation to buy, sell or hold securities and will depend, among other things, on certain underlying characteristics of the business and financial condition of the ABPAH Group. A rating may be subject to suspension, change or withdrawal at any time by the assigning Rating Agency.

Note Events of Default:

Each of the following events of default constitutes a “**Note Event of Default**”:

- (a) **non payment:** default is made by the Issuer for a period of 5 Business Days in the payment of interest or principal on any Tranche of the Notes when due in accordance with the Conditions;
- (b) **breach of other obligations:** default is made by the Issuer in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under the Notes or the Issuer Transaction Documents (other than any obligation whose breach would give rise to the Note Event of Default provided for in Condition 11(a)(i)) and, except where in the opinion of the Note Trustee that such default is not capable of remedy, such default continues for a period of 30 Business Days following the service of notice of default, provided that such default has been certified in writing to the Issuer by the Note Trustee (or the Issuer Security Trustee, as the case may be) to be materially prejudicial to the interests of the holders of the Notes;
- (c) **Insolvency Event:** an Insolvency Event occurs in relation to the Issuer;
- (d) **cashflow insolvency:** the Issuer is unable to pay its debts as they fall due within the meaning of section 123(1) of the Insolvency Act 1986 or is otherwise cashflow insolvent after taking into account amounts available to it under the Issuer Liquidity Facilities at the relevant time; or
- (e) **unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Documents.

Governing Law:

English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See “*Subscription and Sale*” below and the Final Terms for any particular series of Notes.

Investor Information:

ABPA is required to produce an Investor Report and a Compliance Certificate semi-annually each of which will be posted on the Designated Website. The next Investor Report will be published in September 2013.

RISK FACTORS

An investment in the Notes involves a high degree of risk. The following sets out certain aspects of the Finance Documents and the activities of the ABPAH Group about which prospective Noteholders should be aware. Prospective investors should carefully consider the following risk factors and the other information contained in this Base Prospectus before making an investment decision. The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of the Issuer, the Security Providers or the other Covenantors and could lead to, among other things:

- (a) a Loan Event of Default;*
- (b) a Trigger Event; and*
- (c) a Note Event of Default.*

This section of the Base Prospectus describes all material risks that are known to the Issuer and the Covenantors as at the date of this Prospectus. This section of the Base Prospectus is not intended to be exhaustive and prospective Noteholders should read the detailed information set out elsewhere in this Base Prospectus prior to making any investment decision. Prospective Noteholders should note that the risks described below are not the only ones faced by the ABPAH Group. The ABPAH Group has described only the risks it considers material. However, there may be additional risks that the ABPAH Group currently considers not material or of which it is not currently aware, and any of these risks could have the effects set forth above. If any of the following risks occurs, the ABPAH Group's business, financial condition or results of operations could be materially adversely affected. In any of such cases, the value of the Notes could decline, and the Issuer may not be able to pay all or part of the interest or principal on the Notes and investors may lose all or part of their investment. Prospective Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Notes.

In addition, whilst the various structural elements described in this Base Prospectus are intended to lessen some of the risks discussed below for the Noteholders, there can be no assurance that these measures will ensure that the Noteholders of any Series or Tranche receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.

BUSINESS AND REGULATORY RISK FACTORS

Exposure to declines in Trading Volumes

The ABPAH Group's business results are dependent on, amongst other things, the volume of cargoes which pass through its ports, which in turn depends on worldwide trade volumes. In particular, the markets in which the ABPAH Group operates are significantly affected by changes in global, national, regional and local economic, financial and political conditions that are outside of its control, including as a result of:

- (a) national, regional or local economic conditions (including plant closures, industry slowdowns and unemployment rates) that experience changing economic cycles and other macroeconomic developments;
- (b) the imposition of trade barriers, sanctions, boycotts and other measures;
- (c) the levels of inflation and interest rates;
- (d) exchange rate fluctuations, which adversely affect import and export volumes to or from the UK;
- (e) governmental reactions to economic conditions and developments;
- (f) significant increases in utility and fuel costs;
- (g) demographic factors;
- (h) changes, including retroactive changes, in governmental regulations, fiscal policy, planning/zoning or tax laws and building codes as well as other regulatory changes that affect the ABP Group's business;
- (i) trade disputes and work stoppages, particularly in the transportation services industry; and

- (j) acts of war, hostilities, natural disasters, epidemics, direct political action or terrorism.

For example, global trading volumes declined in 2009 due to the global recession. This resulted in a decline in the volumes passing through ABP's ports from 104.5 million tonnes in 2008 to 84.8 million tonnes in 2009. This was associated with a decline in the ABPAH Group's revenue from £423.6m in 2008 to £401.9m in 2009 and in EBITDA from £224.2 in 2008 to £223.8m in 2009.

Global trading volumes picked up somewhat in 2010 and continued to increase in 2011 and 2012. Although the revenues and underlying operating profits of the ABPAH Group have consistently grown since 2009, its revenues may decline in light of ongoing or future economic downturns as a result of a decline in trading volumes.

Since 2009, UK volumes have been inconsistent with a reduction in total UK port volumes in 2009 to 500.8mt, followed by two successive years of increase in 2010 and 2011. Provisional (not yet final) figures for 2012 suggest another reduction in volumes for UK major ports (which represent c.97% of all UK port volumes) to 490mt.

If global trading volumes decline significantly and this results in lower usage of the ABP Group's ports, the ABPAH Group's business, financial condition and results of operations, as well as its future growth could be adversely affected.

However, growth in the revenues of the ABPAH Group has remained relatively stable during the last 30 years including during times of recession. The dependence of the UK on imports, the dominance of seaborne trade for the delivery of such imports and the long term nature of many of the ABP Group's customer contracts along with the inclusion in many contracts of guaranteed volume provisions (so that even where a customer contract provides for fees which reference volumes, minimum revenues are guaranteed, thus providing relatively secure and predictable future revenue streams) mean that the ABPAH Group is, to a certain extent, protected against short-term fluctuations in sea trading volumes.

Closure of coal-fired power stations

ABP's largest single cargo by revenue is coal, albeit only accounting for 15.8 per cent. of the ABPAH Group's revenues in 2012. Coal imported through ABP's ports is largely used by coal-fired power stations. Over time, coal's share of the total UK energy supply has fallen substantially. Moreover, coal-fired power stations face the risk of closure due to European Union Directive 2001/80/EC (the "**Large Combustion Plants Directive**") and the UK government's energy policy.

All existing coal-fired sites in the UK now have to comply with UK legislation implementing the Large Combustion Plants Directive, which seeks to reduce emissions of sulphur dioxide, nitrogen oxides and particulates from large-scale industrial works such as power stations, refineries and steelworks. In December 2010, the Large Combustion Plants Directive was superseded at an EU level by the Directive on Industrial Emissions (integrated pollution prevention and control) (Recast) (the "**IED**"), which requires power stations to use the best available technology to reduce their emissions and is expected to lead to many older coal-fired plants being closed between 2018 and 2023 as they are too expensive to upgrade. Furthermore, the Overarching Energy National Policy Statement EN-1 (the "**Energy NPS**") was designated by the Secretary of State under the Planning Act 2008 on 19 July 2011. The Energy NPS will effectively prevent planning permission being granted for the development of any new coal-fired power plants in the UK unless they have carbon capture and storage ("**CCS**") fitted for at least 300MW of their capacity. CCS is an unproven technology on a commercial scale, and unless it can be developed and implemented, the Energy NPS could have the effect of preventing the development of any new coal-fired power plants in the UK.

Closure of coal-fired power stations would lead to lower volumes of coal being required and, therefore, less coal being shipped. Such lower requirements could lead to a decline in income at a number of ABP's ports, particularly Immingham, which could, in turn, adversely affect ABPA's ability to meet its payment obligations under an IBLA and, therefore, impact the Issuer's ability to meet its payment obligations under the Notes.

These risks are mitigated by the fact that the majority of facilities that import coal using ABP's ports have opted-in to the Large Combustion Plants Directive. This extends their life to 2023 and, in the case of two power stations, to 2032. Acknowledging the UK's possible phase-out of traditional coal-fired power production, many UK coal power stations are in the process of converting, or have plans to convert, existing plants to fire biomass or to co-fire coal and biomass together. As such, the growth in the import of biomass fuels used in renewable energy production is expected to provide some mitigation of the risk of a decline in coal volumes in the longer term. Further, the

closure of UK coal mines, and consequently the reduction in capacity for indigenous coal production, may reduce the impact of a reduction in UK coal demand on coal imports.

The UK Government currently facilitates the financial incentivisation of the development of renewable electricity generation infrastructure, including biomass plants. The Government's Energy Bill, which was published in November 2012 introduced new incentives for enhanced co-firing of biomass and supports the conversion of existing coal-fired power stations to biomass. Further, the Energy NPS supports the development of biomass power plants in the UK, subject to certain conditions.

The most recent UK Bioenergy Strategy, published jointly by DECC, DEFRA and the Department for Transport in April 2012, noted that biomass imports are expected to make up the majority of the supply available to the UK.

Biomass has a lower calorific value than coal and consequently a greater volume of biomass is required to produce the same quantum of energy. As the majority of biomass for power generation is expected to be imported, ABP is well placed to serve the requirements of biomass power generators.

ABP therefore believes that, notwithstanding the risk posed by the UK energy policy towards the volume of coal handled through its ports, the impact of this is likely to be largely mitigated through growth in biomass imports.

Exposure to Customer Contracts

The ABPAH Group's business depends on revenues generated under customer contracts which have terms of up to ninety-nine years and which have an average remaining term of 8 years (which is shorter than the expected tenor of the Notes). The majority of customer contracts contain termination rights in favour of one or both of the parties or may otherwise be terminated in various circumstances including where ABP is in breach of a term of the contract. Some contracts have early termination rights in favour of only the customer, for example, one significant contract includes the right of the customer to terminate its licence before its contractual expiry date on six months' written notice if the customer fails to make a pre-tax profit during any financial year and the forecast for its next 12 months indicates a pre-tax loss for that period. If the revenues generated under the ABPAH Group's customer contracts decline materially during the term of the Notes, the Issuer's ability to make payments on the Notes when due may be adversely affected. The ABP Group's customer contracts predominantly consist of licence agreements to use facilities such as berths, jetties, quaysides, parking and other port facilities together with certain leases of land and buildings at the ports. ABP receives a relatively small proportion of its revenue from contracts for other services such as dredging and the discharge, storage and loading of cargoes.

The revenue (excluding rent and leases) from the largest 25 contracts (by reference to the revenue they generated in the financial year ended 31 December 2012) represented 36 per cent. of the turnover of the ABPAH Group for that period. The proportion of the turnover of the ABP Group from the 25 largest contracts including rental income in the financial year ended 31 December 2012 was 39 per cent. Of these 25, one contract expired within the year ended 31 December 2012. However, the customer continues to use the relevant ABP facilities, pending finalisation of negotiations in respect of a new contract, which will apply from the date of expiry of the old contract. Three contracts are due to expire by the end of 2013 and six contracts are due to expire by the end of 2014. The remaining 15 contracts include: one which is subject to renewal annually and is associated with a lease to the same customer which expires in 2018; one which continues indefinitely until either party terminates by serving notice of not less than 2 years; one which continues indefinitely until terminated by the customer in 2020 or on any 10th anniversary thereafter, subject to the customer serving notice to determine of not less than one year; one which expires upon ABP receiving a financial return under the contract in excess of a specified threshold; and eleven expiring after 31 December 2015. For a table showing the remaining terms of ABP's current customer contracts by reference to the revenue earned under them in 2012, see "*Business of ABP - Customer Contracts*" below.

The ABPAH Group's customer contracts include customary representations, covenants and indemnities by ABP in favour of its customers. The ABP Group is not aware of any material outstanding claim under these contracts or of any material claim that is likely to be made under the contracts but there can be no assurance that such claims will not arise in the future. Depending on their size, claims may affect ABPA's ability to make timely payments of interest and principal under an IBLA and, ultimately, the Issuer's ability to make timely payment of interest and principal in respect of the Notes.

These risks are mitigated because ABP's customer base is highly diverse and the ABPAH Group is not dependent on large single customers (the largest single customer in 2012 by revenue contributed just 6.3 per cent. of total revenues for that period). These risks are further mitigated because ABP's core business is highly diversified in terms of the variety of cargoes handled (offering services for liquid bulks, dry bulks, containers, roll on/roll off,

passengers, vehicles and other general cargoes, meaning it is less vulnerable to fluctuations associated with specific cargoes) and the origin and destination markets for its cargoes. Therefore, issues affecting one sector of customers may not affect others. The diversity of customers also mitigates the risk that the insolvency of individual customers will affect the Issuer's ability to make payments on the Notes. Furthermore, ABP has limited credit exposure under many of the customer contracts, as ABP is able to enforce a lien on customer cargoes and ABP has the power to detain vessels in the event of payment default.

Competition

The market for port services in the UK is competitive and consists of 52 major ports with annual cargo volumes in excess of one million tonnes (for a table showing market share (by tonnage handled) of the top 15 (and top 20) UK ports, see "*The UK Ports Industry – UK Ports Market*" below). It is likely that the capacity of the UK port sector will increase in the future. As the owner and operator of 21 ports within the UK, the ABPAH Group's business is exposed to the risk that competitors take market share from ABP.

Furthermore, increased competition from new entrants to the UK port market or from other ports or existing UK port owners and/or operators or through other modes of transportation, such as rail and air transport, could result in ABP being required to lower its prices in order to compete for customer contracts. Such downward pricing pressure could lead to smaller profits being earned on the customer contracts which ABP does win or retain and/or ABP acquiring/retaining fewer customer contracts and therefore reduce ABP's revenues and, in turn, the Issuer's ability to meet its payment obligations under the Notes.

A major container terminal, London Gateway, is currently being built by DP World in the Thames estuary. DP World intends to open London Gateway's first phase by the end of 2013, adding an additional 1.6 million TEU to the UK's port capacity. When fully developed the port's capacity will be 3.5 million TEU and the port will be able to handle the world's largest container ships. There can be no assurance that core DPWS customers will not relocate volumes away from Southampton to London Gateway if they perceive a superior offering in terms of price, service and facilities (see "*The UK Ports Industry – Competition in the UK Port Sector*").

ABP has commenced the expansion of the container terminal at Southampton and the dredge of the approach channel, which will ensure the terminal is capable of handling ultra-large container vessels, such as those that will be capable of being accommodated at London Gateway. The redeveloped berths are expected to be operational in early 2014.

Planning is currently being sought for the construction of a new marine facility on the Humber by the promoters of Able Marine Energy Park. The new facility, which could be operational as early as 2016, is intended to service the offshore wind farm market and, if built, will compete with the ABPAH Group's Humber ports for offshore wind farm related business. Able Marine Energy Park has also indicated that in future, should the need for offshore wind facilities diminish, it may seek to amend the terms of any consent it obtains to allow it to handle a wider range of general cargo in competition with other facilities on the Humber, including ABPAH Group's Humber ports. It should be noted that the ABPAH Group's planned development of Alexandra Dock at the Port of Hull to site an offshore wind turbine facility with Siemens is subject to an exclusive memorandum of understanding and has been awarded all necessary planning consents.

Competition risks are mitigated by the fact that a substantial proportion of ABP's customer contracts are relatively long-term (see "*Risk Factors – Business and Regulatory Risk Factors - Exposure to Customer Contracts*" above) and often contain "minimum volume guarantees" or fixed charges. The purpose of these minimum volume guarantees is (a) to ensure that ABP recovers capital expenditure that it has incurred on developing facilities for customers and (b) to procure that port facilities are used to their maximum capacity (which also facilitates the selling of additional services to customers by ABP). Guaranteed revenue relating to these minimum volume guarantees and similar commercial arrangements (such as fixed facility fees) in relation to contracts generating more than £100,000 revenue, accounted for 28 per cent. of the ABPAH Group's 2012 revenues. Furthermore, customers (particularly those requiring specialist facilities) often have compelling reasons for ensuring continuity in the ports which they use, which in some cases may limit the ability of other ports to compete on a like-for-like basis where they do not have the same locational advantages or comparable facilities. Such reasons include the need to preserve established supply chain links and to minimise the considerable cost and disruption that would be caused by changing ports used, particularly where additional investment in appropriate facilities would be required at new locations. It may be difficult for new competitors to enter the market as there are limited suitable locations for developing new ports and the expansion of existing ports often requires a long approval process and considerable investment (see "*The UK Ports Industry – Competition in the UK Port Sector*"). In addition, because of its cost-

effectiveness relative to air transport and the scale and versatility of port facilities available, sea freight is the preferred method of transport for non-time sensitive, high volume, low-value international cargoes.

The risk of downward pressure on pricing (at least as far as existing contracts are concerned) is mitigated because the amounts due to ABP under many of its customer contracts are adjusted upwards with inflation (see “*Business of ABP – Customer Contracts*” below). Of the customer contracts which generated more than £100,000 in revenues in 2012, 59 per cent. of revenue was adjusted annually by reference to the Retail Price Index, 18 per cent. of revenue was derived from rental income (reviewed periodically by reference to the Retail Price Index and open market value), a further 11 per cent. of revenue is subject to renegotiation and the remaining 12 per cent. was not subject to increase.

Investment in ABP’s Ports

In order to maintain its competitive position and to grow its revenues and profitability, ABP reviews the requirements of its actual and potential customers in terms of cargo types, vessel sizes and facilities on an ongoing basis. It maintains a programme of expanding, improving and maintaining its port assets so that it can continue to meet its customers’ requirements and demands (see “*Business of ABP – Investment Projects*” below). Port development may involve considerable investment that may or may not be recovered and the delivery of ABP’s investment projects carries certain risks such as:

- (a) the investment project may incur delays resulting in revenue flow from the project being received later than envisaged;
- (b) the customer’s requirements may change over time and this may alter the size of the investment project and the revenues and returns flowing to ABP;
- (c) most investment projects require regulatory, planning, licensing and other consents and there can be no assurance that ABP will obtain these and be able to proceed with the project or obtain these in line with the timetable for the project;
- (d) the strategy of development may not be implemented correctly or may not achieve the intended result, so that the needs of customers are not met and customers may decide to use ports of ABP’s competitors instead even after investment has been undertaken;
- (e) the costs of the investment project may overrun resulting in the profits from the project being lower than expected;
- (f) the successful implementation of the project is dependent on the performance of third party contractors who may not fulfil their obligations; and
- (g) the price or quantity of materials required for the implementation of an investment project may exceed expectations.

The occurrence of one or more of these events may negatively affect ABP’s ability to complete its current or future projects on schedule, if at all, or within the estimated budget and may prevent it from achieving the projected revenues, internal rates of return or capacity associated with such projects.

Associated Undertaking Risks

ABP has one associate, DPWS, which generates revenues through container handling, storage, ship-planning services, cargo inspection and electronic customs clearance services.

DPWS is 51 per cent. owned by DP World and 49 per cent. owned by ABP. ABP does not, therefore, hold a majority stake in DPWS. DPWS has its own operational management structure that is directly employed by DPWS but the ultimate control rights between DP World and ABP are regulated by reference to DP World’s shares in DPWS. Voting by directors at board meetings is weighted as follows: the directors appointed by ABP are entitled to cast 49 votes, and the directors appointed by DP World are entitled to cast 51 votes. As such, whilst there is a comprehensive list of customary board reserved matters (requiring simple majority approval), DP World is able to pass such matters unilaterally. This is also true of any decisions to be taken by the shareholders of DPWS. There is a risk that these unilateral decisions may be prejudicial to the interests of the ABPAH Group.

There are four “restricted matters” which require the unanimous approval of the board in order to be implemented. These matters relate to the increase of indebtedness over £4.3m, any material change in the nature of the business, any change to the articles of association of DPWS and the issuance of additional share capital in DPWS. The requirement for unanimous approval creates a risk because either participant can block a resolution from being passed. This may prevent DPWS from taking certain actions, of which only one of the shareholders is in favour.

ABP does not expect to receive significant dividends from DPWS in the foreseeable future.

For more information about DPWS, see the section headed “*Business of ABP – Associates*” below.

Regulation

The UK port industry is unregulated in so far as there is no government-appointed regulator to oversee the conduct of industry participants. However, the port industry is subject to statutory controls and regulation under a number of statutory provisions, including the Harbours Act 1964 (which, among other things contains regulation on charges) and the Harbours Docks and Piers Clauses Act 1847 (which requires harbour authorities to keep their ports open for all legal trades). Accordingly, a number of areas of ABP’s business are subject to statutory control and regulation that entails certain political, legal and statutory risks.

As described in the section “*Business of ABP – Regulation of ABP – The Transport Act 1981*”, the Transport Act sets out the powers and duties of ABP and its relationship with its parent, ABPH. There also exist various additional secondary and local harbour laws and regulations that govern ABP, its Subsidiaries, and in some cases the assets of ABP and its Subsidiaries.

Like all other businesses in the UK, the ABPAH Group’s business is subject to numerous laws and regulations governing health and safety, equipment specifications, employment requirements, environmental issues, data protection, insurance coverage, taxation, pensions and other operating issues and considerations. These laws and regulations are subject to constant change.

There is a risk that the ABPA Group could be adversely affected by any future regulatory or statutory change impacting the port industry, arising from any review of UK port policy. Compliance with such regulatory and/or statutory changes might result in significant expenses for the ABPAH Group and/or restrict its ability to engage in certain activities that might have a material adverse effect on the ABPAH Group’s business, financial condition, results of operations or prospects.

Similarly, the ABPAH Group bears the risk of changes in laws and public policies in general, including potential changes in tax laws or accounting policies and practices, which may result in expenses in respect of compliance and could, therefore, have a material adverse effect on the ABPAH Group’s business, financial condition, results of operations or prospects.

Regulation of competition in the UK ports sector

The Office of Fair Trading (“OFT”) published a report on 3 December 2010 entitled “*Infrastructure Ownership and Control Stock-take*” which covered the UK ports sector. In the report, the OFT stated that, whilst it is hard to generalise across the whole ports sector, it considers there to be competitive constraints both between and within ports, although it also recognised that there is scope for some operators to exercise a degree of local market power. The OFT noted two key areas that may limit competition in the sector. The first of these areas was a possible lack of substitutability for some products at some ports due to requirements for specialist infrastructure and the deep water berths required by larger vessels. The second was that there is relatively little scope for supply-side substitution for certain cargoes that require large capital investment to develop appropriate facilities.

Although the OFT stated that it did not intend to undertake any further general reviews of the ports industry, there is a risk that UK or EU competition authorities could undertake future investigations in relation to the markets in which ABP or its customers operate. Such investigations are generally costly to respond to and involve significant management time and distraction.

In addition, the relevant competition authorities have powers to impose fines and other sanctions in certain circumstances.

A draft EU Concessions Directive is currently under consideration by the European Parliament and the European Commission has recently published proposals for a Port Services Regulation. Both initiatives may have an impact

on UK ports although the scale and nature of the potential impact is not yet clear. Representatives from the UK ports sector are working closely with the UK Government to mitigate or avoid any potentially adverse consequences.

Restrictions imposed by the Transport Act

The Transport Act restricts the way in which ABP (which along with its Subsidiaries holds virtually all of the operating assets of the ABP Group) manages and finances its business. For example, ABP is required to provide port facilities at its harbours to such extent as it thinks expedient; to have due regard to the efficiency, economy and safety of operation as regards the services and facilities provided by it and its subsidiaries; and to have regard to the interest in general of its employees and the employees of its subsidiaries. ABP may only borrow money or grant security or guarantees for the purposes of its business and is prohibited by the Transport Act from disposing of assets which (a) are required for the purposes of its ports business and (b) were held by ABP at the date of its constitution under the Transport Act. The Notes will not necessarily be issued for the purposes of ABP's ports business as they may be issued, indirectly, to enable ABPA to refinance existing indebtedness agreed under the Initial Senior Facilities Agreement.

The security for the obligations of ABPA under an IBLA (and, therefore, indirectly for the Notes) does not include security over the assets of the ABP business. ABP is not subject to any payment obligation with respect to the Finance Documents and does not therefore directly or indirectly support the ability of the Issuer to make payments on the Notes. Debt claims of ABPH "against" ABP and its subsidiaries will rank behind secured claims, *pari passu* with the claims of other unsecured creditors including trade creditors. Rights to distributions by ABP will rank behind all such claims.

Enforcement of the security over the shares in ABPH may include steps such as a sale of those shares or the exercise of the rights of the shareholders of ABPH to change its management. The board of directors of ABPH could then change the management of ABP. However, such management will continue to be restricted by the Transport Act in terms of the steps that it can take to realise value for the ABPA Secured Creditors.

Obligations of ABP which breach the Transport Act would not be enforceable

As described above, the Transport Act imposes limits on the powers of ABP. If any obligation of ABP under the Finance Documents were deemed to be in breach of the Transport Act, then such an obligation would be unenforceable. This means, for example, that any representation or warranty given by ABP under the Common Documents or its payment obligations under relevant intergroup debt which were deemed not to be for a purpose permitted under the Transport Act, could be unenforceable. To the extent that ABP is not bound by restrictive covenants, its directors are free to run its business without such contractual constraints (although they are subject to direction by ABPH, as owner, and subject to the positive and negative obligations set out in the Transport Act) and this could include the raising of indebtedness for the purposes of its business which could in turn affect its ability to make payments to ABPH. This risk may affect the amounts received by the Issuer under an IBLA and, therefore, affect its ability to pay amounts when due under the Notes. For further information, see "*Summary of the Financing Agreements – STID – ABP Enforceability*".

Uncertainty and change of law risk in relation to the Transport Act

The Transport Act does not contain comprehensive provisions with respect to ABP by comparison with, for example, provisions in relation to companies which are subject to the Companies Acts and there is uncertainty and/or are a lack of applicable provisions in a number of critical areas such as the insolvency regime applicable to ABP and the exact nature of ABPH's ownership and control of ABP. This uncertainty may affect the enforcement of the Finance Documents and the making of decisions which may have important consequences for the financial condition of the ABPAH Group and consequently the Issuer's ability to make payment on the Notes.

Potential liabilities and costs from litigation could adversely affect the ABPAH Group's business

From time to time, a member of the ABPAH Group may become involved in litigation and regulatory actions as part of its ordinary course of business. There can be no assurance that it will be successful in defending civil suits or regulatory actions, such as matters related to public and employee safety, and environmental laws and regulations. Even if a civil litigation claim or regulatory investigation or claim is without merit, does not prevail or is not pursued, any negative publicity surrounding assertions against the ABPAH Group's business could adversely affect its reputation. Regardless of their outcome, litigation and regulatory actions may result in substantial costs and expenses and divert the attention of the ABPAH Group's management. In addition to pending matters, future

litigation, government proceedings, labour disputes or environmental matters could lead to increased costs or interruption of the ABPAH Group's normal business operations, which may have a material adverse effect on the ABPAH Group's business, financial condition and results of operations.

The only material litigation involving ABP (i.e. formal legal proceedings expected to result in a quantum of damages exceeding £1,000,000) is: (a) a number of related actions between ABP and Humber Oil Terminals Trustee Limited ("**HOTT**") (a joint venture owned between Total UK Ltd and ConocoPhillips Ltd) relating to an application by HOTT to renew certain related leases and ABP's action to seek to terminate those leases; and (b) a potential liability to HMRC for outstanding VAT following the insolvency of one of ABP's customers, FG Hawkes (Western) Limited ("**FG Hawkes**").

a) HOTT

The actions with HOTT are not a claim for recovery of money as such. The two central issues in this litigation are (i) whether ABP was required to renew the long-term lease of the Immingham Oil Terminal to HOTT and (ii) the annual value of any future commercial or tenancy arrangements between ABP and HOTT, with the respective views of the value of such arrangements by each party differing by several million pounds. In addition, the cost risk (including legal fees) for the losing party is likely to be in excess of £1,000,000.

With regards to issue (i), following judgments of the High Court, Court of Appeal and Supreme Court in favour of ABP, ABP was successful in its action to oppose renewal of the Immingham Oil Terminal leases by HOTT and accordingly, the original long-term leases in favour of HOTT came to an end on 14 February 2013. HOTT continues to occupy and use the Immingham Oil Terminal under short-term lease arrangements whilst the parties seek to agree a new long-term agreement for the future use of the Terminal by HOTT.

With regards to issue (ii), in May 2012 the High Court found that ABP was entitled to an interim rent for the period between April 2010 and February 2013 of £15.6 million per annum. HOTT has appealed this judgment although the parties are seeking to agree a mutually acceptable commercial arrangement for the future use of the Immingham Oil Terminal, which may make further litigation unnecessary.

b) FG Hawkes

A customer of ABP Swansea, FG Hawkes, went into administration on 3 October 2011. FG Hawkes was an importer of timber products via the Port of Swansea where it occupied space in a customs warehouse owned by ABP (this is the only customs warehouse currently operated by ABP and FG Hawkes was the only customer which operated from the warehouse). Although FG Hawkes was solely responsible for its operations within that warehouse, ABP holds the authorisation for the warehouse to be operated as a customs warehouse from HMRC. Following FG Hawkes going into administration, it has become clear that FG Hawkes had failed to discharge its obligations both to HMRC and to ABP with regards to payment of duty and import VAT with respect to certain stock that may have passed through the warehouse.

As the holder of the HMRC authorisation, HMRC has sought to recover unpaid duty and import VAT from ABP. ABP is aware of a potential liability of approximately £394,000 in respect of unpaid duty and £1.205 million in respect of unpaid import VAT plus interest at a rate of 3% per annum on such sums.

ABP considers that there are grounds either for denying that it has any liability for the import VAT (which makes up the greater part of the outstanding moneys owed to HMRC) in these circumstances or for reclaiming any input tax which it is required to pay, and is currently appealing HMRC's decision to seek to recover such input VAT from ABP.

As a result of exercising a lien over the stock remaining in the warehouse used by FG Hawkes, ABP has recovered £550,000 towards its potential liabilities and expects to recover a further £99,000 later this year, leaving it with a maximum net exposure to customs duty and import VAT of around £950,000 plus interest. ABP expects that in the event its appeal against HMRC's refusal to allow recovery of import VAT is unsuccessful, its insurers will cover some or all of the resulting VAT liability.

Environmental risks - current position

The ABPAH Group's port estates comprise approximately 12,000 acres of seabed and land and its business is subject to a number of extensive and frequently changing national and local environmental laws and regulations,

including laws and regulations governing health and safety and the protection of the environment, natural resources and the remediation of contaminated soil and water.

Ports are inevitably subject to pollution from time to time (such as emissions, spillages and contaminated storm water run off from the stockpiling of bulk coal and ore on areas of open ground adjacent to harbour areas) and the ports of the ABPAH Group are large and diverse, deal or have dealt in polluting materials and have been in operation for periods in excess of 100 years in some cases. The ABPAH Group could in the future be exposed to liabilities for breaches of environmental protection regulation, and civil law claims for pollution-related property damage or personal injury, which could be material and could, therefore, adversely affect the ability of the Issuer to make payments in respect of the Notes as and when due. In addition, the development and operation of the ABPAH Group's port facilities requires various permits and licences pursuant to environmental laws and regulations, which can result in challenges during the application process and difficulties in compliance.

There can be no assurance that a member of the ABPAH Group will not be found to be in violation of some environmental regulations in the future. Violations of environmental laws and regulations could lead to significant fines and penalties and also temporary closures of the relevant port. Sanctions for alleged or actual non-compliance with environmental regulations could have a material adverse effect on the ABPAH Group's business, results of operations or financial condition. Such laws and regulations can impose clean-up responsibility and liability, in some cases, without regard to whether the owner knew of or caused the presence of contaminants. The ABPAH Group is also subject to certain contractual requirements relating to the environment and may incur liabilities arising from historical, existing and future environmental contamination at properties it owns or operates now or in the future or has owned or operated in the past. In particular, as an owner of the relevant sites the ABPAH Group can be liable under environmental legislation, where a regulatory authority identifies that significant harm has arisen through pollution of land or water that the ABPAH Group has caused or knowingly permitted. It could also be liable in certain circumstances for causing or knowingly permitting pollution of coastal waters under the Environmental Permitting Regulations 2010 or the Environmental Damage (Prevention and Remediation) Regulations 2009. The ABPAH Group could also be liable, in certain circumstances, to clean up pollution caused by a third party (e.g. a tenant or historical landowner) without its knowledge or consent, under Part IIA of the Environmental Protection Act 1990 (known as the "**contaminated land regime**").

The ABPAH Group is not currently subject to any actual or threatened action in relation to breaches of the Environmental Protection Act 1990 (and, to the extent that the ABPAH Group is aware, neither are its tenants in respect of the sites they occupy which belong to the ABPAH Group), the Environmental Permitting Regulations 2010 or the Environmental Damage (Prevention and Remediation) Regulations 2009. However, this possibility cannot be excluded in the future. This risk is mitigated by the fact that primary liability lies with the actual polluter rather than the owner of the site (at least in relation to liabilities under the Environmental Protection Act 1990) and that the ABPAH Group has carried out relatively frequent reviews of its potential liability in this area. As described in the section "*Business of the ABPAH Group—Environmental Regulation*", the ABPAH Group commissioned an independent report prepared by Arup dated 14 November 2011 (the "**Arup Report**"). The Arup Report concluded that ABP's port facilities are well managed. In facilities operated by ABP (and indeed its tenants), there is inevitably some risk that the environment may be adversely affected. This risk is inherent in and common to the performance of many industrial or commercial activities that tend to be located at ports (such as emissions, spillages and contaminated storm water run-off from the stockpiling of bulk coal and ore on areas of open ground adjacent to harbour areas). With respect to ABPAH Group operated facilities, Arup's opinion is that this risk is mitigated adequately through the use of a robust environmental management system ("**EMS**"). The EMS provides management with a means by which to evaluate, monitor and manage anticipated environmental risk.

In 2012, the ABPAH Group undertook a Land Quality Assessment (the "**Assessment**"), which concluded that ABP estates are suitable for existing use and compliant with relevant environmental legislation.

The Arup Report also noted that the ABPAH Group appears to enjoy a solid track record of compliance with environmental legislation. The Arup Report notes that the ABPAH Group's environmental management policy requires that each of the ABPAH Group's business units ensures that its activities comply with environmental legislation as a minimum, and that appropriate controls are in place for all of the most significant potential environmental impacts. These include impacts from air emissions (dust) and surface water run-off from the unloading, storage and loading of coal and coal products.

The leases that the ABPAH Group have entered into with tenants include a high level of contractual protection from these types of risk in the form of covenants and indemnities. The ABPAH Group also monitors the performance of its tenants in this regard.

Environmental risks - potential developments

As with other areas of regulation, there is a risk that the ABPAH Group could be adversely affected by any regulatory changes relating to environmental protection legislation impacting its business that may be proposed in the future, which may result in significant expenses in respect of compliance and could have a material adverse effect on the ABPAH Group's business, financial condition, results of operations or prospects and therefore the Issuer's ability to make payment when due on the Notes.

There are a number of proposed changes to planning and environmental law which are relevant. These include regulations under the Localism Act 2011, provisions of the Planning Act 2008, the Growth and Infrastructure Bill 2012 and secondary legislation made under the Marine and Coastal Access Act 2009. These changes could affect the way that regulatory consents are procured for future changes to the use and development of land and coastal waters although the replacement of the Infrastructure Planning Commission by the National Infrastructure Directorate (part of the Planning Inspectorate) is designed to streamline the consenting process for Nationally Significant Infrastructure Projects. These changes to the national planning regimes are well understood and addressed by the ABPAH Group.

The ABPAH Group may incur additional expenditure and other commercial and financial impacts to comply with new or revised environmental legislation and regulations, new interpretations of existing laws and regulations or more rigorous enforcement of such laws and regulations, as well as in connection with fulfilling contractual obligations. The ABPAH Group may be required by future regulations to make certain modifications to its ports. It may incur significant costs and liabilities in the future due to increasingly strict environmental laws and regulations, which could have a material adverse impact on the ABPAH Group's business, financial condition and results of operations.

If an environmental liability arises in relation to any of the ports and it is not remedied, or is not capable of being remedied, this may adversely affect that port and the ABPAH Group's business or financial condition. This may be either because of cost implications for the ABPAH Group or because of disruption to services provided at the relevant port.

For further details of environmental risks affecting the business of the ABPAH Group, see the section headed "*Business of ABP — Environmental Regulation*".

Health and safety

The ABPAH Group's business is subject to a number of health and safety laws and regulations. As an employer, it is exposed to claims from employees who sustain injuries while at work. Based on the number of employee claims over the past three years, the ABPAH Group would expect to receive between 20 and 30 employee claims a year, a number of which are relatively minor in nature (although there have also been more serious injuries, including one fatality in 2007 and one in 2010).

The ABPAH Group provides accredited health and safety training to all of its employees and reviews the circumstances of all incidents involving health and safety at work issues.

The ABPAH Group has asbestos on and in its properties. The Control of Asbestos Regulations 2006 require any person responsible for the maintenance of non domestic premises (this may or may not be an employer) to manage the risk from materials containing asbestos and to ensure that, as far as reasonably practicable, no one can come to any harm from asbestos on the premises. This would involve an obligation to repair or remove asbestos containing materials in poor condition. If asbestos containing materials are in good condition, not likely to be damaged and not likely to be worked on or disturbed, employers are encouraged to implement a system of managing such materials. As a result, there remains a risk of claims against the ABPAH Group for asbestos related diseases. In relation to these claims, where formal legal proceedings have been issued, it is not believed that the ABPAH Group's share of any likely liability would exceed £1,000,000. In any event, the ABPAH Group maintains a self insurance provision to address liabilities relating to asbestos and 100 per cent. of projected asbestos exposure claims are covered by such provisions.

In addition, there is always the risk that changes in health and safety regulations could have an adverse effect on the ABPAH Group's business.

Industrial relations

ABP depends on its employees (a number of whom are members of trade unions) to run its ports and provide services to its customers. Employees who are members of trade unions may be more likely to take part in industrial action than those who are not.

There is a national recognition agreement in place with the trade union Unite, which, as at January 2013, covers approximately 328 manual grade employees. The remaining 448 manual grade employees are covered by personal contract. ABP has an unspecified number of non-manual grade employees who are Unite members but who are not covered by the recognition agreement. Apart from Unite, the only other trade union recognised by ABP is Nautilus International, which has joint representation with Unite in respect of the Humber pilots, which was obtained pursuant to a statutory procedure following an application to the Central Arbitration Committee (the “CAC”). Industrial action could materially disrupt the operations of the ABPAH Group. For example, if certain employees were to strike, key port operations such as piloting and operation of machinery could cease and this could effectively prevent operations by certain customers, which could lead to the ABPAH Group incurring costs and/or losing revenue. The ABPAH Group could also be adversely affected by industrial action by the employees of other employers who provide services at its ports.

No industrial action has been carried out by employees of ABP since 2007. The action in 2007 concerned a local dispute at an operation within the Port of Hull and resulted in no discernible business disruption.

For further details on industrial relations, see the section headed “*Business of ABP - Employees*”.

Insurance

The members of the ABPAH Group currently benefit from insurance cover to protect against key insurable risks (see “*Business of ABP — Insurance*”). However, such cover may not, in certain circumstances, be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities that may arise in connection with certain events. Moreover, there can be no assurance that such insurance cover will be available in the future at commercially reasonable rates or at all. Certain types of insurance cover may be cancellable on short notice by the relevant insurer, including for reasons other than non-payment of premium or breach by the insured, such as in the event of terrorism. In the event of termination of insurance cover, it may not be commercially reasonable or possible for the ABPAH Group to obtain replacement cover immediately or to the same extent as previous cover.

The ABPAH Group may not have, or may cease to have, insurance cover in respect of a loss if the loss is not covered under, or is excluded from, an insurance policy including by virtue of a deductible applying, exhaustion of applicable cover limits or a policy operating as an excess policy or if, in respect of a loss that would otherwise be insured, the relevant insurer successfully avails itself of defences available to it, such as breach of disclosure duties, breach of warranty, breach of condition precedent, breach of policy condition, non disclosure or misrepresentation in connection with “basis of contract” clauses or failure to give notice of a claim in accordance with the policy.

For the cover limits referred to above see “*Business of ABP – Insurance*” below. Should such limits be exceeded, the excess will not be recoverable under the ABPAH Group’s insurance policies and, therefore, will be a risk borne by the ABPAH Group if there is no other means of obtaining compensation.

Insurance cover for the ABPAH Group is currently, and may in the future be, provided by a combination of insurance market entities and the captive insurance company owned by the ABPAH Group (ABP Insurance Limited (“**ABPIL**”)). Any of these insurers could cease to offer current insurance cover, become insolvent or lose their licences or authorisations.

If the ABPAH Group is exposed to a significant loss which is not covered by insurance or if there is a significant delay in payment of any insurance, this could adversely affect ABPA’s ability to make timely payment of interest and principal under an IBLA and, ultimately, the Issuer’s ability to make timely payment of interest and principal in respect of the Notes.

Defined benefit pension schemes

As described in the section “*Business of ABP—Pensions*”, the ABPAH Group companies participate in a number of defined benefit pension schemes for past and current employees. There is a risk that the liabilities of these schemes, which are long-term in nature, will exceed the assets of such schemes, including when measured on a buyout basis (i.e. the cost of insuring all members’ benefits with an insurer).

While the schemes are ongoing, the scheme liabilities are measured on an ongoing (or technical provisions) basis, with (depending on the scheme's rules) ongoing employer contributions. If there is a deficit in the schemes' funding as a result of a triennial valuation, additional deficit contributions are agreed between the respective trustees of the pension scheme and the relevant participating employers via a recovery plan. If agreement cannot be reached between the pension trustees and the participating employers, then the Pensions Regulator has the power to set the contributions to be paid by the participating employers to the scheme.

If any of the relevant pension schemes were to be wound up, which the rules may allow or the trustees of the relevant scheme could ask the Pensions Regulator to order, the participating employers would be responsible for their proportional share, under section 75 of the UK Pensions Act 1995 ("**section 75**", for funding the pension schemes up to the level of the cost of a buyout basis. This cost (known as the full section 75 debt) would be considerably more than the value placed on the liabilities while the schemes are ongoing.

A section 75 debt can also arise if an employer ceases to employ active members in the pension schemes (e.g. on a sale or a transfer of employees, or when the last member employee leaves the scheme) while another employer continues to employ active members. Any such section 75 debt would be calculated by reference to the relevant employing company's proportional share of the deficit on a buyout basis. This cost would be considerably more than the value placed on the relevant participating employer's liabilities while the schemes are ongoing.

The Pensions Regulator also has statutory powers in some circumstances to require persons connected or associated with an employer (such as other companies within the ABPAH Group) to contribute to or otherwise support the pension schemes.

The pension schemes' trustees are required to undertake triennial valuations of the schemes and agree statutory funding plans with the employers (or consult with the employers if the trustees have unilateral power to fix contributions). The trustees are free to call for a further valuation on an earlier date if the funding or the employer covenant position to the schemes change significantly. Copies of the statutory funding plans may need to be provided to the Pensions Regulator, who may, if it is not satisfied that the employers will eliminate the funding deficit in a timely manner, require the trustees of the relevant pension scheme to seek to revise the funding plan. The employers could also be pressured by the pension trustees or, in certain circumstances, directed by the Pensions Regulator, to make additional contributions to the pension schemes (e.g. as a result of any corporate activity which the Pension Regulator views as having a material, detrimental effect on the pension schemes). Alternatively, the relevant employers may choose to make additional contributions to the schemes.

Furthermore, where the ABPAH Group is an employer in multi-employer schemes, it may be exposed to the risk of increased contributions either from employers leaving the schemes or from actuarial risks relating to other employers' members.

The valuations of defined benefit pension schemes are dependent upon market conditions at the date of the valuation, the nature of the investment assets and the actuarial assumptions used in the calculations. The funding position at any given time can therefore be volatile. Any future decline in the value of scheme assets, changes in mortality and/or morbidity rates, future changes in interest and inflation rates or changes in the current investment strategies of the pension schemes could increase or contribute to the pension schemes' funding deficits and require additional funding contributions in excess of those currently expected. Trustees are required to consult with the participating employers in regard to their investment strategies and to minimise the risk exposure to the schemes of such strategies. Trustees are also required to take their own professional advice before setting out investment strategies (see "*Business of ABP - Pensions*").

A substantial and unexpected increase to the employer contributions payable to fund the liabilities of the pension schemes could have a material adverse effect on the ABPAH Group's business, financial condition, results and prospects. Consequently, this could adversely affect the ability of the Covenantors to honour their obligations and thereby adversely affect the Issuer's ability to make timely payments of interest and principal on the Notes.

For information on the expected deficits of the schemes see the section "*Business of ABP – Pensions*" below.

The ABPAH Group is dependent on the services of key personnel

The ABPAH Group's success will depend, in part, on its ability to continue to attract, retain and motivate suitably skilled and experienced personnel. The ABPAH Group relies on its senior management for the implementation of its strategy and its day-to-day operations. Competition in the port industry for personnel with relevant expertise, especially at the senior management level, may be intense due to the specialised nature of the industry and the

limited number of individuals with the necessary skills and experience. A failure by the ABPAH Group to manage successfully its personnel needs could have a material adverse effect on the ABPAH Group's business, financial condition, results of operations or prospects.

Operating costs

Increases in overall costs that the ABPAH Group is unable to pass on to its customers would be expected to impact its future financial performance. The ABPAH Group's fuel, utilities and dredging costs (which constituted 5.6 per cent., 3.5 per cent. and 3.2 per cent. respectively as a percentage of cash costs (i.e. excluding non-cash items such as depreciation and amortisation) in 2012) can fluctuate in response to external factors and future increases in these costs over and above those anticipated in the ABPAH Group's financial plans could impact on its financial condition, results of operations or prospects.

Availability of planning approvals for future developments

The success of the ABPAH Group's future strategy of developing its core ports and transport business largely through investment in long-term projects in partnership with its customers, to maintain its competitive position, is partly dependent upon securing appropriate planning and other development consents and approvals. Although the ABPAH Group has been successful in obtaining a number of planning approvals for major developments, as a result of the complexity of the process and the legislation governing planning approvals, there can be no certainty as to the costs and timeframes attached to the availability of future approvals. The lack of availability of planning approvals may prevent the ABPAH Group from carrying out its business strategy effectively and efficiently and could consequently have a material adverse effect on the ABPAH Group's prospects and results of operations. However, the ABPAH Group has considerable in-house and external resources available to deal with planning and development consent issues and any major project has a steering group comprising senior ABP executives to direct, among other things, the planning process, thereby mitigating the risk of planning consent being refused.

Operating Infrastructure

The ABPAH Group's business and results of operations are dependent on, among other things, its ability to maintain and operate its infrastructure. The ABPAH Group's business could be disrupted by, for example, the failure of lock gates, equipment or quayside infrastructure. In addition, failure of third-party infrastructure, such as road connections, train links or power supplies, could have a negative effect on the operation of a port. The ABPAH Group mitigates these risks by maintaining its operating assets and having in place detailed contingency plans.

Potential impacts from natural disasters, terrorist incident or other accidents

Acts of terrorism, natural disasters and accidents all have the potential to have a negative impact on the ABPAH Group's ability to undertake its operations and implement projects. Examples of potential accidents include a ship running aground resulting in restricted access to a port, vessel collision, damage to lock gates or other equipment and damage to quayside infrastructure. The ABPAH Group cannot predict the extent to which terrorism, security alerts, natural disasters and other accidents may directly or indirectly impact its business and results of operations. The occurrence of any of these events at one or more of the ABPAH Group's ports or in the regions in which it operates may reduce the ABPAH Group's business volumes, cause delays in the arrival and departure of vessels or disruptions to its operations in part or in whole, may subject the ABPAH Group to liability or impact its brand and reputation and may otherwise hinder the normal operation of its ports, which could have a material adverse effect on the ABPAH Group's business, results of operations, financial condition or prospects. The ABPAH Group mitigates these risks by developing port security plans, procedures, and taking out relevant insurances, as well as having in place contingency plans across all of its operating locations, which are tested regularly by way of simulated exercises.

ABP is currently working closely with the Department for Transport's Maritime and Land Transport Security Directorate in its programme for implementation of the UK Port Security Regulations and the establishment of Port Security Authorities. As a result of the change in regulation and to ensure coordination of regulated security matters, ABP has recently appointed a Group Security Manager to oversee the implementation programme in the ABP Group's ports.

PROPERTY RISKS

Risks associated with limited investigation of title to properties

Investigation of ABPAH Group companies' title to real estate assets has been confined to some limited due diligence, done on a sampling basis, into the freehold and long leasehold titles to its operational land at three ports (Hull, Immingham and Southampton, being the largest in terms of revenue generation), including a review of Land Registry official copies and local authority searches, the latter from a planning enforcement and compulsory purchase perspective only. Such investigation of title has revealed the following risks, which may also apply to a greater or lesser extent to the ports that were not part of the sampling exercise:

- (a) the fact that not all registered freehold and long leasehold titles are held with title absolute, meaning that there is a very minor risk that a third party could, theoretically but potentially, have a better claim than ABP over certain (non-operational) parts of the ports. However, in Hull, Immingham and Southampton, all registered title is title absolute;
- (b) the existence of some historic compulsory purchase orders (on terms agreed with ABP) through which third parties have acquired small areas of ABPAH Group companies' land, mainly for mutually beneficial public highway improvement. As is potentially the case for almost any land in the United Kingdom, there could be future compulsory purchase orders obliging ABPAH Group companies to sell land to third parties with the requisite statutory powers; ABP would be entitled to compensation at market value but this may be insufficient to make good all losses which it thereby suffers. However, as a statutory undertaker (as defined within section 262 of the Town and Country Planning Act 1990), ABP (and its wholly owned subsidiaries, to the extent their activities carry out the statutory undertaking) may seek to rely on statutory protection against the grant of a compulsory purchase order which would then require ministerial consent to be confirmed. If a compulsory purchase order proposal went to a public enquiry, ABP would have the right to make representations. ABP is subject to a hostile compulsory purchase order in relation to the planning permission sought by the promoters of Able Marine Energy Park, who are seeking to have transferred to them an area of 5.5 acres of land, which is currently not used for port operational purposes, but is held as strategic development land by the port of Immingham. Aside from this, ABP has not, to the knowledge of existing management, been subject to hostile and successful compulsory purchase order proceedings;
- (c) the existence at Hull of compulsory purchase orders through which the local authority has exercised its statutory rights to acquire small areas of ABPAH Group companies' peripheral estate, but has not yet completed the conveyancing process. Any revenue accruing to those areas will subsequently be lost to ABP once the transfers are completed, albeit that ABP will receive compensation at full market value for the lost land. This compensation will, however, not cover loss of future revenues;
- (d) although ABP has extensive and detailed records of land use and ownership, there are a small number of missing plans and conveyances, some of which do not have evidence of correct stamp duty having been paid, which could make it difficult for ABP to prove its ownership to certain parts of the ports, should it need to do so. This has largely been dealt with in the past through statutory declarations of ownership made by ABP where records are, for whatever reason, incomplete in order to secure ownership. However, whether this is sufficient proof of ownership cannot be ascertained until such areas are registered at the Land Registry with title absolute.
- (e) that paragraph 21 of Schedule 3 of the Transport Act places restrictions on the properties in relation to entering into charges, including a maximum limit for any borrowings by or guarantees from ABP and its subsidiaries, and that any charge granted by ABP over its property cannot be registered against the registered title for a property without a certificate that the provisions of the said paragraph have been complied with. However, this should not prove to be a material issue, as there is no intention to grant security over the relevant properties;
- (f) that the long leasehold titles are subject to forfeiture provisions in favour of the Crown, and if triggered (by breach of any covenant contained in the leases, or by failure to pay rent when demanded) those interests in land would be lost, along with the revenue generated by them. It is not unusual for UK leases to contain such forfeiture provisions, and a landlord would in most circumstances seek to forfeit only if there is a serious breach of covenant where ABP has been given the opportunity to remedy the breach and has failed to do so. In addition, some of the freehold interests at Southampton port are subject to similar provisions in favour of the Crown, whereby if a rent charge payment is not paid, or there is a breach of

covenant contained in the relevant conveyances, then the Crown has the right (only if acting reasonably and ultimately subject to the courts) to take back the land and, in effect, render the relevant conveyance void. However, the rent charges are de minimis in amount, and payment has not been demanded for many years. Further, ABP has confirmed that the Crown has never exercised its right of re-entry (i.e. forfeiture) and will warrant in the Common Terms Agreement that it has complied in all material respects with its leasehold covenants. ABP could apply for relief from forfeiture, subject to the discretion of the court, and may be granted if, for example, damages would be an adequate remedy, would apply if a landlord or the Crown exercised its forfeiture or re-entry rights;

- (g) the existence of options in favour of the Crown to purchase certain freehold interests at Southampton port, which, if exercised, would result in those interests in land being lost, along with the revenue generated by them, although an agreed or arbitrated price would be paid to ABP to acquire the interests. However, there is no evidence of such options to purchase ever having been exercised at Southampton port. Further, ABP has confirmed that it would contest any such claim to acquire land other than by agreement;
- (h) a small area of the land at Southampton port is subject to historic overage obligations in favour of the British Railways Board. Overage is a payment triggered by a possible future event (such as a future development or sale). The amount of this overage is unknown, but the Company estimates that if it were triggered and held to be valid, it would be in the region of £50,000; and
- (i) a small area of the land at Southampton port is subject to a caution in favour of a third party to protect an easement for a diverted gas main. Negotiations with the relevant statutory undertaker over the form of easement are ongoing, but ABP has confirmed that the amount of land is very small in relation to the overall size of Southampton port and is not operationally significant.

Risks associated with unregistered title to properties

ABP has confirmed that the vast majority of the land at its ports is registered land owned by ABPAH Group companies but that there are, nevertheless, some unregistered freehold titles, in particular at its port in Hull where ABP is completing the process of voluntarily registering its unregistered titles. There could, for example, be third party rights or cautions against first registration or missing documents which could impede or delay this process. It is possible that the exercise of third party rights (such as rights of access or easements) could adversely affect the operations of ABP or its customers.

Risks due to potential defects in title

In light of the risks in relation to property described under “—*Risks associated with limited investigation of title to properties*” and “—*Risks associated with unregistered title to properties*” above, the Covenantors will provide certain real estate representations and warranties to the Issuer and the ABPA Security Trustee in the Common Terms Agreement. These will cover, *inter alia*, legal and beneficial ownership, ABP’s awareness of any challenges to its title, its compliance as tenant in all material respects with leasehold covenants, and receipt and awareness of notices and claims that may materially adversely affect the ongoing operation of the ports for their existing use.

Risks due to the reliance of ABPAH Group companies on the ownership of land for much of their revenue

As with any landlord company, revenues from tenants (and similarly, tenants’ ability to pay rent and service charges) are dependent on, *inter alia*, the general economic climate prevailing from time to time. If existing tenants are unable to pay rents or service charges at current levels, new or replacement tenants may, given current market conditions and rental values, not be willing to pay rents at the same levels, resulting in lower rental income at comparable occupancy levels. Conversely this could be an opportunity to replace historic tenancies with new modern tenancies on more favourable economic terms to ABP.

Risks that existing tenants could have security of tenure under their leases and could be difficult to remove if ABP does not wish to grant a new lease

Some of the agreements by which third parties occupy land which describe themselves as licences or services agreements could potentially be construed as leases. They either appear to grant exclusive possession of areas of land at the relevant port at a rent for a term longer than would be usual for a licence to occupy, or through implementing the agreements, the occupiers, in fact, enjoy exclusive possession. Such contracts, as well as many of the leases in place at the ports, may be protected by sections 24-28 of the Landlord and Tenant Act 1954, meaning that the tenant or licensee would not be required to vacate the premises at the end of the term unless the

relevant ABPAH Group company could establish grounds to oppose the grant of a new lease. This may not matter where ABP wishes to grant a new lease. However, where it is not willing to offer a renewal lease to a given tenant, in the absence of default by the tenant, an ABPAH Group company would be entitled to recover possession only if it could establish one of a limited number of grounds of opposition, and then would be obliged to pay compensation to the tenant (based on the rateable value of the property holding). Such grounds of opposition would include an intention by ABP to occupy the relevant land to carry out the business itself.

Risks due to the finance not being secured on the properties

The most important real estate assets of the ABPAH Group (including the Port Assets) will not form part of the ABPA Security. As a consequence (and by reason of the limitations imposed by the Transport Act described above) such assets cannot be realised by the ABPA Security Trustee to fund payments under the IBLA.

FINANCING RISKS

Market and financing risks

The ABPAH Group will need to raise further debt from time to time, among other things, in order to enable it to refinance Notes and other debt.

Therefore, the ABPAH Group is exposed to market risks resulting from any mismatch between its capital requirements and its ability to access capital in the future. The ABPAH Group's cost of funding may be influenced by, among other things, its own operating performance and general economic conditions. If financial markets deteriorate there could be an adverse effect on the ABPAH Group's ability to refinance its existing debt as and when required.

Moreover, the ABPAH Group is exposed to market risks resulting from any mismatch between the ABPAH Group's capital requirements and the revenue generated by its assets and through its services. The ABPAH Group's future capital requirements and level of expenses will depend on numerous factors, including the ABPAH Group's ability consistently to secure customer contracts on appropriate terms and at sufficiently competitive rates in the future, the amount of cash generated from operations, the level of demand for its port facilities and general industry and economic conditions. There can be no assurance that the ABPAH Group will be able to enter into new customer contracts on favourable terms upon the expiration or termination of customer contracts. The inability to cover long term funding costs through revenue streams could have a material adverse effect on the ABPAH Group's business, financial condition, results of operations or prospects.

The ABPAH Group will have a Hedging Policy in place to mitigate interest and currency risks arising from mismatches in cash flows received and payable from time to time. For more detail on the Hedging Policy see "*Summary of the Financing Agreements – Common Terms Agreement*".

Monitoring of compliance with warranties and covenants and the occurrence of Trigger Events, Loan Event of Defaults or Potential Loan Event of Defaults

Neither the ABPA Security Trustee nor the Issuer to monitor compliance

The STID provides that the ABPA Security Trustee is entitled to assume, unless it is otherwise disclosed in any Investor Report or Compliance Certificate or the ABPA Security Trustee is expressly informed otherwise, that no Trigger Event, Loan Event of Default or Potential Loan Event of Default has occurred which is continuing. The ABPA Security Trustee does not itself monitor whether any such event has occurred but (unless expressly informed to the contrary by ABPA) relies on the Investor Reports and Compliance Certificates to determine whether a Trigger Event, Loan Event of Default or Potential Loan Event of Default has occurred.

Furthermore, as the Issuer is a special purpose company, it will not, nor does it possess the resources to, actively monitor whether a Trigger Event, Loan Event of Default or a Potential Loan Event of Default has occurred, including, for this purpose, the continued accuracy of the representations and warranties made by the Covenantors and compliance by the Covenantors with their covenants and undertakings.

Accordingly, it falls to the Covenantors themselves to make these determinations. In this context, a number of these representations, warranties, covenants, undertakings and Loan Events of Default and Potential Loan Events of Default are qualified by reference to a relevant fact, matter or circumstance having a Material Adverse Effect. Whilst the criteria set out in the definition of "Material Adverse Effect" are on their face objective, it falls to the

Covenantors themselves to determine whether or not the relevant fact, matter or circumstance falls within any of the criteria and, as such, the determination will be subjective for so long as such determination is made by the Covenantors.

However, the Common Terms Agreement requires the Covenantors to inform the ABPA Security Trustee of the occurrence of any Trigger Event, Loan Event of Default and Potential Loan Event of Default promptly upon becoming aware of the same. In addition, the Covenantors are required to confirm in each Investor Report and each Compliance Certificate, each of which will be delivered to, among other recipients, the Issuer and the ABPA Security Trustee whether or not any Trigger Event, Loan Event of Default or Potential Loan Event of Default has occurred (and, if one has, what action is being, or proposed to be, taken to remedy it). Failure promptly to identify a Trigger Event or Loan Event of Default could have a material adverse effect on Noteholders' abilities to recover the full amount under the Notes.

Modifications, waivers and consents in respect of Common Documents and the Finance Documents

Power of ABPA Security Trustee and Note Trustee to approve amendments without Noteholder consent

ABPH as ABPAH Group Agent, may request the ABPA Security Trustee to agree to any modification to, or to give its consent to any event, matter or thing relating to, or grant any waiver in respect of, the Common Documents without any requirement to seek the approval of any ABPA Secured Creditor or any of their Secured Creditor Representatives in respect of a Discretion Matter.

The ABPA Security Trustee is entitled to exercise its discretion to approve a Discretion Matter if in the opinion of the ABPA Security Trustee, approval of the STID Proposal (a) is required to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature or (b) is not materially prejudicial to the interests of ABPA Secured Creditors (where "materially prejudicial" means that such modification, consent or waiver would have a material adverse effect on the ability of the ABPAH Group to perform its payment obligations to the ABPA Secured Creditors under the Finance Documents). The ABPA Security Trustee is not obliged to exercise its discretion and, if it chooses not to do so, the voting category selection procedures set out in the STID and described in the section "*Summary of the Financing Agreements — STID*" below, will apply.

The Issuer may also request the Note Trustee to agree to any modification to, or to give its consent to any event, matter or thing, or grant any waiver in respect of the Issuer Transaction Documents (subject as provided in the STID in relation to any Common Documents) without the consent or sanction of the Noteholders, the Receiptholders or the Couponholders of any Tranche or (subject as provided below) any other Issuer Secured Creditor.

The Note Trustee may, without the consent or sanction of the Noteholders concur with, or instruct the Issuer Security Trustee to concur with, the Issuer, the Issuer Security Trustee or any other relevant parties in making (a) any modification to the Conditions or the Issuer Transaction Documents (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which the Issuer Security Trustee holds security if, in the opinion of the Note Trustee, such modification is made to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature or (b) any modification (other than in respect of a Basic Terms Modification) to the Conditions or any Issuer Transaction Document (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which the Issuer Security Trustee holds security if the Note Trustee is of the opinion that such modification is not materially prejudicial (where "materially prejudicial" means that such modification, consent or waiver would have a material adverse effect on the ability of the Issuer to perform its payment obligations to the Issuer Secured Creditors under the Issuer Transaction Documents) to the interests of the Noteholders provided that to the extent such modification under (b) above relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

The Note Trustee may, without prejudice to its rights in respect of any subsequent breach or Note Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, waive or authorise (or instruct the Issuer Security Trustee to waive or authorise) any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Issuer Transaction Document (subject as provided in the STID in relation to any Common Documents) to which it is a party or in respect of which it holds security or determine that any event which would otherwise constitute a Note Event of Default shall not be treated as such for the purposes of the Note Trust Deed provided that

to the extent such event, matter or thing relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

There can be no assurance that any modification, consent or waiver in respect of the Common Documents or the Issuer Transaction Documents will be favourable to all Noteholders. Such changes may be detrimental to the interests of some or all Noteholders, despite the ratings of such Notes being affirmed.

Noteholders may have less control over STID Proposals than other ABPA Secured Creditors

The procedure for voting by the ABPA Secured Creditors (including the Issuer) is described below under “*Summary of the Financing Agreements – STID – STID Proposals*”. The voting procedures for Noteholders are described in the section entitled “*Summary of the Financing Agreements – Note Trust Deed*”.

In respect of modifications, waivers or consents relating to the provisions of the Common Documents, the votes of the Noteholders will be treated as a single class on a pound for pound basis with the other Qualifying ABPA Secured Creditors. The votes of the Noteholders cannot constitute a majority in respect of any Ordinary Voting Matter or Extraordinary Voting Matter until the Principal Amount Outstanding under the Notes is sufficiently greater than the amounts outstanding under all the other Authorised Credit Facilities (including the Initial Senior Facilities) to do so. On the Initial Issue Date, the Issuer (and indirectly the Noteholders) represented a minority among the holders of Qualifying ABPA Senior Debt and, therefore, the Noteholders initially had less control over decisions taken at the level of the Covenantors compared with the other ABPA Secured Creditors (although this may change over time as further Series of Notes are issued to refinance the Initial Senior Term Facilities). This is made more acute by the fact that only the votes of those Noteholders who participate within the specified Decision Period will be taken into account in relation to any Ordinary Voting Matter or Extraordinary Voting Matter whereas the entire outstanding principal amount under any other Authorised Credit Facility will be counted to both the numerator and the denominator in respect of the Quorum Requirement and majority required once the requisite minimum quorum and voting requirement has been met in respect of such facility. This right with respect to the other Authorised Credit Providers is referred to as a “drag-along right”.

It is possible that the interests of certain Qualifying ABPA Secured Creditors will not be aligned with the interests of a Series or Tranche of Noteholders, and it is possible that, in relation to votes on certain matters, by reason of the relative size of Qualifying ABPA Senior Debt that is capable of being voted by the Qualifying ABPA Secured Creditors other than the Issuer and the drag-along rights with respect to the other Qualifying ABPA Senior Debt, the ABPA Security Trustee is given an instruction which is not in the interests of Noteholders.

The STID also contains “snooze you lose” provisions with the consequence that ABPA Secured Creditors (including, indirectly, the Noteholders) who fail to participate in a vote or fail to assert an Entrenched Right within the applicable time period are not counted for the purposes of determining whether voting thresholds have been reached and are prevented from later asserting any applicable Entrenched Right retrospectively.

Irrespective of the result of voting at a meeting of Noteholders in relation to a proposed STID Proposal, any STID Proposal duly approved shall be binding on all of the Noteholders, Receiptholders and Couponholders (see “*Summary of the Financing Agreements – STID*”).

Hedging risks

In order to address interest rate risks, inflation rate risks and/or currency risks ABPA has, in accordance with the Hedging Policy, entered into ABPA Hedging Agreements as described further in “*Summary of the Financing Agreements – Initial ABPA Hedging Agreement*” below. ABPA is also permitted to enter into hedges (including, but not limited to, index-linked instruments) to hedge its forecast operating revenues or operating or capital expenditures. However, there can be no assurance that the ABPA Hedging Agreements adequately address the hedging risks that ABPA will face from time to time. In addition, the ABPAH Group may find itself over- or under-hedged, which could lead to financial stress.

As described in “*Summary of the Financing Agreements – Common Terms Agreement – Hedging Policy*”, ABPA is required to ensure that, at any time, a minimum of 75 per cent. of the total outstanding Relevant Debt is either (a) fixed rate, (b) index-linked or (c) effectively bears either a fixed rate or an index-linked rate of interest for a period of at least 7 years pursuant to Hedging Agreements; and the aggregate notional amount of Hedging Agreements does not exceed 110 per cent. of the total Relevant Debt.

The Issuer and ABPA may be left exposed to interest rate risk, inflation rate risk or currency risk in the event that there is an early termination of any ABPA Hedging Agreement. An ABPA Hedging Agreement may be terminated in the circumstances set out in “*Summary of the Financing Agreements — Initial ABPA Hedging Agreements*”, including where the ABPA Hedge Counterparty, as applicable, is required to gross up for, or receive, payments from which tax has been required to be deducted or withheld by law, which requirement has not been able to be avoided, notwithstanding the ABPA and the ABPA Hedge Counterparty, having used reasonable efforts so to do in accordance with the relevant Hedging Agreement or where a Hedge Counterparty fails to pay ABPA under the relevant Hedging Agreement. If an ABPA Hedging Agreement is terminated and ABPA is unable to find a replacement ABPA Hedge Counterparty, the funds available to ABPA may be insufficient to meet its obligations in full, including under an IBLA, as a result of adverse fluctuations in interest rates and exchange rates or making any termination payment to the ABPA Hedge Counterparty.

For details of ABPA’s option to terminate under the APBA Hedging Agreements, see the section headed “*Summary of the Financing Agreements – Common Terms Agreement – Hedging Policy*”.

If the Issuer enters into any Hedging Agreement in the future (which it is permitted to do in accordance with the Hedging Policy), it will be subject to similar risks to those described above in relation to ABPA’s Hedging Agreements.

Absence of credit rating triggers in Hedging Agreements and obligations to post collateral on downgrade

Although the Issuer and ABPA are only permitted to enter into Hedging Transactions with suitably rated counterparties (see “*Summary of the Financing Agreements – Common Terms Agreement – Hedging Policy – Principles relating to Hedge Counterparties*”) the Hedging Agreements will not include early termination triggers referencing the credit ratings of the relevant Hedge Counterparties. As a consequence, ABPA (and, if applicable, the Issuer) will not be entitled to replace Hedge Counterparties with more creditworthy counterparties in the event they are downgraded and the Hedge Counterparties will not be obliged to post collateral under such circumstances. Such downgrades may lead to the credit ratings of the Notes being downgraded.

The mark to market value of ABPA’s Hedging Agreements as of 30 April 2013 was £685.6m in favour of the swap counterparties.

ABPA Liquidity Facilities

The ABPA Liquidity Facilities are intended to be available to enable ABPA to cover ABPA Liquidity Shortfalls. However, there can be no assurance that funds available under the ABPA Liquidity Facilities will be sufficient to cover any such shortfall. This may lead to an early termination of one or more ABPA Hedging Agreements or a default under the Authorised Credit Facilities supported by the ABPA Liquidity Facilities and, subsequently, a default under the Common Terms Agreement. Any such default could adversely affect the ability of ABPA to make payments to the Issuer under an IBLA and adversely affect the Issuer’s ability to make payments under the Notes.

Issuer Liquidity Facilities

The Issuer Liquidity Facilities are intended to cover Issuer Liquidity Shortfalls. However, there can be no assurance that any such shortfall will be met in whole or in part by the Issuer Liquidity Facilities. If such shortfalls cannot be met, the Issuer may not have sufficient funds to make timely payments under the Notes.

High leverage

The ABPAH Group has a substantial amount of outstanding indebtedness with significant debt service requirements. This significant leverage could have important consequences including:

- (a) requiring the ABPAH Group to use cash to pay other ABPA Senior Debt which could otherwise be used to satisfy its obligations under an IBLA;
- (b) requiring the ABPAH Group to dedicate a substantial portion of its cashflow from operations to payments on its debt obligations, thus reducing the availability of its cashflow to fund growth and for other general corporate purposes; and
- (c) increasing the ABPAH Group’s vulnerability to a downturn in its business or economic or industry conditions.

Dependence on payments under intergroup debt and dividends

ABPA does not itself hold any of the operating assets of the ABPAH Group. In order to meet its payment obligations under an IBLA, ABPA is reliant (directly and indirectly) on payments on unsecured company loans and dividends from its subsidiaries which do own operating assets, including ABP (and, therefore, are subordinated to other costs of ABP such as operating costs, tax liabilities, pensions liabilities and amounts owed to other trade creditors). As such, the ability of ABPA and consequently the Issuer to meet their financial obligations is dependent on receipt of payments from such sources.

TAX RISKS

Securitisation Company Tax Regime

The Taxation of Securitisation Companies Regulations 2006 (the “**TSC Regulations**”) were made under section 84 of the Finance Act 2005 on 11 December 2006 (and now take effect under Chapter 4, Part 13, of the Corporation Tax Act 2010). The TSC Regulations deal with the corporation tax position of securitisation companies with effect for periods of account beginning on or after 1 January 2007. The TSC Regulations have been amended by, in particular, the Taxation of Securitisation Companies (Amendment) Regulations 2007, which came into force on 27 December 2007 (and have effect for periods beginning on or after 1 January 2007). The Issuer expects to be taxed in accordance with the TSC Regulations.

If the TSC Regulations apply to a company, then, broadly it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents.

Prospective investors should note, however, that the TSC Regulations are in short form and that, when considering the scope and operation of the TSC Regulations, advisers are expected to rely to a significant extent upon guidance from the UK tax authorities.

Prospective investors should note that if the Issuer were not taxed under the regime provided for by TSC Regulations, then its profits or losses for tax purposes might be different from its cash position. Any unforeseen taxable profits in the Issuer could have an adverse affect on its ability to make payments to Noteholders.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during such period they elect otherwise) operate a withholding tax in relation to such payments. The transitional period will end after an agreement on exchange of information is reached between the European Union and certain non-European Union states. A number of non-European Union states (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system, or through another country that has adopted similar measures, and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. However, the Issuer will endeavour to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive (if there is any such Member State).

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their tax position should consult their professional advisers.

Withholding Tax under the Notes

In the event that withholding taxes are imposed in respect of payments due in respect of the Notes, neither the Issuer nor any other person is obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax.

INSOLVENCY CONSIDERATIONS

Floating charges over the assets that secure the Notes and the IBLAs will be subject to rights of third parties in certain circumstances

The ABPA Security and the Issuer Security includes floating charges. On insolvency, certain third party claims against the companies that have granted the floating charges would have priority over the claims secured by the floating charges. In particular, the expenses of any winding up, liquidation or administration and certain claims of employees as preferred creditors would rank ahead of the claims secured by the floating charges. In addition, any administrative receiver, administrator or liquidator appointed in respect of a company that has granted a floating charge would be required to set aside a prescribed percentage of the moneys realised upon enforcement of that floating charge up to a maximum amount of £600,000 for application in or towards the claims of the company's unsecured creditors.

The assets which are subject to the floating charges securing the Notes and the IBLAs may be disposed of in certain circumstances without the consent of the ABPA Security Trustee or the Issuer Security Trustee (as the case may be). In particular, in such circumstances, an administrator has the right to dispose of such assets free of the security interests constituted by the floating charges. It is also the case that by their nature floating charges (which are intended to provide a means whereby security can be taken over fluctuating collections of assets) leave the companies that have granted them free to deal with the charged assets in the ordinary course of business until the security is enforced, with the result that the assets can be sold in the ordinary course of business to (or subjected to fixed charges in favour of) third parties free and clear of the security interests constituted by the floating charges.

Appointment of administrative receiver

The Insolvency Act restricts the right of the holder of a floating charge to appoint an administrative receiver (unless the security was created prior to 15 September 2003 or an exception applies) and instead give primacy to collective insolvent procedures (in particular, administration).

The Insolvency Act contains provisions that allow for the appointment of a receiver in relation to certain transactions in the capital markets. The relevant exception (the “**capital markets exception**”) provides that the appointment of an administrative receiver is not prohibited if it is made in pursuance of an agreement which is or forms part of a capital market arrangement (as defined in the Insolvency Act) under which a party incurs or, when such agreement was entered into was expected to incur, a debt of at least £50,000,000 and if the arrangement involves the issue of capital market investment (also defined in the Insolvency Act), but generally rated, listed or traded debt instrument). Whilst there is as yet no case law on how the capital markets exception will be interpreted and, accordingly, it is not possible to say whether in the circumstances of this financing structure, where the floating charges are created to support both bank and capital market debt, it would be possible to appoint an administrative receiver to the Security Providers or the Issuer. Were it not to be possible to appoint an administrative receiver in respect of one or more of the Security Providers or the Issuer, they would in all likelihood be subject to administration if they were to become insolvent.

The UK Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be given that any such modification or provision in respect of the capital market exception, or its ceasing to be applicable to the transactions described herein, will not be detrimental to the interests of the Noteholders.

It will not be possible to appoint an administrative receiver over ABP or its subsidiaries.

SECURITY RISKS

Enforcement of security

No security has been granted over the operating assets of the ABPAH Group for the purposes of securing the obligations of ABPA under an IBLA. ABPH has given security over its ownership interests in ABP but it is not clear how such security would be enforced. As such the security for the obligations of ABPA and the Security Providers under an IBLA and the Issuer under the Notes respectively does not include any security over any operating assets of the ABPAH Group.

Recharacterisation of fixed security interest

There is a possibility that a court could find that the fixed security interests expressed to be created by the ABPA Security Documents and the Issuer Deed of Charge could take effect as floating charges as the description given to them as fixed charges is not determinative.

Where the chargor is free to deal with the secured assets without the consent of the chargee, the Court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, among other things, on whether the ABPA Security Trustee or, as the case may be, the Issuer Security Trustee has the requisite degree of control over the chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the ABPA Security Trustee or, as the case may be, the Issuer Security Trustee in practice.

If the fixed security interests are recharacterised as floating security interests, the claims of (a) the unsecured creditors of the chargor in respect of that part of the chargor's net property which is ring-fenced under the Insolvency Act 1986 and (b) certain statutorily defined preferential creditors of the chargor, would have priority over the rights of the ABPA Security Trustee or the Issuer Security Trustee, as the case may be, to the proceeds of enforcement of such security. As a result, the full amount of the proceeds of enforcement of the security may not be available to repay an IBLA or the Notes (as applicable).

A receiver appointed by the ABPA Security Trustee or the Issuer Security Trustee would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the ABPA Secured Creditors and the Issuer Secured Creditors (including the Noteholders), respectively. Under the Insolvency Act the only categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production.

On 6 April 2008, a provision in the Insolvency Act came into force which effectively reversed by statute the House of Lords' decision in the case of *Buchler & Another v. Talbot & Ors* [2004] UKHL 9. Accordingly, it is now the case that the costs and expenses of a liquidation (including corporation tax on capital gains) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain limited circumstances, the court). If the ABPA Security Trustee or the Issuer Security Trustee (as applicable) were prohibited from appointing an administrative receiver by virtue of the amendments made to the Insolvency Act by the Enterprise Act 2002, or failed to exercise its right to appoint an administrative receiver within the relevant notice period and the chargor (in respect of which an administrative receiver is unlikely to be able to be appointed) were to go into administration, the expenses of the administration would also rank ahead of the claims of the ABPA Security Trustee or the Issuer Security Trustee as floating charge holder (as applicable). Furthermore, in such circumstances, the administrator would be free to dispose of floating charge assets without the leave of the court, although the ABPA Security Trustee or the Issuer Security Trustee (as the case may be) would have the same priority in respect of the property of the company representing the floating charge assets disposed of, as it would have had in respect of such floating charge assets. This disposal could adversely affect the Noteholders.

Section 245 of the Insolvency Act provides that, in certain circumstances, a floating charge granted by a company may be invalid in whole or in part. If a floating charge is held to be wholly invalid then it will not be possible to appoint an administrative receiver of such company and, therefore, it will not be possible to prevent the appointment of an administrator of such company. If a liquidator or administrator is appointed to the chargor within a period of two years (the "relevant time") commencing upon the date on which the chargor grants a floating charge, the floating charge granted by the chargor will be invalid pursuant to section 245 of the Insolvency Act except to the extent of the consideration received by the relevant chargor at the time of or after the creation of the floating charge. The Issuer will have received consideration (including, the subscription moneys for the Notes) and ABPA will have received consideration (including the initial drawing on an IBLA). As such, during the relevant time the floating charge granted by the Issuer will be valid to the extent of the amount of Notes issued by the Issuer and the floating charges granted by ABPA will be valid to the extent of the amount drawn by ABPA under an IBLA and the Initial Senior Facilities Agreement. However, such limitation on the validity of the floating charges will not of itself affect the ability of the ABPA Security Trustee to appoint an administrative receiver to ABPA. After the relevant time it will not be possible for the floating charges granted by each of the Issuer or ABPA to be invalidated under section 245 of the Insolvency Act.

RANKING OF CLAIMS

General

Although the ABPA Security Trustee holds the benefit of the ABPA Security on trust for the ABPA Secured Creditors (including the Issuer), certain ABPA Secured Creditors rank ahead of the Issuer in point of priority of payment and security. Such persons include, among others, the ABPA Security Trustee (in its individual capacity), Super Senior APBA Hedge Counterparties and the Liquidity Facility Providers and the ABPA Account Bank in respect of certain amounts owed to them. Certain ABPA Secured Creditors including the Initial Facilities Providers rank *pari passu* with the Issuer. To the extent that significant amounts are owed to ABPA Secured Creditors which rank in priority to or *pari passu* with the Issuer, the amounts available to the Issuer and consequently the amounts which are available for payment to the Noteholders will be reduced.

In addition, it should be noted that unsecured creditors of the Security Providers, such as trade creditors and suppliers, although subordinate to ABPA Secured Creditors (with respect to the assets which are subject to security), are not parties to the Common Terms Agreement or the STID (other than ABPS) and have rights of action in respect of their debts which are independent from those of the ABPA Secured Creditors. Although the aggregate amount of unsecured debt that the ABPAH Group can incur is restricted under the Common Terms Agreement, any unsecured creditor is able to petition for a winding-up or administration of any Covenantor (other than ABP, which in any event does not have any payment obligation under the Finance Documents) who is liable for such debts if any such Covenantor fails to make payments when they fall due. Any such action may result in the occurrence of an Insolvency Event which constitutes a Loan Event of Default and may lead to delivery of a Loan Enforcement Notice. To the extent that the Covenantors have insufficient sums to meet all obligations in full, this could adversely affect ABPA's ability to make payments under an IBLA and consequently the Issuer's ability to make payments of interest and principal under the Notes.

Certain of the assets that secure an IBLA are subject to floating charges governed by English law. As a matter of law, certain third party claims against the companies that have granted the floating charges would have priority over the claims secured by the floating charges. In particular, the expenses of any winding up, liquidation or administration and certain claims of employees as preferred creditors would rank ahead of the claims secured by the floating charges. In addition, any administrative receiver, administrator or liquidator appointed in respect of a company that has granted a floating charge would be required to set aside a prescribed percentage of the moneys realised upon enforcement of that floating charge up to a maximum amount of £600,000 for application in or towards the claims of the company's unsecured creditors (see "*Risk Factors - Insolvency Considerations - Appointment of administrative receiver*" above).

OTHER LEGAL RISKS

Change of law

It is possible that, whether as a result of case law or through statute, changes in law or regulations, or their interpretation or application, may result in the ABPAH Group's debt financing arrangements as originally structured no longer having the effect anticipated or which could have a material adverse effect on the ABPAH Group's business, financial condition and results of operations and/or could adversely affect the rights, priorities of payments and/or treatment of holdings in Notes for Noteholders.

THE ISSUER AND NOTE CONSIDERATIONS

Notes obligations of the Issuer only

None of the Notes will be obligations of, nor will they be guaranteed by any party other than the Issuer, although ABPAH has granted security over the shares in the Issuer to the Issuer Security Trustee pursuant to the Issuer Deed of Charge to support the obligations of the Issuer to the Issuer Secured Creditors including the Noteholders. Furthermore, the Notes are limited recourse obligations of the Issuer and no person other than the Issuer (other than with respect to the aforementioned security) accepts any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Special purpose vehicle issuer

The Issuer is a special purpose financing entity with no business operations other than raising external funding through the issuance of the Notes, borrowing under the Issuer Liquidity Facilities and, should it choose to do so,

entering into various Issuer Hedging Agreements. Other than the proceeds of the issuance of Notes, the Issuer's principal source of funds are the IBLAs, the Issuer Liquidity Facilities and the Issuer Hedging Agreements (if any are entered into).

Therefore, the Issuer is subject to all the risks relating to income and expenses to which the Security Providers are subject. Such risks could limit funds available to ABPA to enable ABPA to satisfy in full and on a timely basis its obligations under, or in respect of, the IBLAs and, therefore, the amounts available to the Issuer to make payments in respect of the Notes.

Issuer Security

Although the Issuer Security Trustee holds the Benefit of the Issuer Security on trust for the Noteholders, such security interests are also held on trust for certain third parties. Certain of the Issuer's obligations to such third parties rank ahead of the Noteholders. Such persons include, *inter alios*, the Note Trustee (in its individual capacity), any Super Senior Issuer Hedge Counterparties, the Issuer Liquidity Facility Providers, the Registrar, the Transfer Agents, the Paying Agents and the Issuer Account Bank in respect of certain amounts owed to them (see "*Summary of the Financing Agreements — Issuer Deed of Charge*"). To the extent that significant amounts are owing to any such persons, the amounts available to Noteholders will be reduced.

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable Final Terms or Drawdown Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, the market value of the Notes may fluctuate for a number of reasons including as a result of prevailing market conditions, current interest rates and the perceived creditworthiness of the Issuer and the ABPAH Group. Any perceived threat of insolvency or other financial difficulties of the ABPAH Group or a less favourable outlook of the port industry in the UK could result in a downgrade of ratings and/or a decline in market value of the Notes.

Conflict of interest

The Note Trust Deed requires the Note Trustee to have regard to the interests of all the Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee as if they formed a single class (except where expressly required otherwise). However, the Note Trust Deed also requires that, in the event of a

conflict of interest between the holders of two or more Tranches of Notes, it shall have regard to the interests of the holders of the Tranche of Notes then outstanding with the greatest Principal Amount Outstanding.

Limited liquidity of the Notes; Absence of secondary market for the Notes

There can be no assurance that a secondary market for the Notes will develop, or, if a secondary market does develop for any of the Notes issued after the date of this Base Prospectus, that it will provide any holder of Notes with liquidity or that any such liquidity will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of the Notes.

The liquidity and market value at any time of the Notes are affected by, among other things, the market view of the credit risk of such Notes and will generally fluctuate with general interest rate fluctuations, general economic conditions, the condition of certain financial markets, international political events and the performance and financial condition of the Covenantors.

Rating of the Notes

A rating is not a recommendation to buy, sell or hold securities and will depend, among other things, on certain underlying characteristics of the ABPAH Group and financial condition of the Covenantors from time to time.

The ratings assigned by the Rating Agencies to the Notes reflect only the views of the Rating Agencies and in assigning the ratings the Rating Agencies take into consideration the credit quality of the ABPAH Group and structural features and other aspects of the transaction. There can be no assurance that such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in, or unavailability of, information or if, in the Rating Agencies' judgment, circumstances so warrant. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced. Future events, including events affecting the ABPAH Group and/or circumstances relating to the port industry generally, could have an adverse impact on the ratings of the Notes.

Certain risks related to Indexed Notes

The Issuer may issue Notes with principal or interest determined by reference to the UK Retail Price Index. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) the UK Retail Price Index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if the UK Retail Price Index is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the UK Retail Price Index on principal or interest payable likely will be magnified; and
- (g) the timing of changes in the UK Retail Price Index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the UK Retail Price Index, the greater the effect on yield.

The historical performance of the UK Retail Price Index should not be viewed as an indication of the future performance of such index during the term of any Indexed Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Indexed Notes and the suitability of such Notes in light of its particular circumstances.

Certain risks related to variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Certain risks related to inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Certain risks related to Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Certain risks related to Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Certain risks related to Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Changes to the risk-weighted asset framework

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in certain securitisation exposures and/or the incentives for certain investors to invest in securities issued under such structures, and may thereby affect the liquidity of such securities.

In particular, Directive 2006/48/EC and Directive 2006/49/EU, in each case as amended (together, the “**CRD**”) has been amended by Directive 2009/111/EC (the “**CRD2**”) which, among other things, inserts Article 122a into the CRD.

Article 122a provides that an EU credit institution shall only be exposed to the credit risk of a securitisation position if (a) the originator, sponsor or original lender has represented that it will retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5 per cent. and (b) it is able to demonstrate to its regulator on an ongoing basis that it has a comprehensive and thorough understanding of the key terms, risks and performance of each securitisation position in which it is invested. Failure by an EU credit institution investor to comply with the requirements of Article 122a in relation to any applicable investment will result in an increased capital charge to or increased risk-weighting applying to such investor in respect of that investment.

No retention representation of the sort referred to in the preceding paragraph has been made in relation to this transaction.

The Issuer is of the opinion that the Notes do not constitute an exposure to a “securitisation position” for the purposes of Article 122a. The Issuer is, therefore, of the opinion that the requirements of Article 122a should not apply to investments in the Notes.

Investors should be aware that the regulatory capital treatment of any investment in the Notes will be determined by the interpretation which an investor’s regulator places on the provisions of CRD (as amended by CRD2) and the provisions of national law which implements it. Prospective investors should therefore be aware that should the relevant investor’s regulator interpret the regulations such that Article 122a does apply to an investment in the Notes, significantly higher capital charges may be applied to that investor’s holding. Although market participants have, in consultations relating to these regulatory reforms, requested guidance on the structures captured by the definitions, no definitive guidance has been forthcoming. Therefore, some uncertainty remains as to which transactions are subject to Article 122a. The Dealers do not make any representation in respect of the application of Article 122a (or indeed any regulation with a similar or equivalent effect to Article 122a) to any investment in the Notes. Investors should consult with their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Notes.

Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors, including investment firms, insurance or reinsurance undertakings, UCITS and alternative investment funds.

Article 122a and/or any further changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In addition, implementation of and/or changes to the Basel II framework may affect the capital requirements and/or the liquidity of the Notes.

The Basel II framework has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are, or may become, subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as “**Basel III**”), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and minimum leverage ratio for credit institutions. In particular, the changes refer to among other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and on 20 July 2011 the European Commission adopted a legislative package of proposals (known as the Capital Requirements Directive (“**CRD IV**”)) to implement the changes through the replacement of the existing Capital Requirements Directive with CRD IV and a capital requirements regulation (“**CRR**”). Drafts of CRD IV and CRR have been released by the European Commission but are not yet published in final form. The new rules will apply from 1 January 2014 if publication takes place in the Official Journal by 30 June 2013. As with Basel III, the proposals contemplate full implementation of the new legislation by January 2019; however the proposals allow individual member states to implement the stricter definition and/or level of capital more quickly than is envisaged under Basel III.

Investors in the Notes are responsible for analysing their own regulatory position and should not rely on the Issuer’s opinion set out above. Investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures and other applicable laws and regulations applicable to the investment in, and the holdings of securities such as the Notes, including without limitation, the Solvency II Directive and the Alternative Investment Fund Managers Directive. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Denominations and trading

The Notes will be either Bearer Notes or Registered Notes as specified in the applicable Final Terms or applicable Drawdown Prospectus and serially numbered in the Specified Denomination(s) provided that in the case of any

Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a member state of the EEA (a “**Member State**”) in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 or not less than the equivalent of €100,000 in any other currency as at the date of issue of the relevant Notes.

Notes may be issued in the minimum Specified Denomination and higher integral multiples of a smaller amount if specified, in the applicable Final Terms. However, if Definitive Notes for such a Tranche of Notes are required to be issued and printed, any Noteholders will not be entitled to receive a Definitive Note in respect of amounts which are smaller than the Specified Denomination and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Book-entry form of Notes

The Notes will initially only be issued in global form and deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Global Notes and Global Note Certificates will trade in book-entry form only. The common depositary, or its nominee, for Euroclear and Clearstream, Luxembourg will be the sole holder of the Global Notes and Global Note Certificates representing the Notes. Accordingly, owners of book-entry interests must rely on the procedures of Euroclear and Clearstream, Luxembourg, and non-participants in Euroclear or Clearstream, Luxembourg must rely on the procedures of the participant through which they own their interests, to exercise any rights and obligations of a Noteholder.

Unlike the Noteholders themselves, owners of book-entry interests will not have the direct right to act upon the Issuer’s solicitations for consents, requests for waivers or other actions from holders of the Notes. The procedures to be implemented through Euroclear and Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent Notes are permissible legal investments for it, Notes can be used as security for indebtedness and other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes are subject to exchange rate risks and exchange controls risks.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a Noteholder’s financial activities are denominated principally in a currency or currency unit (the “**Noteholder’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Noteholder’s Currency) and the risk that authorities with jurisdiction over the Noteholder’s Currency may impose or modify exchange controls. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. Moreover, if payments on certain Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between such currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. An appreciation in the value of the Noteholder’s Currency relative to the Specified Currency would decrease the Investor’s Currency-equivalent yield on the Notes, the Noteholder’s Currency-equivalent value of the principal payable on the Notes and the Noteholder’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past and continue to do so) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

USE OF PROCEEDS

The gross proceeds from each issue of Notes issued under the Programme will be on-lent to ABPA under the terms of the IBLAs to be applied by ABPA for the general corporate purposes of the ABPAH Group.

DESCRIPTION OF THE ISSUER AND THE COVENANTORS

ABP Acquisitions UK Limited

ABPA was incorporated under the Companies Act 1985 and registered in England and Wales on 7 June 2006 as a private limited company with number 5839361. ABPA's registered office is at Aldwych House, 71-91 Aldwych, London WC2B 4HN and its telephone number is 020 7430 1177. ABPA is a wholly owned subsidiary of ABPAH. Its issued share capital is £0.01, comprising 1 ordinary share of £0.01.

Management and Employees

The current directors and company secretary of ABPA and their respective business addresses and principal activities are set out below.

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Kenton Edward Bradbury	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Director, Infracapital, M&G Investment Management Limited
Philippe Anastase Busslinger	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Senior Vice President, Borealis Infrastructure Management Inc
Philippe Louis Hubert Camu	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Participating Managing Director, The Goldman Sachs Group, Inc
Edward (Ed) Hilton Clarke	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Co-Founder and Director, Infracapital, M&G Investment Management Limited
George Philip Roger Kay	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Senior Vice President, GIC Special Investments
David William Kerr	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Senior Vice President, GIC Special Investments
Peter Robert Lyneham	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Managing Director, Merchant Banking Division, Goldman Sachs International

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
John James McManus	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Executive Vice President, Borealis Infrastructure Management Inc
John Michael (Michael) Rolland	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	President and CEO, Borealis Infrastructure Management Inc
Ann Rutter	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Company Secretary	Deputy Secretary, Associated British Ports

For any actual or potential conflict of interest between the duties to ABPA of the persons listed above and their private interests or duties, see the section headed “*Conflicts of Interest*” below.

Associated British Ports Holdings Limited

ABPH was incorporated under the Companies Acts 1948 to 1980 and registered in England and Wales on 8 February 1982 as a private limited company with number 1612178. ABPH was re-registered as a public limited company on 4 January 1983 and was listed on the London Stock Exchange in February 1983. ABPH was subsequently de-listed in August 2006 and was re-registered as a private limited company on 3 November 2006. ABPH’s registered office is at Aldwych House, 71-91 Aldwych, London WC2B 4HN and its telephone number is 020 7430 1177. ABPH is a wholly owned subsidiary of ABPA and its issued share capital at 21 May 2013 is £77,502,613.25 divided into 310,010,453 ordinary shares of £0.25 each.

Management and Employees

The current directors and company secretary of ABPH and their respective business addresses and principal activities are set out below.

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Kenton Edward Bradbury	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Director, Infracapital, M&G Investment Management Limited
George Sebastian (Sebastian) Matthew Bull	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Executive Director	Chief Financial Officer, Associated British Ports Holdings Limited
Philippe Anastase Busslinger	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Senior Vice President, Borealis Infrastructure Management Inc

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Philippe Louis Hubert Camu	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Participating Managing Director, The Goldman Sachs Group, Inc
James Nigel Shelley Cooper	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Executive Director	Chief Executive, Associated British Ports Holdings Limited
Edward (Ed) Hilton Clarke	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Co-Founder and Director, Infracapital, M&G Investment Management Limited
Thomas Dewitt Ferguson II	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Director, Archon Group, a subsidiary of Goldman Sachs
Andrew Charles Garner	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Company Secretary	General Counsel and Company Secretary, Associated British Ports Holdings Limited
George Philip Roger Kay	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Senior Vice President, GIC Special Investments
David William Kerr	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Senior Vice President, GIC Special Investments
Peter Robert Lyneham	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Managing Director, Merchant Banking Division, Goldman Sachs International
John James McManus	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Executive Vice President, Borealis Infrastructure Management Inc

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
John Victor Morea	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Chief Executive Officer, Scotia Gas Networks Limited
Douglas (Doug) Downie Morrison	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Executive Director	Port Director, Associated British Ports Holdings Limited
John Michael (Michael) Rolland	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	President and CEO, Borealis Infrastructure Management Inc
Robert Joris Willem Walvis	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Non-Executive Chairman	Chairman, Associated British Ports Holdings Limited and Chairman of the Supervisory Board, Allianz Nederland Groep NV

For any actual or potential conflict of interest between the duties to ABPH of the persons listed above and their private interests or duties, see the section headed “*Conflicts of Interest*” below.

Associated British Ports

ABP is a body corporate constituted pursuant to a specific act of Parliament, the Transport Act 1981, on 31 December 1982 with reference number ZC000195. ABP’s principal office is at Aldwych House, 71-91 Aldwych, London WC2B 4HN and its telephone number is 020 7430 1177. Under the Transport Act 1981, ABPH has powers in relation to ABP corresponding to the powers of a holding company over a wholly owned subsidiary and accordingly ABP is deemed to be a wholly owned subsidiary of ABPH.

Management and Employees

The current directors and secretary of ABP and their respective business addresses and principal activities are set out below.

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
George Sebastian (Sebastian) Matthew Bull	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Chief Financial Officer, Associated British Ports Holdings Limited
James Nigel Shelley Cooper	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Chief Executive, Associated British Ports Holdings Limited

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
John Bernard Fitzgerald	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Not Applicable
Andrew Charles Garner	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Company Secretary	General Counsel and Company Secretary, Associated British Ports Holdings Limited
Matthew (Matt) Scott Jukes	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Not Applicable
Matthew Brandon Kennerley	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Not Applicable
Douglas (Doug) Downie Morrison	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Executive Director, Associated British Ports Holdings Limited
Nicholas (Nick) James Ridehalgh	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Not Applicable
Ian Harvey Schofield	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Not Applicable

For any actual or potential conflict of interest between the duties to ABP of the persons listed above and their private interests or duties, see the section headed “*Conflicts of Interest*” below.

ABPAH

ABPAH was incorporated under the Companies Act 2006 and registered in England and Wales on 14 November 2011 as a private limited company with number 07847153. ABPAH’s registered office is at Aldwych House, 71-91 Aldwych, London WC2B 4HN and its telephone number is 020 7430 1177. ABPAH is a wholly owned subsidiary of ABP SubHoldings UK Limited and its issued share capital is £1,000.00, made up of 1,000 ordinary shares of £1.00.

Management and Employees

The current directors and company secretary of ABPAH and their respective business addresses and principal activities are set out below.

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Kenton Edward Bradbury	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Director, Infracapital, M&G Investment Management Limited
Philippe Anastase Busslinger	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Senior Vice President, Borealis Infrastructure Management Inc
Philippe Louis Hubert Camu	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Participating Managing Director, The Goldman Sachs Group, Inc
Edward (Ed) Hilton Clarke	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Co-Founder and Director, Infracapital, M&G Investment Management Limited
George Philip Roger Kay	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Senior Vice President, GIC Special Investments
David William Kerr	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Senior Vice President, GIC Special Investments
Peter Robert Lyneham	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Managing Director, Merchant Banking Division, Goldman Sachs International
John James McManus	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Executive Vice President, Borealis Infrastructure Management Inc
John Michael (Michael) Rolland	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	President and CEO, Borealis Infrastructure Management Inc

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Ann Rutter	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Company Secretary	Deputy Secretary, Associated British Ports

For any actual or potential conflict of interest between the duties to ABPAH of the persons listed above and their private interests or duties, see the section headed “*Conflicts of Interest*” below.

The Issuer

The Issuer was incorporated under the Companies Act 2006 and registered in England and Wales on 14 November 2011 as a public limited company with number 07847174. The Issuer’s registered office is at Aldwych House, 71-91 Aldwych, London WC2B 4HN and its telephone number is 020 7430 1177. The Issuer is a wholly owned subsidiary of ABPAH and its issued share capital is £50,000, made up of 50,000 ordinary shares of £1.00 each. Since the date of incorporation, no options to acquire shares have been issued or authorised. Since its incorporation up to the date of this Prospectus, the Issuer has not paid any dividends.

Principal Activities

The Issuer was formed with a view to raise or borrow money and to grant security over its property for the performance of its obligations or the payment of money, to lend money and to invest in and acquire loans and other similar investments.

The Issuer is organised as a special purpose company. The Issuer was established to raise capital by the issue of Notes and to on-lend the proceeds of such issue of Notes to ABPA. The Issuer is and is obliged to remain resident in the United Kingdom for United Kingdom tax purposes.

The Issuer has not engaged, since its incorporation, and does not expect to engage, in any activities other than those incidental to (i) the authorisation and issue of the Notes; (ii) the ownership of such interests and other assets referred to herein; (iii) the making of loans to other companies in the ABPAH Group; (iv) the other matters contemplated in this Prospectus; (v) the authorisation and execution of the other documents to which it is or will be a party; and (vi) other matters which are incidental or ancillary to those activities.

The Issuer has entered into the Finance Documents to which it is party for the purpose of making a profit. The Issuer has no subsidiaries, employees or executive directors.

Management and Employees

The current directors and company secretary of the Issuer and their respective business addresses and principal activities are set out below.

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Kenton Edward Bradbury	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Director, Infracapital, M&G Investment Management Limited

<i>Name</i>	<i>Business Address</i>	<i>Principal Activities</i>	<i>Other Principal Activities</i>
Philippe Anastase Busslinger	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Senior Vice President, Borealis Infrastructure Management Inc
Philippe Louis Hubert Camu	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Participating Managing Director, The Goldman Sachs Group, Inc
Edward (Ed) Hilton Clarke	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Co-Founder and Director, Infracapital, M&G Investment Management Limited
Andrew Charles Garner	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Company Secretary	General Counsel and Company Secretary, Associated British Ports Holdings Limited
George Philip Roger Kay	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Senior Vice President, GIC Special Investments
David William Kerr	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	Senior Vice President, GIC Special Investments
Peter Robert Lyneham	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Managing Director, Merchant Banking Division, Goldman Sachs International
John James McManus	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Director	Executive Vice President, Borealis Infrastructure Management Inc
John Michael (Michael) Rolland	c/o Associated British Ports Aldwych House 71-91 Aldwych London WC2B 4HN	Alternate Director	President and CEO, Borealis Infrastructure Management Inc
Wilmington Trust SP Services (London) Limited	Third Floor, 1 King's Arms Yard, London, EC2R 7AF	Independent Corporate Director	Not Applicable

For any actual or potential conflict of interest between the duties to the Issuer of the persons listed above and their private interests or duties, see the section headed “*Conflicts of Interest*” below.

Voting Rights of the Independent Corporate Director

Pursuant to the articles of association of the Issuer, any decision of the directors voluntarily to wind-up the Issuer must be approved by Wilmington Trust SP Services (London) Limited as the independent director of the Issuer. When voting on a decision to voluntarily wind-up the Issuer, the independent director must take account of the interests of the creditors of the company in considering any such decision.

Conflicts of Interest

Ed Clarke is a director of ABPH appointed by Infracapital and his Alternate Director is Kenton Bradbury. Infracapital acquired Red Funnel Group in 2007, which is a customer of ABP.

John Morea became a Director of ABPH in 2011. John is also CEO of Scotia Gas Networks and special adviser to the Board of Scottish and Southern Energy plc. Scottish and Southern Energy plc is a major customer of ABP.

Sebastian Bull is a Trustee Director of the Associated British Ports Group Pension Scheme.

THE UK PORTS INDUSTRY

Overview of the UK Ports Industry

General

There are currently approximately 120 commercial ports in the UK, comprising major all-purpose ports (such as London and Liverpool), ferry ports (such as Dover), specialised container ports (such as Felixstowe) and ports catering for specialised bulk traffic (such as coal or oil).

The UK ports industry is the largest in Europe in terms of total tonnage handled. In 2011, 95 per cent. of the UK's international trade by volume was handled through seaports (source: Department for Transport). According to the Department for Transport's Report *UK Port Freight Statistics: 2011 final figures*, total freight traffic through UK ports in 2011 amounted to 519 million tonnes, an increase of 1 per cent. on 2010 but still 11 per cent. below 2005 volumes. The report also states that, compared with 2010, in 2011 inwards traffic increased by 5 per cent. to 328 million tonnes, whilst outwards traffic decreased by 4 per cent. to 192 million tonnes. According to a report by Oxford Economics commissioned by Maritime UK and published in December 2012, the UK ports industry contributed approximately £7.9 billion value-added to UK GDP in 2011.

The UK ports industry has experienced significant and almost uninterrupted growth since the Second World War even though the recent recession has impacted its performance with a traffic volume fall of 14 per cent. between 2007 and 2009 (source: *TSR Maritime Statistics Report 2010*). Nevertheless, before the financial crisis, volume growth had been maintained at an overall Compound Annual Growth Rate ("CAGR") in terms of tonnages handled of around 1 per cent. per annum over the 17 years between 1990 and 2007 (source: *TSR Maritime Statistics Report 2010*). Growth in the foreign trade component of port traffic has been faster at a CAGR of 1.9 per cent. per annum over the same period, with imports growing at a CAGR of 2.4 per cent. and exports at a CAGR of 1.1 per cent. Since 2009, volumes have been inconsistent with a reduction in total UK port volumes in 2009 to 500.8mt, followed by two successive years of increase in 2010 and 2011. Provisional (not yet final) figures for 2012 suggest another reduction in volumes for UK major ports (which represent c.97% of all UK port volumes) to 490mt.

In 2011, 77 per cent. of maritime traffic was foreign trade, with 50 per cent. made up of imports, 27 per cent. of exports and the balance related to domestic volumes (source: *UK Port Freight Statistics: 2011 final figures*).

Many ports also represent centres of local economic activity. Important industrial sites are located in or near ports, such as oil refineries and power stations. A number of ports have diversified their activity into logistics and other value-added services, including aspects of landward distribution.

UK ports compete with each other, and with neighbours in continental Europe, as primary destinations for long haul shipping, as stops for ships making shorter journeys to and from Europe and along the coast of the UK, and as bases for terminals and associated infrastructure.

Trends in the UK Port Market

Key trends

The ongoing transition of the UK from a manufacturing to a services-led economy means that an increasing percentage of cargo handled by UK ports relates to imported goods. From 2000 to 2011, exports by tonnage have decreased by 24 per cent. and imports have increased by 18 per cent., with unitised (containers, roll on/roll off) sectors outperforming the overall market (source: *UK Port Freight Statistics: 2011 final figures*). The growth in imports reflects increased consumer expenditure and foreign production as a result of cheaper foreign manufacturing (particularly in the Far East).

The quantity of crude oil being moved through UK ports between 2000 and 2011 has declined from 184.0 to 113.0 million tonnes. There has been a 13.7 per cent. increase (CAGR 1.2 per cent.) between 2000 and 2011 in the quantity of oil products and liquefied natural gas ("LNG") travelling to or from major UK ports and this trend is likely to continue as more LNG terminals come on stream in the next decade. Roll on/roll off goods vehicle movements have generally increased by some 13.8 per cent. (CAGR 1.2 per cent.) between 2000 and 2011. The fastest growth in this sector has been in south east England and in the Irish Sea ports. Growth in other UK regions has been slight. Container traffic has grown by 13.9 per cent. (CAGR 1.2 per cent.) between 2000 and 2011 and, whilst the rate of growth has slowed in recent years, ABP expects that it is likely to remain strong, particularly if

shifts in global trade continue and manufacturing industries become more firmly established in the Far East (source: *UK Port Freight Statistics: 2011 final figures*).

International cruise passenger volumes have shown a 251 per cent. increase (CAGR of 12.1 per cent.) between 2000 and 2011, driven by the increased popularity of cruising as a leisure activity and investment by cruise operators (source: *UK Maritime Statistics 2011*). International ferry passenger volumes have declined by 26 per cent. (CAGR of -2.7 per cent.) since 2000 reflecting the abolition of duty free shopping and competition from low cost air travel and rail services via the Channel Tunnel (source: *UK Maritime Statistics 2011*).

Future Growth Drivers

ABPAH believes that there are a number of factors which indicate that UK sea trade volumes will increase. Seaborne transport remains the only viable method of transport for most cargoes to the UK. The ongoing relocation of global production to less developed economies represents a real potential increase of imports into the UK via its sea ports. Emerging sectors such as the offshore wind industry and the demand for imported biomass for power stations are expected to provide new opportunities for medium to long-term growth.

As port facilities are developed to accommodate larger vessels, shippers will benefit from an increasing ability for UK cargo to be shipped directly to UK ports as opposed to being transhipped onto smaller vessels at European continental ports.

Competition in the UK port sector

Although strong competition exists within the UK port sector, customers often have compelling reasons for maintaining continuity in the ports which they use. Customers will factor the cost of onward transportation of goods from the port of entry to the destination into their decision making as to which port to use. Customers transporting high volume, low value goods such as coal are incentivised to keep onward transportation to a minimum. Customers transporting relatively high value, low weight goods such as vehicles or containers (where a variety of ports are available offering similar facilities) may be more inclined to vary the port of entry/dispatch which they use depending on direct port costs and available facilities, although minimum deviation from the main shipping lanes has become important as the cost of operating large vessels has increased.

Entry into the market is to some extent restricted by the lack of locations suitable for developing new ports. Furthermore, development of new or existing port sites will often require significant investment. In addition, many port customers are long standing and often have strong locational preferences due to the proximity of the port to the hinterland it serves and the associated available infrastructure for onward transportation. Therefore, the likelihood of customers changing to competitor ports which can offer an equivalent location and facilities may be limited in relation to many cargo types and areas. In some cases a degree of economic inertia reduces the likelihood of customers changing to competitor ports who may offer equivalent services and facilities.

DP World commenced construction of a new container port facility referred to as “London Gateway” on the north bank of the River Thames in 2010. DP World has announced its intention to open the port’s first phase by the end of 2013, adding an additional 1.6 million TEU to the UK’s port capacity. When fully developed the port’s capacity will be 3.5 million TEU. London Gateway will be able to handle the world’s largest container ships and will compete with Southampton and Felixstowe in this market.

By the 24 of May 2013 the Secretary of State for Transport is expected to announce his decision regarding planning permission for Able Marine Energy Park, a proposed new port facility adjacent to ABP’s Port of Immingham. If the new port is built, it is planned to focus on handling offshore wind turbines and components. The promoters of the scheme estimate that the port could be operational as soon as 2016 but that this depends on customer demand.

For further information regarding competition, see the section headed “*Risk Factors – Business and Regulatory Risks – Competition*”.

UK Ports Market

The following table shows market share by tonnage handled of the target UK port owners in 2011 and 2010.

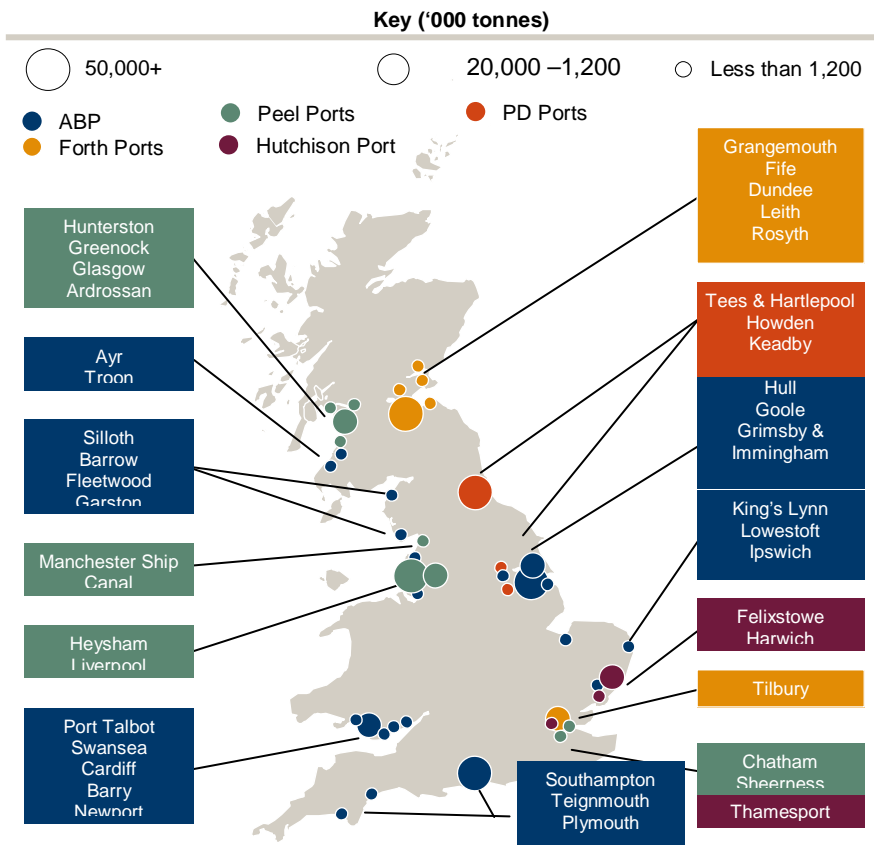
<u>Market share by Company</u>				
<u>Company</u>	<u>2011 Tonnage (Mt)</u>	<u>2011 Market Share %</u>	<u>2010 Tonnage (Mt)</u>	<u>2010 Market Share %</u>
Associated British Ports Holdings Ltd	115.2***	22.2	118.5	23.1
Peel Holdings/RREEF (Liverpool/Medway/Clyde/Heysham/Manchester)	70.9	13.6	63.5	12.4
Port of London Authority (London*) (Including Tilbury)	48.8	9.4	48.1	9.4
Milford Haven Port Authority (Milford Haven)	48.7	9.4	42.8	8.4
PD Ports (Tees & Hartlepool)	35.2	6.8	35.7	7.0
Hutchison Whampoa (Felixstowe/Thamesport/Harwich)	32.8	6.3	32.2	6.3
Forth Ports (Forth, Dundee, excluding Tilbury**)	28.8	5.5	34.3	6.7
Dover Harbour Board (Dover)	24.2	4.7	24.1	4.7
Belfast Harbour Commissioners (Belfast)	13.6	2.6	12.8	2.5
Sullom Voe Harbour Authority (Sullom Voe)	10.1	1.9	11.3	2.2
Total of above	428.3	82.4	423.3	82.7
Total UK market	519.5	100.0	511.9	100.0

*The Port of London is a competent Harbour Authority only, it does not own or operate any infrastructure.

** Since the acquisition of Forth Ports by Arcus, no tonnage statistics have been published by Forth Ports for Tilbury.

*** Includes liquid bulks where the group generates only conservancy revenue

Source: Department for Transport, 'TSR Maritime Statistics Report 2010', 'UK Port Freight Statistics: 2011 final figures' and ABP



Despite the large number of commercial ports in the UK, much of the tonnage handled is concentrated among a comparatively small number of ports. In 2011 the 10 leading ports by tonnage handled 68.4 per cent. of overall UK seaborne trade by tonnage; the top 15 ports handled 79.3 per cent. and the top 20 handled 85.9 per cent. Grimsby and Immingham (including Killingholme), London and Milford Haven were the three largest UK ports by tonnage and accounted between them for approximately 29.8 per cent. of overall throughput in 2011.

Types of Port and Ownership

Most UK ports now fall into one of three types of ownership. Approximately half of UK ports are under private ownership, with the remainder being under either municipal control or run by a trust. All three types of port are free from central government support or subsidy and open to market forces, with ports setting charges on a competitive market basis and being run independently as stand-alone, self-financing enterprises.

Most of the largest ports are in private sector ownership. This group includes ports such as Southampton, Immingham, Liverpool, Felixstowe, Tees & Hartlepool, Tilbury and a number of Scottish ports. A number of other private ports were formerly trust ports, which were privatised in the early 1990s. The UK Government has no ownership interest in any of the ports in the private sector, and all of their investment has to be privately financed on a commercial basis. The private sector accounts for approximately two-thirds of the total tonnage handled in the UK.

Many of the smaller ports (and a few of the larger ones) are trust ports. Trust ports are independent statutory corporations without shareholders. They operate on a quasi-commercial basis, but they do not pay dividends as they have no shareholders. Any profits that they make are retained in the undertaking. Most trust ports are now entirely independent of Government, although in a few cases, such as the Port of London Authority, the Secretary of State appoints board members. The trust ports' sector accounts for about 25 per cent. of total tonnage.

A few ports belong to local authorities, notably Portsmouth and the oil terminals in Orkney and Shetland. This sector accounts for about 10 per cent. of total tonnage and this figure is inflated by the large tonnage handled by the Scottish oil terminals.

The following table shows the market share (by tonnage handled) of the top 15 (and top 20) UK ports.

<u>Market Share by Port</u>					
<u>Rank</u>	<u>Port</u>	<u>Ownership type</u>	<u>Owner</u>	<u>2011 Tonnage (Mt)</u>	<u>Market Share %</u>
1	Grimsby & Immingham (including Killingholme)	Private	ABP (Killingholme owned by C.RO Ports Killingholme Ltd)	57.2	11.0
2	London	Trust	Port of London	48.8	9.4
3	Milford Haven	Trust	Milford Haven	48.7	9.4
4	Southampton	Private	ABP	37.9	7.3
5	Tees & Hartlepool	Private	PD Ports	35.2	6.8
6	Liverpool	Private	Peel Ports	32.7	6.3
7	Forth (including Dunfermline)	Private	Forth Ports	27.9	5.4
8	Felixstowe	Private	Hutchison Ports UK	26.8	5.2
9	Dover	Trust	Dover Harbour Board	24.3	4.7
10	Medway	Private	Peel Ports	16.1	3.1
11	Belfast	Trust	Belfast Harbour Commissioners	13.6	2.6
12	Clyde including Ardrossan	Private	Peel	13.4	2.6
13	Rivers Hull and Humber	Private	Various	10.2	2.0
14	Sullom Voe	Local Auth	Shetland Isles	10.2	2.0
15	Hull	Private	ABP	9.3	1.8
	Top 15			412.3	79.3
	Top 20			446.1	85.9
	Other UK ports			73.4	14.1
	All ports 2011			519.5	

Source: Department for Transport, 'UK Port Freight Statistics: 2011 final figures'

Main Private UK Port Groups

Associated British Ports

ABP is the largest UK ports group by volume, owning and operating 21 ports around the UK. The ABP Group's principal ports are Grimsby & Immingham, Southampton and Hull.

Peel Ports

Peel Ports operates ports on the rivers Mersey and Medway, at Heysham on the west coast of the UK as well as Clydeport and the Manchester Ship Canal Company. It is the second largest private ports group in the UK, with its main facilities located in Scotland and North West England.

Peel Ports operates a landlord port strategy in some ports, and also engages vertically in the supply chain in some ports by providing coastal shipping, haulage services, warehousing and distribution facilities.

Peel Ports is owned by Peel Holdings and Deutsche Asset & Wealth Management.

PD Ports

PD Ports owns and operates the UK port of Tees & Hartlepool in the north east of England. Handling around 35 million tonnes in 2011, it is Britain's fifth largest port. It is the third largest private ports group by tonnage and volume, after ABP and Peel Ports.

PD Ports is heavily focused on its Teesside asset, although it operates smaller terminal facilities in other competitor ports (including ABP's port at Hull). It has undertaken a diversification strategy towards container handling and development of on-port warehousing and logistic facilities.

PD Ports is owned by Brookfield Asset Management Inc.

Forth Ports

The majority of Forth Ports' activity is based in Scotland. However, it also owns the Port of Tilbury in London. Within and around the Forth and Tay estuaries, Forth Ports manages and operates an area of 280 square miles of navigable waters, including two specialised marine terminals for oil and gas export, provides other marine services, such as towage and conservancies, and is involved in property, letting and development.

The business combines both landlord and operator models. The Scottish ports' activities are mainly supported by the oil and gas industry.

Forth Ports was converted to a private limited company by Arcus Infrastructure Partners in July 2011.

Hutchison Ports UK

Hutchison is a container terminal operator rather than a landlord port company. In the UK, Hutchison owns and operates the Port of Felixstowe, the UK's largest container port, Thamesport container port on the Medway and Harwich International Port, a multipurpose freight and passenger port with an adjoining development site (Bathside Bay). Hutchison operates Felixstowe and Thamesport as "common-user" terminals (i.e. not reserved for particular customers). Harwich handles roll on/roll off traffic and has long-term plans to develop volumes relating to the renewable energy market and/or containers at Bathside Bay.

Hutchison Ports UK is owned by the Hong Kong company Hutchison Whampoa Ltd, and was set up to hold and manage the group's global interests in ports and related services. Today, Hutchison operates in 51 ports worldwide.

DP World

DP World, like Hutchison, is principally a container terminal operator rather than a landlord port company. DP World is a 51% shareholder of DP World Southampton, operator of the UK's second largest container terminal, in partnership with ABP, which owns the remaining 49%. Towards the end of 2013, DP World will become a harbour authority in its own right when it opens London Gateway, a new container terminal on the north bank of the river Thames. London Gateway will be built out in phases with an ultimate capacity of 3.5 million TEUs. The terminal will compete directly with terminals at Felixstowe and Southampton.

Cargoes handled and services provided in the UK port industry

Cargo types

The types of cargo handled by the UK port industry can be broken down into four broad categories: liquid bulk, dry bulk, roll on/roll off and load on/load off (comprising containers and general cargo).

The table below provides a breakdown by type of the overall cargo handled by major UK ports in 2011 (major in this context means ports handling in excess of one million tonnes per year).

<u>2011 Major UK Ports Cargo Mix</u>							
<u>Liquid Bulk</u>	Ro-Ro	Lo-Lo		<u>Dry Bulk</u>			
Liquid bulks	Ro-Ro	Containers	Other General Cargo	Agricultural Products	Coal	Ores	Other Dry Bulk
45%	19%	11%	4%	3%	7%	3%	7%

Source: Department for Transport, *UK Port Freight Statistics 2011: final figures*

There have been changes in the cargo mix since 2000, with volumes of containerised cargo, vehicles and total imports growing ahead of liquid bulk and exports. As a proportion of total UK tonnage, liquid bulk decreased from 52 per cent. in 2000 to 45 per cent. in 2011 (source: *UK Port Freight Statistics 2011: final figures*). Liquid bulk still represents the largest part of the total traffic but containers and roll on/roll off is the fastest growing segment.

In addition to its traditional cargo handling roles, the port industry offers a range of other services. Some provide auction markets for the fishing industry whereas others are specialists in the fast growing leisure and recreation fields. A particular growth area in recent years has been the cruise liner trade.

The table below provides a break down of the type of overall cargo handled by major UK ports between 2000 and 2011.

UK Major Ports Traffic Breakdown by Cargo Type, 2000-2011												
Cargo Type	Traffic (Mt)											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Liquid Bulk	291	274	271	260	267	263	250	249	239	228	232	231
Dry Bulk	104	115	107	114	114	126	133	125	125	99	96	103
Container (Lo-Lo)	52	52	51	51	56	54	54	61	60	52	57	58
Ro-Ro	85	83	86	87	93	100	104	105	101	94	96	97
Other (Lo-Lo)	24	26	27	26	27	27	27	27	23	17	17	18

Source: Department for Transport, *UK Port Freight Statistics 2011: final figures*

Liquid Bulk

Liquid bulk comprised 45 per cent. of the cargo handled by UK ports in 2011, although for many ports not involved in operating the marine terminal facilities for those products, the share of overall revenue is less significant. It consists of liquids such as crude oil (49 per cent. of liquid bulks in 2011), liquefied gas and oil products. In 2010, 231.6 million tonnes of liquid bulks moved through UK ports and, in 2011, there was a slight decrease to 230.5 million tonnes. Total liquid bulk volumes declined by 21 per cent. (a CAGR of -2.1 per cent.) between 2000 and 2011 as a result of the decline in UK oil production. Crude oil volumes declined by 39 per cent. in the same period, a CAGR of -4.3 per cent.. Conversely, liquefied gas volumes increased by 270 per cent. during this period, a CAGR of +12.6 per cent.. This was due to the increased use of LNG for electricity and gas production. (Source: *UK Port Freight Statistics 2011: final figures*).

The table below provides a break down of the types and amounts of liquid bulk handled by major UK ports between 2000 and 2011.

UK Major Port Liquid Bulk Tonnage Between 2000 and 2011 by Product												
Product Type	Traffic (Mt)											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Liquefied gas	6	8	8	8	7	8	9	8	7	13	21	24
Crude oil	184	169	173	160	162	153	142	140	132	123	118	113
Oil products	86	83	78	80	86	89	85	86	87	79	79	81
Other	13	14	12	12	12	13	14	15	13	12	13	12

Source: Department for Transport, *UK Port Freight Statistics 2011: final figures*

Dry bulk

Dry bulk comprises 20 per cent. of the cargo handled by UK ports in 2011 and consists of loose, mostly uniform cargo, such as agribulk products (fertiliser and animal feed), coal, salt, biomass and ores that are transported in bulk carriers (source: *UK Port Freight Statistics 2011: final figures*).

The table below provides a break down of the types and amounts of dry bulk cargo handled by major UK ports between 2000 and 2011.

UK Dry Bulk Tonnage Between 2000 and 2011 by Product												
Product Type	Traffic (Mt)											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Ores</u>	20	20	17	18	18	18	18	19	18	15	18	17
<u>Coal</u>	28	40	33	37	41	52	57	47	51	40	30	37
<u>Agriculture</u>	14	13	13	15	13	14	13	13	14	14	15	13
<u>Other</u>	41	42	44	44	42	42	44	46	42	31	34	36

Source: Department for Transport, *UK Port Freight Statistics 2011: final figures*

Roll on/Roll off (“Ro-Ro”)

Ro-Ro is a cargo-handling method which comprised 19 per cent. of the cargo handled by UK ports in 2011 by tonnage (source: *UK Port Freight Statistics 2011: final figures*). It refers to “roll on/roll off” transportation of vehicles (including passenger and freight vehicles on ferries) and trailers which are driven on and off the relevant vessels using ramps. Volumes between 2000 and 2011 experienced a small overall increase with a CAGR of +1.2 per cent. This is to be seen against the backdrop of a significant fall in volumes from 2008 to 2009.

The table below provides a break down of the types and amounts of Ro-Ro cargo handled by major UK ports between 2000 and 2011.

Major UK Ports Ro-Ro Evolution between 2000 and 2011												
Product Type	Volume (000 units)											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Motor Vehicles</u>	3.1	3.3	3.6	3.7	4.0	4.0	3.9	4.0	4.0	2.8	3.3	3.4
<u>Unaccompanied Trailers</u>	2.7	2.7	2.8	2.8	2.7	2.8	2.9	3.0	2.7	2.6	2.8	2.7
<u>Shipborne trailers</u>	0.4	0.3	0.3	0.4	0.4	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<u>Goods Vehicles</u>	3.1	3.3	3.5	3.5	3.9	3.9	4.2	4.3	4.3	3.9	3.7	3.5

Source: Department for Transport, *UK Port Freight Statistics 2011: final figures*

Load on/Load off (“Lo-Lo”)

Lo-Lo is a cargo handling method, which utilises Lo-Lo vessels that can transport a range of different products as a result of their flexible cargo space, container capacity and onboard cranes. It refers to a ‘load on/load off’ operation whereby cargo is loaded and discharged over the side of the vessel using cranes or derricks. Lo-Lo shipping containers comprised 11 per cent. of the cargo handled by major UK ports in 2011 and are designed to be moved from one mode of transport to another without unloading and reloading the containers (source: *TSR Maritime Statistics Report 2011*). A further sub-set of Lo-Lo consists of other general cargoes such as steel, project cargoes and forest products, i.e. wood based products such as timber and paper. These kinds of non-unitised cargoes are sometimes referred to as “break-bulk”. Other general cargo volumes declined by CAGR of 3.7 per cent. per year between 2000 and 2011 for major UK ports (source: *UK Port Freight Statistics 2011: final figures*).

See “*Business of ABP - Overview of Cargo Handled by ABP*” above, for information on the ABP Group’s revenue in 2012 broken down by different types of cargo and the volumes of cargo handled by ABP in 2012 by cargo type.

Port Services and Charges

The main types of services offered and charges levied by the UK port industry operators can be broken down into seven types: conservancy dues, pilotage, ship dues, cargo dues, stevedoring, storage and land and facilities rental.

Conservancy dues are payments that ship users make to the harbour authority for the right to use the harbour and its approaches. These dues are used by the harbour authority to fund maintenance and enhancement works to ensure safe and navigable waterways. The charges allow harbour authorities to fulfil statutory obligations and are based on a fixed tariff levied on all users.

Pilotage fees are charged for the service of safely guiding vessels within the area covered by the applicable competent harbour authority. Pilotage charges are levied not only for ships entering or leaving a port, but also for

navigating through narrow channels and canals. The levying of these charges is set out in statute and such charges are based on fixed tariffs levied on all users.

Conservancy dues and pilotage fees are low margin revenue streams but entail little risk.

Ship dues are fees payable for berthing (i.e. the keeping of a ship in a harbour). The fees charged are usually based on the number of tons of cargo that the ship is carrying or the size of the vessel (both referred to as tonnage).

Cargo dues are fees payable based on volumes loaded/unloaded at the quay. They are sometimes subject to term agreements with minimum volume guarantees.

Stevedoring fees are charged both for services provided by the port operator and licence fees paid by third party stevedores for using the port facilities. Stevedoring services encompass the provision of skilled and semi-skilled staff to carry out the loading and unloading of ships and are usually charged on the basis of volume handled.

Storage fees are charged for the provision of storage facilities and warehousing and are usually subject to term agreement and are charged based on the size, volume or weight of the cargo and duration of storage.

Land and facilities rental fees are charged for rentals of land and facilities within the port used by third parties under lease or licence agreements.

BUSINESS OF ABP

Overview of ABP

The predecessor of ABP (the British Transport Docks Board (“**BTDB**”)) was established as a body corporate under the Transport Act 1962. Under the Transport Act, BTDB was reconstituted on 31 December 1982 and renamed “Associated British Ports”. Associated British Ports Holdings Plc was subsequently incorporated under the Companies Act 1948 to 1980 with powers in relation to ABP corresponding to the powers of a holding company over a wholly owned subsidiary. Associated British Ports Holdings Plc was floated on the London Stock Exchange in February 1983.

In August 2006, Associated British Ports Holdings Plc, (now ABPH) was acquired by Admiral Acquisitions UK Limited (now ABPA) and ABPH’s shares were de-listed from the London Stock Exchange.

The key asset holding company within the ABPAH Group is ABP. ABP owns and operates 20 general cargo ports directly and one port (Teignmouth) through a subsidiary. ABP has been the largest port operator in the UK by volume of tonnage since its privatisation in 1983 and handled approximately 24 per cent. of the UK’s major port seaborne trade in 2012. Income from these ports is typically generated through dues (ships’ berthing dues, cargo dues, pilotage charges and conservancy charges) and property rental, as well as value-added activities, including handling services, storage, terminal operation and transport-related services. ABP generally operates the “landlord model” for its ports, providing land and facilities to customers through long-term leases, licences or commercial agreements with the intention of generating predictable revenue streams.

The ABP Group had revenues of £471.7m and consolidated EBITDA of £279.5m for the year ended 31 December 2012. For further detail regarding ABP’s financial performance, see the section headed “*Financial Performance*”.

ABP’s ports are organised into five ports groups, each headed by a Port Director. The groups are (1) Grimsby and Immingham; (2) Southampton; (3) Hull and Goole; (4) South Wales; and (5) Shortsea Ports.

ABP owns 49 per cent. of Southampton Container Terminals Limited (“**SCT**”) (trading as DP World Southampton or “**DPWS**”), which operates the second largest container terminal in the UK at the ABP-owned Port of Southampton. For more information in relation to DPWS, see the sections headed “*Risk Factors – Business and Regulatory Risks – Associated Undertaking Risks*” and “*Business of ABP – Associates*”.

In addition, ABP undertakes a number of related businesses including dredging and marine consultancy. These activities contributed £10m of revenues in 2012

The ABP Group’s ports are located exclusively in the UK.

Strategy

ABP’s business strategy fits most closely with a “landlord model” of port operations. It provides land and facilities to customers through long-term leases, licences or commercial agreements aiming to generate predictable revenue streams. Further revenue from ships and cargo dues is secured as cargo is loaded or discharged between vessel and quayside. ABP will, on a selective basis, operate facilities itself, generally where it believes that it can add value, improve the use of its port facilities or better meet market demand, and where underlying market demand is strong.

ABP’s ports and transport operations continue to be the main focus of its activities. ABP’s strategy is to invest in long-term projects in partnership with high quality customers, with a view to ensuring long-term predictable cashflows from customers. In addition, ABP continues to undertake maintenance capital expenditure in accordance with the Transport Act with a view to maintaining this below its annual depreciation charge given the very long-life nature of its ports.

Aside from the traditional cargo sectors that ABP and its customers have operated in, the geographic spread of ABP’s ports means that there is significant additional scope for it to benefit from opportunities related to the development of new biomass and wind-based electricity generation facilities. ABP’s Humber Ports and those in East Anglia, South Wales and Barrow are ideally located to support several of the largest offshore wind zones. For biomass, a number of developers of new plant, co-firing and conversions are promoting projects in or close to ABP’s ports on the Humber and in South Wales because of favourable grid connection environments or proximity to existing coal-fired power stations.

Ownership of ABP

ABP is ultimately owned by ABP (Jersey) Limited (“**ABPJ**”), a limited liability company domiciled and incorporated in Jersey. ABPJ is owned by a consortium of infrastructure investors, comprising Borealis Infrastructure Management Inc (“**Borealis**”), GIC Special Investments Pte Ltd (“**GIC SI**”), Goldman Sachs Infrastructure Partners (“**GSIP**”) and Infracapital Partners LP (“**Infracapital**”). ABPJ and its Subsidiaries form the ABP Group.

Borealis

Borealis is the infrastructure investment arm of the Ontario Municipal Employees Retirement System (“**OMERS**”), a pension fund in Canada. Borealis identifies, invests in, and manages infrastructure assets and aims to provide competitive and stable returns over a long investment horizon to meet OMERS’ liability stream. Investments include Scotia Gas Networks (UK), High Speed 1 Rail Network (UK), Oncor (US) and Bruce Power (Canada).

Borealis holds its share of ABPJ through Borealis (Luxembourg) SCA and Borealis International Investments Corporation. Borealis (Luxembourg) SCA and Borealis International Investments Corporation together own a 33¹/₃ per cent. stake in ABPJ.

GIC SI

GIC SI is the private equity investment arm of GIC, a global investment management company established in 1981 to manage Singapore’s foreign reserves. GIC SI manages an investment portfolio covering a wide spectrum that includes leveraged buyouts, venture capital, growth capital, mezzanine financing, distressed situations, infrastructure and other special situation investments. GIC SI’s investments include Heathrow (UK), Kelda/Yorkshire Water (UK) and Sintonia (Italy).

GIC SI holds its share of ABPJ through Cheyne Walk Investment Pte Ltd. Cheyne Walk Investment Pte Ltd has a 33¹/₃ per cent. holding in ABPJ.

GSIP

GSIP is part of a series of funds managed by Goldman Sachs & Co. and its affiliates to make investments in infrastructure and infrastructure-related assets and companies. The first of this series of funds, GS Infrastructure Partners I, was raised in 2006 with U.S.\$6.5 billion of commitments. Investments to date include Eurotunnel (France/UK), Sintonia (Italy), Budapest Airport (Hungary), Carrix (US), Kinder Morgan (US), Energy Future Holdings (US) and RCO (Mexico).

GSIP holds its 23¹/₃ per cent. share of ABPJ through Admiral Global & International Sarl and Admiral Institutional Sarl.

Infracapital

Infracapital is a European infrastructure investor, managed by M&G Investment Management, the UK and European investment management arm of Prudential plc. Infracapital has over £1.5 billion funds under management across three funds: Innisfree M&G PPP LP, Infracapital Partners LP and the recently established Infracapital Partners II LP. The Infracapital flagship fund aims to offer investors long-term value through the acquisition and active management of a diversified portfolio of core European infrastructure assets. Target sectors include utilities, essential transportation, renewables and communications infrastructure. Infracapital’s investment portfolio includes Kelda (owner of Yorkshire Water in the UK), Red Funnel (ferry services, UK), Zephyr (windfarms, UK), Infracapital Solar (solar park, Spain), Alticom (broadcast towers, the Netherlands), Calvin Capital (domestic gas and electricity meters, UK) and Affinity Water (regulated water utility, UK).

Regulation of ABP

ABPH’s principal operating “subsidiary” is ABP. ABP is a body corporate constituted under a specific act of Parliament – the Transport Act – which contains the constitution, powers of and restrictions on ABP (and, through it, its subsidiaries). The ownership and operation of ports in the United Kingdom, including those owned/operated by ABPH and its subsidiaries, are subject to regulation by statute and regulations which apply to particular port assets within ABPH and its subsidiaries.

The Transport Act 1981

ABP is governed by the Transport Act, which reconstituted ABP as a continuation of the BTDB. The Transport Act also governs the relationship between ABPH and ABP. In particular, the Transport Act sets out provisions with respect to the constitution, powers and duties available to, and owed by, the directors of ABP.

Although the Transport Act is the primary legislation in relation to the constitution, powers and duties of ABP, there also exists various additional secondary and local harbour legislation which governs ABP, its subsidiaries, and in some cases the assets of ABP and its subsidiaries.

Relationship between ABPH and ABP

Under section 5 of the Transport Act, ABPH is granted the powers of a holding company in relation to ABP, and for the purposes of any enactment ABP is deemed to be a wholly-owned subsidiary of ABPH.

Constitution of ABP

ABP is constituted, by section 7 of the Transport Act, as a body corporate, which is required at all times, to have between 5 and 13 directors. The power to appoint and remove directors of ABP is vested in ABPH. ABPH may also present further rules and subject to these the directors may regulate their own procedure.

General duties

Section 9 of the Transport Act sets out the following general duties of ABP:

- (a) to provide port facilities (as defined by section 14(3) of the Transport Act) at its harbours to such extent as it thinks expedient;
- (b) to have due regard to the efficiency, economy and safety of operation as respects the services and facilities provided by it and its subsidiaries; and
- (c) to have regard to the interests in general of its employees and the employees of its subsidiaries.

However, by its terms section 9 does not impose any form of duty or liability enforceable by proceedings before any court.

Provisions of the Companies Acts applying to ABP

Certain provisions of the Companies Acts 1948 to 2006 are expressly extended to apply to ABP by section 10 of the Transport Act. Certain of the more significant of these are:

- (a) provisions relating to the prohibition of financial assistance;
- (b) provisions relating to the registration of charges;
- (b) provisions relating to the accounting and audit functions of ABP;
- (c) provisions relating to the provision by ABP of a directors' report;
- (d) provisions relating to disclosure by the directors of ABP of their interests in contracts etc.; and
- (e) provisions relating to restrictions on distributions to be made by ABP.

Section 10 of the Transport Act also states that ABP is deemed to be a public company for the purposes of applying the provisions of the Companies Acts referred to in section 10 of the Transport Act.

Distributions from ABP to ABPH

Under section 11 of the Transport Act, the directors of ABP shall from time to time pay to ABPH such sums as appear to be justified by the profits of ABP. Such payments shall be deemed to be distributions for the purposes of Part 23 (*Distributions*) of the Companies Act 2006.

Transfer of functions of ABPH as holding company

Section 13 of the Transport Act provides that ABPH may nominate another company to take over its role as holding company of ABP, but that such nominated company must be controlled by ABPH.

Powers of ABP

Under section 8 of the Transport Act, ABP is given various powers, which are set out in Schedule 3 to the Transport Act. In particular, ABP must exercise its control over its subsidiaries so as to ensure that they do not engage in activities in which ABP itself has no power to engage. For the purposes of the Transport Act, 'subsidiary' has the meaning given to it in section 1159 of the Companies Act 2006.

ABP is limited to carrying out only such actions as are allowed for in the powers set out in the Transport Act, and any action by ABP which is not specifically permitted by the Transport Act will be a breach of the Transport Act.

- (a) *Power to make acquisitions* - ABP may acquire further harbour undertakings or parts of harbour undertakings, and may subscribe for or acquire shares or securities of any body corporate which is wholly or mainly engaged in the provision, manufacture or operation of a harbour, and may also dispose of undertakings or shares or securities so acquired.

ABP may acquire any undertaking or part of an undertaking if the assets of the undertaking or part are wholly or mainly assets required for the purposes of ABP's business.

ABP may subscribe for or acquire shares or securities for the purposes of its business.

ABP may acquire land for the purposes of its business including, where authorised by the Secretary of State, by way of compulsory purchase.

ABP may purchase, manufacture and repair anything required for the purposes of its business.

- (b) *Power to make disposals* - ABP may dispose of any part of its undertaking, or any property, which in its opinion is not required by it for the purposes of its business.

ABP may also dispose of any harbour undertaking (or part of any harbour undertaking), or any shares and securities subscribed for or acquired pursuant to (a) above.

- (c) *Power to borrow and to lend and to give guarantees* - ABP may (i) borrow money for the purposes of its business; (ii) give guarantees for the purposes of its business; and (iii) lend money for the purposes of its business.

The total amount of borrowings and guarantees of ABP and its subsidiaries may not exceed the limit set from time to time by ABPH, and ABPH may from time to time impose restrictions on the descriptions of financial arrangement which may be entered into by ABP and its subsidiaries.

ABP's current borrowing limit set by ABPH is £800 million. Current third party debt at ABP comprises finance leases of £3.2m as at 28 February 2013.

- (d) *Power to provide security* - ABP may provide security for any of its borrowings or any guarantee given by it.

- (e) *Power to carry on harbour business* - ABP has power to operate its harbours and to provide port facilities at them.

- (f) *Other powers* - In addition to the powers listed above, ABP has various other ancillary powers, which are summarised below:

(i) ABP may consign goods on behalf of other persons to and from or on routes through its harbours, and may carry goods by road on behalf of other persons to or from its harbours;

(ii) ABP may provide facilities for the storage of goods;

- (iii) ABP may develop land belonging to it or any of its subsidiaries in such manner as it thinks fit, including developing any land for use by other persons or which it does not otherwise require for the purposes of its business, with a view to the disposal of that land or any buildings on it (ABP may not acquire land solely for this purpose, though it may acquire adjoining land for development with existing land);
- (iv) ABP may construct and operate pipelines;
- (v) ABP may provide, for persons using the facilities of ABP or its subsidiaries, facilities for the purchase and consumption of food and drink and such other amenities and facilities as appear to ABP to be appropriate;
- (vi) ABP may provide, for persons using the facilities of ABP or its subsidiaries, facilities for car parking, motor vehicle repair, and the sale of petrol, oil, spare parts and accessories for motor vehicles;
- (vii) ABP may carry on any business (including the manufacturing of items for sale, and the repairing of items) which in its opinion can be advantageously carried out which either (a) involves the use of machinery, plant or equipment of a kind used by ABP or its subsidiaries for the operation of its harbours; or (b) requires skills which employees of ABP or its subsidiaries have in connection with the operation of its harbours;
- (viii) ABP may provide technical advice including research services in any areas in which it or its subsidiaries has skill or experience;
- (ix) ABP may provide training and education to its employees, promote relevant research and do anything else which would advance the efficiency of its operations;
- (x) ABP may provide accommodation for its employees, and may make housing loans to enable its employees to acquire housing accommodation;
- (xi) ABP may pay pensions and enter into obligations under pension schemes;
- (xii) ABP may make reasonable charges for the provision of its facilities and services;
- (xiii) ABP may invest any sums not immediately required for the purposes of its business;
- (xiv) ABP may incorporate subsidiaries to carry on any activities which ABP has the power to carry on, and may transfer to such subsidiaries any of ABP's property, rights, liabilities or obligations;
- (xv) ABP may enter into agreements with any person for the carrying on by that person, whether as agent of ABP or otherwise, of any of the activities which ABP may itself carry on; and
- (xvi) ABP may do all other things which in its opinion are necessary or expedient to facilitate the proper carrying on of its business.

Environmental Regulation

ABP's business is subject to a number of environmental laws and regulations. Ports are inevitably subject to pollution from time to time (such as emissions, spillages and contaminated storm-water run-off from the stockpiling of bulk coal and ore on areas of open ground adjacent to harbour areas) and the ports of the ABP Group are large and diverse, deal in polluting materials and have been in operation for periods in excess of 100 years in some cases.

As an owner of the relevant sites ABP can be liable under environmental legislation, where a regulatory authority identifies that significant harm has been caused through pollution of land or water that ABP has caused or knowingly permitted. It could also be liable in certain circumstances for causing or knowingly permitting pollution of coastal waters under the Environmental Permitting Regulations 2010 or the Environmental Damage (Prevention and Remediation) Regulations 2009. The ABP Group could also be made liable, in certain circumstances, to clean up pollution caused by a third party (e.g. a tenant or historical landowner) without its knowledge or consent, under Part IIA of the Environmental Protection Act 1990 (known as the "*contaminated land regime*").

The Arup Report concluded that the ABP Group's port facilities are well managed. In facilities operated by ABP (and indeed its tenants), there is inevitably some risk that the environment may be adversely affected. Arup's report notes that the ABP Group's environmental management policy requires that each of the company's business units ensure that their activities comply with environmental legislation as a minimum. In addition, appropriate controls are required by the ABP Group to be in place for all of the most significant potential environmental impacts. These include impacts from air emissions (dust) and surface water run-off from the unloading, storage and loading of coal, coal products and other bulk cargoes.

In 2012, the ABP Group undertook a Land Quality Assessment (the "Assessment"), which concluded that ABP estates are suitable for existing use and compliant with relevant environmental legislation.

Whilst ABP would generally not be directly responsible for the activities of its tenants, it may be possible for ABP to attract liabilities related to its tenants' activities, for example, by being a "knowing permitter" of pollution under environmental protection and water resources legislation.

The Arup Report assessed the risks to ABP associates with the environmental impacts of its tenants' activities, and concluded that ABP is adequately managing these risks. Arup does not consider that the tenants' activities constitute a material threat to ABP business, on the basis of a number of factors, including the following:

- (a) ABP has a policy of maintaining awareness of its tenants' activities and alerting tenants to their responsibilities for management of potential environment impacts;
- (b) ABP has had no reported significant pollution incidents. ABP's tenant activities have caused a number of pollution incidents, which ABP has cleaned up (at the relevant tenant's cost) in accordance with its responsibilities as a Statutory Harbour Authority; and
- (c) no pollution clean up costs in excess of £1m have been incurred by ABP in the last five years.

Customer Contracts

ABP's contracts with customers predominantly consist of licence agreements to use facilities such as berths, jetties, parking and other port facilities together with certain leases of land and buildings at the ports. ABP also enters into agreements dealing with services such as dredging and the discharge, storage and loading of cargoes.

ABP has a diversified customer base and high historic customer retention rates. At 31 December 2012, the weighted average duration of customer contracts which generate more than £100,000 per year was approximately 8.5 years. The table below summarises the weighted average duration of customer contracts by contract size:

Range	No. of contracts	Aggregate 2012 turnover*	% of 2012 turnover**	Weighted average duration
> £5m	11	127.4m	35%	10.7
£1m - £5m	35	71.9m	20%	7.5
£100k - £1m	114	44.5m	12%	3.9
Total	160	243.8m	67%	8.5
* Excluding rent, pilotage and conservancy				
** As a percentage of turnover excluding rent, pilotage and conservancy				

Many of the contracts contain obligations on ABP's customers to generate minimum throughput volumes or tonnages of cargoes and for the customer to pay a shortfall if it fails to meet its minimum obligations. Fees charged under the majority of contracts are subject to review on an "upwards-only" index-linked basis.

Based on a review undertaken in 2011, 129 customer contracts with revenues of more than £100,000 per year remained in place from 2003 to 2010, of which 65 were renewed in the period and 64 were ongoing. Between 2003 and 2010, net losses only occurred in 2010, in which year two contracts were lost. During 2011 and 2012 the group secured five new contracts with revenues of more than £100,000 per year, which are expected to generate c £5m of incremental EBITDA per annum in aggregate over a 3 to 5 year period. Over the same period, three contracts with revenues of more than £100,000 per year were lost with a combined annual EBITDA of c £2.3m. Of these lost

contracts, two were lost as preparation for new projects which would occupy the group's King George Dock at the port of Hull. Of the customer contracts which generated more than £100,000 in revenues in 2012, more than 45 per cent. had remaining terms of 5 years or more, with maturities ranging up to more than 25 years.

The table below shows the distribution of the remaining terms of ABP's current customer contracts by reference to the revenue earned under them in 2012 (in the case of the contracts which are "under negotiation", the term of these contracts has expired while the customer continues to use the relevant ABP facilities and contractual negotiations are underway).

<u>Maturity by Value</u>				
<u>Under negotiation</u>	<u>0 – 5 years</u>	<u>6 – 10 years</u>	<u>11 – 20 years</u>	<u>21+ years</u>
4%	51%	22%	17%	6%

Source: ABP

In 2012, 29 per cent. of non-contracted revenue related to pilotage/conservancy dues. Pilotage and Conservancy fees are payable by any vessel entering waterways where ABP is the relevant harbour authority, irrespective of whether the owner of the vessel is an ABP customer. For more detail on port services and charges, see the section headed "*The UK Ports Industry – Cargoes handled and services provided in the UK ports industry – Port Services and Charges*".

Of the customer contracts which generated more than £100,000 in revenues in 2012, 59 per cent. of revenue was adjusted annually by reference to the Retail Price Index, 18 per cent. of revenue was derived from rental income (reviewed periodically by reference to the Retail Price Index and open market value), a further 11 per cent. of revenue is subject to renegotiation and the remaining 12 per cent. was not subject to increase.

The following table sets out revenue type by value generated by ABP's ports business in 2012 (see "*The UK Ports Industry – Port Services and Charges*" for an explanation of the meanings of the terms pilotage and conservancy).

<u>Revenue Type by Value</u>				
<u>Under Contract and Guaranteed</u>	<u>Under Contract but Non-Guaranteed</u>	<u>Rent</u>	<u>Spot Business not under Contract</u>	<u>Pilotage and Conservancy</u>
28%	25%	17%	20%	10%

Source: ABP

Overview of Cargo Handled by ABP

The table below shows the type of cargo handled at each of ABP's 21 UK ports in 2012.

	Immingham	Southampton	Hull	Port Talbot	Ipswich	Newport	Grimsby	Cardiff	Barrow	Goole	Ayr	Swansea	Plymouth	Kings Lynn	Troon	Lowestoft	Barry	Garston	Teignmouth	Fleetwood	Silloth
Liquid bulks	•	•	•	•	•		•	•	•	•			•				•	•			•
Coal	•		•	•		•				•	•	•					•	•			
Iron ore	•			•			•														
Agribulks	•	•	•		•	•	•			•	•	•	•	•				•	•		•
Other dry bulks	•	•	•	•	•	•	•	•	•	•	•	•		•		•		•	•		
Forest products	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•				•
Fresh produce	•	•			•		•					•			•	•					•
Other break bulks	•	•	•	•	•	•	•	•	•	•	•	•		•		•	•	•	•		
Containers	•	•	•		•	•		•								•					
Ro-Ro	•	•	•		•										•						
Vehicles	•	•	•				•														
Passengers	•	•	•																		
Cruise		•	•										•								

Source: ABP

The ABP Group handled 116.9 million tonnes of cargo in 2012 (compared with 115.2 million tonnes in 2011), which constituted a 24 per cent. (compared with 23.1 per cent. in 2011) market share of total UK major ports' volumes (source: *TSR Maritime Statistics Report*) (see "*The UK Ports Industry – Main Private UK Port Groups – Market Share*"). The ABP Group's ports handle a diverse variety of cargo types, with the largest single cargo (coal) accounting for approximately 15.8 per cent. of 2012 revenues (see "*The UK Ports Industry – Cargo Types*" below for an explanation of cargo types).

The table below shows the proportion of ABP's revenue in 2012 broken down by different types of cargo and services and the volumes of cargo handled by ABP in 2012. The significant variance between the volume and revenue splits is attributable to the nature of the cargo and the extent of involvement in cargo handling and value added services.

<u>Cargo Type</u>	<u>Revenue by Cargo/Service Type 2012</u>	<u>Volumes by Cargo</u>
Conservancy	3.2%	-
Vehicles	3.7%	2.9%
Liquid bulks	4.0%	27.0%**
Ferry & Cruise	6.0%	-
Ro-Ro	5.7%	10.8%

Pilotage	6.5%	-
Break-bulk/ General cargo	7.4%	6.5%
Containers	8.0%	12.2%
Other dry bulks	8.6%	18.7%
Coal	15.8%	21.9%
Other income*	13.8%	-
Property rental	17.3%	-
<p>***Other** Income includes revenues generated from dredging, cold storage facilities, services/utilities, consultancy and the provision of services for HMRC.</p> <p>** Excludes liquid bulks where the group generates only conservancy revenue</p>		

Source: ABP

The table below shows the revenue generated by each cargo type as a percentage of total revenue generated by each of the five port divisions in 2012.

<u>Revenue by Port 2012</u>					
<u>Revenue:</u>	<u>Hull & Goole</u> %	<u>Grimsby & Immingham</u> %	<u>Southampton</u> %	<u>South Wales Ports</u> %	<u>Shortsea Ports</u> %
<u>Revenue £m</u>	87.3	156.9	113.6	44.6	52.0
<u>Liquid bulks</u>	8%	4%	-	9%	1%
<u>Coal</u>	3%	44%	-	7%	-
<u>Dry bulks (other than coal)</u>	4%	11%	2%	13%	23%
<u>Break-bulks/ General cargo</u>	13%	2%	2%	21%	16%
<u>Containers</u>	4%	3%	24%	-	1%
<u>Ro-Ro/ Vehicles</u>	11%	11%	11%	-	7%
<u>Ferry</u>	3%	-	1%	-	7%
<u>Cruise</u>	-	-	18%	-	-
<u>Pilotage & Conservancy</u>	34%	-	11%	7%	1%
<u>Other</u>	7%	7%	18%*	8%	32%**
<u>Port related property income</u>	13%	18%	13%	35%	12%
<u>Total ports and transport income</u>	100%	100%	100%	100%	100%
* Includes income from Southampton Connect Operations					
** Principally driven by low margin dredging, undertaken by a third party and managed by the group on behalf of a major customer.					

Source: ABP

The table below shows the volume of each cargo type as a percentage of the total cargo handled by each of the five port divisions in 2012.

<u>Volumes by Port 2012</u>					
<u>Cargo Type</u>	<u>Port Division</u>				
	<u>Hull & Goole</u>	<u>Grimsby & Immingham</u>	<u>Southampton</u>	<u>South Wales Ports</u>	<u>Shortsea Ports</u>
<u>Liquid bulks</u>	14%	40%	71%*	13%	3%
<u>Dry bulks</u>	26%	42%	3%	71%	72%
<u>Break-bulks/ General cargo</u>	19%	2%	1%	15%	17%
<u>Containers</u>	14%	2%	21%	1%	0%
<u>Ro-Ro/ Vehicles</u>	27%	14%	4%	0%	8%
<u>Total tonnage</u>	100%	100%	100%	100%	100%

* Liquid bulk volumes at Southampton generate conservancy revenue only

Source: ABP

Properties

The ABP Group owns freehold and leasehold land comprising 21 ports in England, Wales and Scotland. Each port comprises one or more freehold and/or leasehold titles and there are a number of unregistered titles which are not regarded as materially affecting port operations.

ABP also owns and operates an 11 hectare rail freight terminal located at Hams Hall near Birmingham, situated adjacent to the Nuneaton-to-Birmingham railway line. This handles deep-sea and shortsea traffic to and from ports such as Southampton, Tilbury and Felixstowe, as well as traffic via the Channel Tunnel and domestic traffic from Scotland. DPWS, at the ABP-owned Port of Southampton, is a terminal owned jointly by ABP (49 per cent.) and DP World (51 per cent.).

Individual Port Analysis

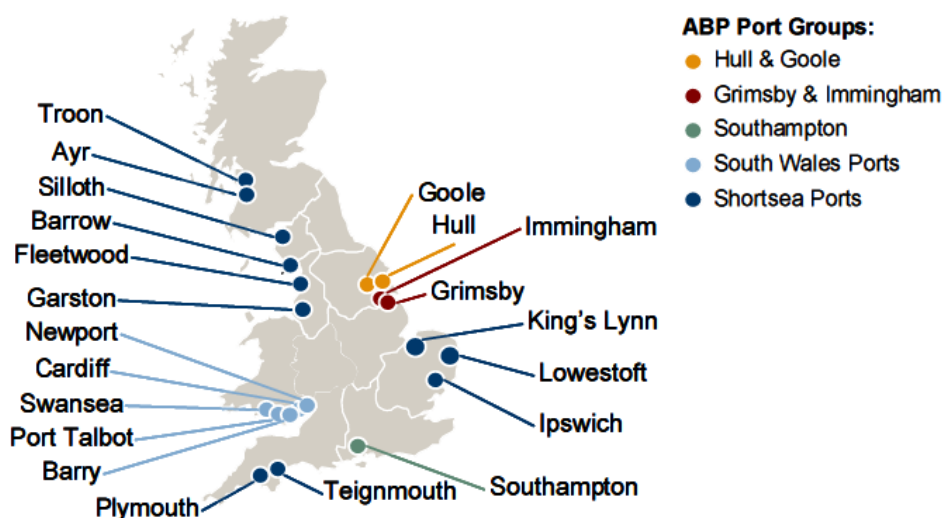
The ABP Group owns 21 ports at the following locations: Ayr, Barrow, Barry, Cardiff, Fleetwood, Garston, Goole, Grimsby, Hull, Immingham, Ipswich, King's Lynn, Lowestoft, Newport, Plymouth, Port Talbot, Silloth, Southampton, Swansea, Teignmouth and Troon, which are indicated on the map below. The 21 UK ports operated by the ABP Group provide over 81 kilometres of quay length and cover a total land area of approximately 12,500 acres, including 3,200 acres of seabed and water rights.

ABP's ports are organised into five business units, or port groups, each headed by a Port Director:

- (a) Grimsby and Immingham;
- (b) Southampton;
- (c) Hull and Goole;
- (d) South Wales (5 ports); and

(e) Shortsea Ports (11 ports).

ABP Port Locations



Grimsby and Immingham

Together with its sister port of Grimsby, Immingham is the UK's largest port by volume and the seventh largest in Europe by volume. Grimsby and Immingham accounted for 45 per cent. of the ABP Group's volumes and 33 per cent. of the ABP Group's revenues in 2012.

Immingham

Immingham benefits from a deep-water location on the Humber estuary and provides access to the trade routes between the UK and Scandinavia, the Baltic states and mainland Europe. The port's links extend throughout Europe, North and South America, Africa, Australia, the Middle East and the Far East. Immingham has specialised facilities for dry bulks (including coal and iron ore), liquid bulks (oil, spirits and liquid chemicals) and gas.

Dry bulks

Immingham is the UK's largest dry bulk-handling port. Cargoes such as coal, iron ore, petroleum coke, titanium slag, ferrous alloys, pig iron and pyrites are regularly handled at the port's in-dock and deep-water riverside facilities.

The port is a major handler of animal feed and agribulk imports, and its proximity to the main European shipping routes makes it a hub for the UK's deep-sea grain traffic.

Liquid bulks

Immingham serves as a hub for the UK's oil and petrochemical industries, with around 25 per cent of the country's oil-refining capacity concentrated near the port. Immingham has four specialist liquid-bulk terminals. Immingham is also home to the UK's largest and most comprehensive independently owned petrochemical-storage facility, with over 240 storage tanks.

Grimsby

The Port of Grimsby is located on the south bank of the Humber estuary. It is the chief vehicle-handling centre for the north of England, handling almost 400,000 vehicles annually for leading manufacturers. The port is also home to a significant fish market.

Southampton

Southampton was the UK's fourth largest port by volume and accounted for 33 per cent. of the ABP Group's volumes and 24 per cent. of the ABP Group's revenues in 2012. It has a natural deep-water harbour which benefits from a double high-tide and is situated in close proximity to intercontinental shipping lanes.

Containers

Southampton's four-berth container facility is the second largest container operation in the UK. It is operated by DPWS under a venture between ABP and DP World.

The container terminal consists of more than 85 hectares of container yard with 1,350 metres of continuous quay, which enables three ultra-large deep-sea vessels to be handled simultaneously. A fifth container berth is being developed which will also be capable of handling the world's largest container vessels when it is commissioned in early 2014.

Passengers and Cruises

Southampton handles the largest number of cruise passengers per year of any UK port. It is home to the UK fleets of both P&O Cruises and Cunard Line – part of the Carnival Group – and is also used regularly by Royal Caribbean International, Fred Olsen Cruise Line and Saga Holidays which are served by the port's four cruise terminals. According to the Department for Transport, the number of passengers passing through the port increased from 476,000 to 1,577,000 between 2004 and 2011.

Ro-Ro

Southampton is an increasingly popular location for Ro-Ro (as described in *"The UK Ports Industry" – "Cargoes handled and services provided in the UK port industry" – "RoRo"* traffic, especially in the deep-sea car trade in relation to which it handled over 650,000 vehicles in 2012. A wide range of car manufacturers ship vehicles through Southampton, including Renault, Ford, Land Rover, Jaguar, Toyota and BMW. The port is Honda's UK export hub.

Hull and Goole

The Port of Hull was the UK's sixteenth largest by volume in 2012. Hull accounted for 10 per cent. of the ABP Group's volumes and 19 per cent. of the ABP Group's revenues in 2012. Its relatively large contribution to overall ABP Group revenue is reflective of the fact that Humber Estuary Services ("**HES**") is attributed to it. HES provides the pilotage services for the whole of the Humber (i.e. the ports of Grimsby and Immingham and non ABP ports situated along the Humber as well as Hull and Goole). In 2012, HES contributed £30m to ABP Group revenues (34 per cent. of total revenue for the region).

Hull benefits from a diverse cargo mix with regular shortsea services operated to Europe, Scandinavia and the Baltic states. The port also benefits from worldwide deep-sea connections. Hull is the UK's leading softwood timber-handling port.

Goole is an inland port located on the River Ouse, 80km from the open sea, which handles containers, dry bulks, liquid bulks and steel among other cargoes.

South Wales Ports

ABP owns and operates five ports in South Wales (Port Talbot, Cardiff, Newport, Barry and Swansea). Port Talbot is one of the few ports in the UK capable of handling "cape size" vessels (typically over 150,000 deadweight tonnes). ABP's South Wales ports carry goods including coking coal, iron ore, liquid bulk, metals and agribulks. The South Wales Ports accounted for 9 per cent. of the ABP Group's revenues in 2012.

Shortsea Ports

ABP owns 11 shortsea (as opposed to deep-sea) ports. The shortsea ports are Ayr, Barrow, Fleetwood Garston, Ipswich, King's Lynn, Lowestoft, Plymouth, Sillith, Teignmouth and Troon. The shortsea ports accounted for 11 per cent. of the ABP Group's revenues in 2012.

Property Development

Property Development revenue comprises proceeds on disposal of non-core property assets. ABP has not had any significant non-core property disposals since 2007 when ABP sold non-operational sites at Colchester, Fleetwood and Barry for consideration of £57.9m.

Associates

ABP has one significant associate, DPWS, which generates revenue through container handling, storage, ship-planning services and cargo inspection and consolidation.

DP World Southampton (“DPWS”)

DPWS is the trading name of SCT, a venture between DP World (51 per cent.) and ABP (49 per cent.). DPWS is located at the port of Southampton. DPWS has a total capacity of 2.1m TEU per annum. DPWS’s terminal covers a site of 85 hectares with 4 deepwater berths and 12 quayside gantry cranes capable of handling ultra-large container vessels. DPWS operates under a licence from ABP’s Port of Southampton which expires in May 2022 and, unless extended, the area under licence reverts to ABP’s sole control at that point.

Based on their current shareholdings, ABP and DP World are each entitled to nominate three directors to the board of SCT. Voting by directors at board meetings is weighted as follows: the directors appointed by ABP are entitled to cast 49 votes and the directors appointed by DP World are entitled to cast 51 votes. As such, whilst there is a comprehensive list of customary board reserved matters (requiring simple majority approval), DP World is able to pass such matters unilaterally. There are a limited number of typical investor protection matters requiring unanimous approval (for example, making amendments to SCT’s memorandum and articles of association and issuing further shares).

Investment Projects

ABP is currently undertaking a number of investment projects, including:

- the expansion of the container terminal at Southampton via the redevelopment of berths 201 and 202 and the dredging of the approach channel which will increase the terminal’s capability to handle ultra-large container vessels. The redeveloped berths are expected to be operational in early 2014;
- the development of a two berth riverside Ro-Ro facility at Grimsby, which will be used for the import and export of new vehicles. The new facility is expected to be operational in Q3 2013;
- the construction of facilities for the handling and storage of biomass at the group’s Humber International Terminal at the Port of Immingham. The project is subject to a long term customer agreement with Drax Power Limited. The works are expected to commence in 2013 and complete in 2014.

ABP is also currently in discussion with Siemens with regard to the development of a 134 acre site at Alexandra Dock, Hull, on which Siemens plans to establish an offshore wind turbine facility with a riverside berth export capability. The development is subject to finalisation of long-term contractual arrangements with Siemens.

Employees

During 2012 the monthly average number of persons employed by the ABP Group was 1,953 (2011: 1,927). Over 90 per cent. of the employees of the ABP Group are employed directly by ABP. Fourteen employees are employed directly by ABPH (as at 28 February 2013) and the other employees work for subsidiaries of ABPH (ABP Marine Environmental Research Ltd and ABPH Marine (Guernsey) Limited) and in a subsidiary of ABP (The Teignmouth Quay Company Limited).

Apart from Unite the only other trade union recognised by ABP is Nautilus International, which has joint representation with Unite in respect of Humber Pilots. There is a national recognition agreement in place with the trade union Unite, which as at January 2013 covers approximately 328 manual grade employees. The remaining 448 manual grade employees are covered by personal contracts. ABP also has an unspecified number of non manual grade employees who are Unite members but are not covered by any recognition agreement.

The Unite Recognition Agreement is a voluntary agreement between the Company and Unite and is expressly stated not to be legally enforceable. Recognition for Nautilus/Unite in respect of Humber Pilots was awarded under a statutory procedure following an application to the Central Arbitration Committee and the bargaining method specified by the CAC has effect as if it were a legally binding contract between the employer and the Unions. This distinction has had no substantive implications in practice.

The last industrial action at ABP's ports occurred in 2007 where a work to rule (a form of industrial action in which employees do no more than the minimum required by the rules of their contract) was implemented by Unite members at the Finland Terminal in Hull. It was resolved without concessions being made by ABP.

For a discussion of other risks relating to port employees see "*Risk Factors—Industrial relations*".

ABP Management

The ABP senior management team currently consists of the Chief Executive, Chief Financial Officer, five Port Directors, Technical Director and General Counsel. The Chief Executive, Chief Financial Officer and one of the Port Directors are also on the board of ABP's immediate holding company, ABPH.

James Cooper (Chief Executive – Executive Director ABPH), 52

James joined as Chief Executive and Director of ABP and ABPH in April 2013. Prior to this, James was a Non-Executive Director of ABPH from May 2007, representing Infracapital. Prior to joining ABP as an Executive Director, James was a Director of Infracapital, part of M&G Investment Management Limited, was Chairman of Red Funnel Group Holdings Ltd, Alticom Holdings BV and Calvin Capital Ltd, and was a Director of Zephyr Investments Ltd and Kelda Group Ltd. From 1998 James worked for BNP Paribas, where he was co-head of UK Corporate Finance. Between 1992 and 1998 he worked for Hambros Bank, where he led the transport sector team and was a director.

Sebastian Bull (Chief Financial Officer – Executive Director ABPH), 52

Sebastian joined ABP in February 2011. Sebastian was previously Director of Finance and Administration at More London Development Ltd from 2003 to 2010. From 1998 to 2002, Sebastian held senior commercial and finance roles, including Corporate Finance Director, Network Development Director and Finance Director, at Railtrack (now Network Rail). Prior to Railtrack, Sebastian spent 14 years working in roles in corporate finance for UBS. Sebastian trained as a Chartered Accountant for KPMG.

Doug Morrison (Southampton Port Director – Executive Director ABPH), 61

Doug Morrison was appointed to the Board of ABPH in April 2005. Doug has worked for the ABP Group for his entire career, having joined directly from school in 1968. He worked in ports administration at Ayr & Troon for 11 years before moving to the operational side of the business as a trainee supervisor. Within ten years he was responsible for all port operations at Ayr & Troon. He became Port Manager in 1998 and was promoted to the position of Port Director, Hull & Goole, in 2003. He took up his current role as Port Director, Southampton, in April 2005.

John Fitzgerald (Grimsby & Immingham Port Director), 50

John has been an ABP board member since September 2004. John joined ABP in April 1997, initially as Sales & Marketing Manager for Grimsby & Immingham. John was promoted to Director for Shortsea Ports in September 2004 and in October 2005 he moved to become Port Director for South Wales. John took on his current role in February 2008.

Before joining the group, John worked elsewhere in the ports industry for 16 years. John began his career as a graduate trainee with Ocean Group, served as a Marketing Assistant for Ocean Port Services and later held a number of positions at Medway Ports.

Matt Jukes (Hull & Goole Port Director), 41

Matt has been a member of ABP's board since October 2005. Matt's first post on the Board was as Port Director for Shortsea Ports. Prior to that, Matt was Deputy Port Manager for Hull & Goole.

Matt joined ABP in 1994 as a dredging technician and has since worked in varied positions throughout the company, including as Quay Foreman and Assistant Operations Manager at Grimsby & Immingham and as Marketing Manager, then Operations Manager and then Deputy Port Manager at Hull.

Before joining ABP, Matt was a Trainee Officer in the Royal Navy and a Graduate Field Surveyor for Racal.

Matthew Kennerley (South Wales Port Director), 46

Matthew joined the ABP board when he was promoted to the position of Port Director for Hull & Goole in June 2005. Matthew became Port Director for South Wales in February 2008.

Matthew joined ABP as a Management Trainee in 1989 and undertook several roles in a number of ports: a Terminal Superintendant at Immingham, Marketing Manager for Grimsby & Immingham, Operations Manager then Assistant Port Manager at Newport going on to be Deputy Port Manager for ABP's South Wales Ports. Matthew was then promoted to Assistant Port Manager for Southampton.

Matthew is a member of the Chartered Institute of Logistics & Transport and the Institute of Chartered Shipbrokers.

Nick Ridehalgh (Shortsea Ports Director), 46

Nick joined the ABP Board when he was promoted to the position of Port Director for Shortsea Ports in February 2008. Nick joined ABP as a Management Trainee in 1991 and moved on to a number of roles: Marketing Assistant at Southampton, Operations Officer at Immingham, Assistant Port Superintendant at Grimsby, Marketing Manager at Hull, Operations Manager then Assistant Port Manager at Ipswich, Port Manager of Kings Lynn and Lowestoft, and then Port Manager of the North West Ports.

Before joining ABP, Nick worked within different functions of ICI Fibres and was a police officer with the Greater Manchester Police.

Ian Schofield (Technical Director), 51

Ian became Engineering Director in 2002. Ian's position was redesignated as Technical Director on 2 January 2013. In addition to overseeing engineering matters at the ports, Ian leads the Company's Health & Safety, Security and Environment teams and is a former Chairman of Port Skills and Safety Ltd. Ian is working consistently to improve ABP's safety culture and to reduce the incidence of work-related accidents and cases of work-related ill-health. Ian is also Chairman of ABP Marine Environmental Research Ltd.

Ian joined ABP in 1991 as Assistant Port Engineer for Goole; he then worked at Hull and ABP's North East ports until he was appointed Port Manager for Kings Lynn in 1999. Prior to joining ABP, Ian spent 11 years in line management in the mining industry.

Andrew Garner (General Counsel & Company Secretary), 45

Andrew became ABP's General Counsel in November 2005 and is responsible for providing the group with legal support. In 2009, Andrew took on the additional roles of Company Secretary of ABPH and ABP. Andrew joined the company from First Choice Holidays plc, where he served as General Counsel Corporate from 2001. At First Choice, Andrew advised on many of the company's worldwide acquisitions and was responsible for legal matters affecting the UK tour operating and retail businesses. Andrew also represented the company at the Federation of Tour Operators, the UK tour operator trade association. Andrew qualified as a solicitor with law firm Linklaters & Paines before joining Unigate plc (now Uniq plc), which included the Unigate Dairies, St Ivel, Malton Bacon and Wincanton Logistics businesses.

Insurance

The commercial insurance market currently provides insurance cover to ABP.

ABP's insurance programme is renewed each year on the first of January and includes the following insurance cover from third party underwriters:

- (a) property damage, marine, business interruption insurance that covers all physical real estate assets against the risks of, *inter alia*, fire, explosion, lightning, storms, electrical damage, natural disasters and terrorist acts and resultant loss of revenue and/or increased costs of maintaining normal business activities. The main coverage has a combined property damage and business interruption limit of £50 million per occurrence less the relevant deductibles and a maximum indemnity period for business interruption losses of 24 months;
- (b) third party liability, providing up to £75 million of cover per occurrence and per year less the relevant deductibles;
- (c) terrorism insurance, providing up to £50 million of cover per occurrence less the relevant deductibles;
- (d) motor third-party liability insurance, providing up to £25 million of cover per occurrence for third-party property damage (unlimited for third party death or bodily injury or passenger liability) less the relevant deductibles;
- (e) personal accident and travel liability, providing up to £25 million of cover per occurrence and per year less the relevant deductibles;
- (f) directors and officers liability, providing up to £50 million of cover per occurrence and per year less the relevant deductibles;
- (g) pension fund trustee liability insurance, providing up to £30 million of cover per occurrence and per year less the relevant deductibles;
- (h) employers' liability insurance, providing up to £50 million of cover per occurrence less the relevant deductibles; and
- (i) environmental pollution insurance cover forms part of the Marine package with a primary insured limit of £20 million. In addition, contingent clean up cost cover is in place for those instances where a third party is responsible for the pollution and a recovery cannot be made from that third party. The limits of this cover are £10 million for water based pollution and £2 million for land based pollution.

ABPIL's annual losses via self insured deductibles are capped at a maximum annual aggregate of £1.75 million for property, marine, business interruption and third party liability claims and £0.7 million for employer liability claims.

Pensions

The Associated British Ports Group Pension Scheme

The main pension scheme in which the ABP Group companies participate is the Associated British Ports Group Pension Scheme (the "**ABP Scheme**"), which includes four defined benefit sections and one defined contribution section. The defined benefit sections were closed to new members from 6 April 2002 but they remain open for existing members to future accrual. The defined contribution section opened on 6 April 2002 to new and existing employees. Following the required employee consultations and from 1 April 2011, increases to pensionable pay were capped for the first year at 3.5 per cent. per annum, and thereafter at 2 per cent. per annum, for members in the defined benefit sections. As an alternative, members had the option to move over to the defined contribution sections on enhanced terms (standard employer contributions plus 5 per cent.) whilst retaining deferred defined benefits.

The ABP Scheme has ABP as the principal employer and ABP together with the participating employers is liable to support the ABP Scheme. The annual actuarial report in respect of the ABP Scheme for 2011 disclosed a deficit of approximately £121m on a technical provisions basis and £251m on a buyout basis (both as at 31 December 2011). The buyout deficit does not normally represent the employer's cash contribution cost unless a section 75 debt is triggered (see "*Risk Factors – Pensions*" above) or if the ABP Scheme is being funded to wind-up within a relatively short period of time.

The employer contributions are determined by ABP and ABP (Pension Trustees) Ltd. If agreement cannot be reached within 15 months of the effective date of the valuation, the Pensions Regulator has the power to set the contributions. The ABP Scheme's last triennial actuarial valuation was at 31 December 2009 and states that the

company contribution rate should be 18.3 per cent. of contributory pay for defined benefit members (the total pensionable salary of active members was £18.1m at the beginning of the 2013 financial year) plus required contributions in respect of defined contribution members. Standard employer contribution rates for the defined contribution section match those of the employees plus a further 2 per cent.. The current employer contribution rates are either 4, 6 or 8 per cent. of pensionable pay, pensionable pay being basic salary, with a new upper tier being introduced as at 1 April 2013 of 10 per cent.

As a result of the deficit of £74.3m as at 31 December 2009, a recovery plan for deficit contributions was agreed in relation to defined benefit liabilities of the ABP Scheme. ABP is paying £6.12m per annum from 1 April 2011 until 31 May 2019 by way of equal monthly instalments of £510,000. The next triennial valuation is due as at 31 December 2012. Negotiations between ABP and ABP (Pension Trustees) Ltd. commenced in early April 2013 and are still ongoing.

Industry-wide defined benefit pension schemes

There are three other multi-employer industry-wide defined benefit schemes in which the ABP companies participate: the Merchant Navy Officers Pension Fund (the “**MNOPF**”); the Pilots’ National Pension Fund (the “**PNPF**”); and the Former Registered Dockworkers Pension Fund (the “**FRDWPF**”).

The MNOPF and the PNPF are in deficit on a buy-out basis and the deficit contributions payable by the employers are determined unilaterally by the trustee of each of the schemes. The FRDWPF was in surplus on a buyout basis as at 5 April 2010. The next triennial valuation of the FRDWPF was at 31 March 2013. The results of the valuation are not expected before October 2013 but they are expected to show a deficit.

Currently ABP only has one active member in the MNOPF, for which ABP currently contributes 11.9 per cent. of the member’s salary for future accruals and is paying £17,291 on an annual basis to 30 September 2014 for the deficit contributions attributable to it from the 2006 valuation (ABP’s portion of the deficit from the 2009 valuation was £320,000 and was paid in full in 2010). Therefore, except for the remaining instalments to be paid in relation to the 2006 deficit, ABP is not liable for any further deficit contribution until and unless a further deficit is revealed in the MNOPF valuation as at 31 March 2012 . The latest estimate (in 2012) of ABP’s MNOPF section 75 debt liability was approximately £1.9m. As with other multi-employer non associated pension schemes the MNOPF is unusual in that payment of this amount will not automatically end the continuing liability of ABP to contribute to the MNOPF. There may be scope to negotiate a discharge of ABP’s continuing liability in these circumstances, but it is possible that the Trustee of the MNOPF will require payment in excess of the section 75 debt before agreeing to this, or may decide not to agree to it.

The PNPF is an industry wide scheme open to both self-employed and employed pilots. ABP is (i) an active Competent Harbour Authorities (“**CHAs**”) employer as ABP currently employs at least 1 active member; and (ii) a formerly active self-employed CHA as it no longer has any active self-employed members.

In 2008, the PNPF Trustee applied for a High Court ruling to seek guidance on its powers and its options in terms of the allocation of the past service deficit associated with the scheme because it was unclear which parties could be classed as “employer” and was therefore impossible to assess any employer covenants required to complete a scheme valuation. Subsequent ‘triennial’ actuarial valuations of the PNPF due as at 31 December 2007 and 31 December 2010 were held pending the court decision.

In 2010 the High Court ruled that the deficit contributions could be spread across all classes of CHAs and that this, therefore, included self-employed CHAs, with either active or formerly active self-employed pilots. Although originally appealed, the Court proceedings were finally closed in October 2012. The Pensions Regulator has been actively monitoring the progress of the legal proceedings and the work being undertaken by the PNPF Trustee to fund the PNPF.

During 2012 the PNPF Trustee carried out a consultation with CHAs on the assumptions to be used in the valuation (as at 31 December 2010) as well as the investment strategy and length of the recovery plan to close the deficit within the scheme. The recovery plan is scheduled for 16 years and ABP is responsible for 34.5732 per cent. of the total liabilities in the scheme (including its share of orphan liabilities), providing a total deficit payment of £86.8m. The recovery plan requires ABP to pay c.£3m in 2013, c.£4m in 2014 and c.£5m from 2015, increasing by RPI each year thereafter. The next triennial valuation is as at 31 December 2013.

Other pension arrangements

SCT, a venture between the ABP Group and DP World, operates a single employer defined benefit pension scheme and also participates in the FRDWPF. Neither ABP nor any of the ABP Group companies are Participating Employers in the SCT pension scheme.

In 2010, the SCT pension scheme was 79 per cent. funded on a technical provisions basis. SCT paid an annual deficit contribution of £1.9m in 2010, £2.7m in 2011 and agreed a recovery plan under which annual deficit contributions rise to £3.6m from January 2013 to December 2015 inclusive.

In addition, there are a reducing number of unfunded retirement benefits payable to former employees and directors. In December 2012 the total liability for these unfunded benefits was £2.6 million.

For additional information, see “*Risk Factors—Business and Regulatory Risks—Pensions*”.

FINANCIAL PERFORMANCE

The table below summarises the financial performance of the ABPAH Group for the five years ended 31 December 2012.

Summary Historical Trading Performance

Key Statistics	2008 ¹	2009 ¹	2010	2011	2012
<i>£m, except where indicated</i>					
Ports & Transport revenue	421.9	401.9	408.0	421.4	471.7
<i>Growth (%)</i>		-4.7	+1.5	+3.3	+11.9
Property Development	1.7	-	0.1	2.0	-
Total revenue	423.6	401.9	408.1	423.4	471.7
<i>Growth (%)</i>		-5.1	+1.5	+3.7	+11.4
Consolidated EBITDA ²	224.2	223.8	248.2	263.0	279.5
<i>Growth (%)</i>		-0.2	+10.9	+6.0	+6.3
Consolidated EBITDA margin (%) ⁴	53	56	61	62	59
Cashflow generated from operations	227.5	226.9	243.5	271.9	272.6
Total tonnage ³	104.5	84.8	90.1	89.2	89.6
Headcount (Number of employees)	2,266	2,069	1,926	1,927	1,953

¹ Extracted from the Annual Report and Accounts of ABP SubHoldings UK Limited

² Consolidated EBITDA as defined in the glossary of defined terms

³ Excludes volumes where ABP generates conservancy income only

⁴ Consolidated EBITDA margin as a percentage of Ports & Transport revenue

Performance headlines

Over the period 2008 to 2012:

- Consolidated EBITDA has grown by 4.5% (CAGR) underpinned by the group's contracted revenues which provide for regular pricing increases and a high degree of non-volume related revenue, together with management of costs following the contraction of volumes caused by the recession.
- Revenue has grown by 2.7% (CAGR) whilst volumes have decreased by 3.8% (CAGR), the latter reflecting the partial recovery of volumes following a substantial reduction in 2009 due to the recession.
- Cashflows generated from operations have increased by 3.4% (CAGR) from £227.4m to £272.6m.

The table below summarises the income of the ABPAH Group for the three years ended 31 December 2012.

Income Statement

	2010**	2011*	2012
<i>£m</i>			
Ports & Transport	408.0	421.4	471.7
Property Development	0.1	2.0	-
Revenue	408.1	423.4	471.7
Ports & Transport	(198.1)	(201.8)	(234.5)
Property Development	-	(0.2)	-
Operating costs	(198.1)	(202.0)	(234.5)
Ports & Transport	209.9	219.6	237.2
Property Development	0.1	1.8	-
Underlying operating Profit	210.0	221.4	237.2
Profit on sale of associated undertaking	-	-	3.8
Amortisation of acquisition related adjustments	(36.4)	(36.1)	(34.7)
Increase in fair value of investment properties	22.7	12.1	470.7
Exceptional items – administrative expenses	-	21.2	(51.5)
Operating profit	196.3	218.6	625.5
Income from associates	2.7	6.2	0.2
Finance income	18.3	48.6	10.0
Finance costs	(309.6)	(463.6)	(391.0)
Net unrealised loss on interest rate swaps	(127.4)	(364.4)	(10.7)
(Loss) / Profit before taxation	(219.7)	(554.6)	234.0
Taxation	82.2	139.1	(34.3)
(Loss) / Profit after taxation	(137.5)	(415.5)	199.7

* Restated following a change to the group's accounting policy in relation to the classification of property assets between investment property and property, plant and equipment (noted below under Increase / (decrease) in fair value of investment properties of this review).

** Not restated, ie, excludes the impact of the change in accounting policy noted in * above.

Revenue: The ABPAH Group reports its results under 2 operating segments:

- Ports and Transport — port-related activities;
- Property development — sales of non-operational land and property.

Ports and Transport

Revenue from the ABPAH Group's core ports and transport activities increased by 3.3% in 2011 and by 11.9% in 2012 to £471.7m (2010: £408.0m, 2011: £421.4m). In 2011 growth was achieved by improved contributions from certain bulk trades, particularly coal and salt imports, and strong growth in cruise volumes. The increase in 2012 reflected volume growth, including coal, import/export vehicles and cruise, and increased property income. Ports and transport operating costs increased by 1.9% in 2011 and by 16.2% in 2012 to £234.5m (2010: £198.1m, 2011: £201.8m). The 2011 increase mainly reflected cost inflation and annual pay increases. In 2012 the increase reflected higher external dredging costs undertaken on behalf of a major customer and increased labour and maintenance costs associated with increased volumes of coal handled at the ABP operated Humber International Terminal at the Port of Immingham. Underlying operating profit from ports and transport activities increased by 4.6% in 2011 and by 8.0% in 2012 to £237.2m (2010: £209.9m, 2011 restated : £219.6m).

Property development

The ABPAH Group did not undertake any property development transactions during 2012. In 2011 the group generated £2.0m of revenue and £1.8m of operating profit from property development activities mainly relating to the disposal of surplus land at the Port of Garston. In 2010 there was minimal property development activity, with the disposal of land at Hull being the most significant transaction. Although the group continues to seek opportunities to sell non-operational port located property, due to the

complexity of planning requirements required prior to disposal and the general economic climate, there have been few disposals in recent years.

Ports and Transport Volumes and Revenues

The table below provides an analysis of the ABPAH Group's volumes and revenues by cargo category for the three years ended 31 December 2012:

Changes in ABP's UK ports volumes	2010 million tonnes	2011 million tonnes	2012 million tonnes	Change from 2010 to 2011	Change from 2011 to 2012
Dry bulks	34.7	36.2	36.4	+4.3%	+0.6%
Break bulks	5.9	5.8	5.8	-1.7%	-
Liquid bulks ⁽¹⁾	23.7	22.0	24.2	-7.2%	+10.0%
Ro-Ro	12.4	11.3	9.7	-8.9%	-14.2%
Import/export vehicles	2.0	2.3	2.6	+15.0%	+13.0%
Containers	11.4	11.6	10.9	+1.8%	-6.0%
Total tonnage⁽¹⁾	90.1	89.2	89.6	-1.0%	+0.4%

(1) Excludes volumes where ABPAH generates conservancy income only

Changes in ABP's UK ports revenues	2010 £m	2011 £m	2012 £m	Change from 2010 to 2011	Change from 2011 to 2012
Dry bulks	93.1	102.4	115.1	+10.0%	+12.4%
Break bulks	33.9	34.1	34.8	+0.6%	+2.1%
Liquid bulks	18.3	17.7	18.8	-3.3%	+6.2%
Ro-Ro	25.4	25.4	27.0	-	+6.3%
Import/export vehicles	11.8	12.6	17.6	+6.8%	+39.7%
Containers	34.5	37.3	37.9	+8.1%	+1.6%
Total commodity revenue	217.0	229.5	251.2	+5.8%	+9.5%
Cruise & ferry	23.4	26.6	28.1	+13.7%	+5.6%
Pilotage & conservancy	39.6	41.7	45.5	+5.3%	+9.1%
Property income	60.6	63.6	81.8	+5.0%	+28.6%
Other	67.4	60.0	65.1	-11.0%	+8.5%
Total non commodity revenue	191.0	191.9	220.5	+0.5%	+14.9%
Total underlying revenue	408.0	421.4	471.7	+3.3%	+11.9%

Significant developments for individual commodity volumes and revenues included the following:

- **Dry bulks:** 2011 volumes increased by 4.3% with growth in coal, minerals (predominantly salt) and aggregates partially offset by a reduction in iron ore, biomass and agribulks volumes. In 2012 volumes increased by 0.6% with coal volumes up driven by increased demand from coal fired power station operators partially offset by declines in lower value iron ore, minerals and cement. 2011 revenues increased by 10.0% mainly reflecting the growth in coal and high salt imports. In 2012 revenues increased by 12.4% reflecting increased volumes of coal, and high value agribulks only partially offset by the impact of volume reductions in other dry bulk cargoes;
- **Break bulks:** 2011 volumes decreased by 1.7% and were flat in 2012 with reductions in forest products and manufactured goods volumes which was offset in 2012 by increased metal volumes. Revenues increased by 0.6% in 2011 and 2.1% in 2012 reflecting the volumes development and overall price growth;
- **Liquid bulks:** decline of 7.2% in 2011 reflecting reduced volumes of crude oil, petroleum, and chemicals following disruption to a major customer's oil refinery, leading to a 3.3% decrease in revenue. Volumes increased 10.0% in 2012, mainly reflecting a recovery of oil volumes. The 6.2% increase in liquid bulk revenue in 2012 includes the impact of changes in cargo mix towards liquid chemical bulk volumes;
- **Ro-Ro:** tonnage decreased by 8.9% in 2011 and 14.2% in 2012 reflecting declines in volumes on routes from Hull, Immingham, Ipswich and Troon, the latter two locations sustaining a cessation and reduction respectively in services offered by the service operators in 2012. Revenue was flat

in 2011 and increased by 6.3% in 2012 reflecting falling volumes in 2011 with 2012 income including the impact of contract termination payments made by the Ipswich operator;

- **Import/export vehicles:** volume increased by 15.0% in 2011 and 13.0% in 2012 reflecting strong exports of UK manufactured vehicles and new business won in 2012. Revenue increased by 6.8% in 2011 and by 39.7% in 2012 reflecting the volume growth and growth in car storage; and
- **Containers:** container volumes increased by 1.8% in 2011 and decreased by 6.0% in 2012 the latter reflecting declines at Southampton following changes to call patterns of container lines in 2012, and weak economic growth, partially offset by growth at Immingham. Revenue increased by 8.1% in 2011 and by 1.6% in 2012 reflecting the extent of non-volume related revenues and contractual price increases.

The table below provides an analysis of the changes in the ABPAH Group's passenger volumes for the three years ended 31 December 2012.

Changes in ABPAH's passenger volumes	2010 000's	2011 000's	2012 000's	Change from 2010 to 2011	Change from 2011 to 2012
Cruise passengers	1,258	1,472	1,603	+17.0%	+8.9%
Ferry passengers	1,529	1,485	1,365	-2.9%	-8.1%
Total	2,787	2,957	2,968	+6.1%	+0.4%

- **Cruise:** The Port of Southampton remains the UK's number one cruise port and accounts for almost all of the ABPAH Group's cruise volumes. Cruise revenue increased by 17.7% in 2011 and by 9.3% in 2012 to £21.1m (2010: £16.4m 2011: £19.3m) driven by growth in cruise passenger volumes of 17.0% in 2011 and 8.9% in 2012.
- **Ferry:** The majority of the group's ferry volumes relate to the North Sea routes operating from the Port of Hull and services from Plymouth to France and Spain. Revenues increased 4.3% in 2011 and fell 4.3% in 2012 to £7.0m (2010: £7.0m, 2011: £7.3m) with Ferry passenger volumes on the group's major routes declining by 2.9% in 2011 and 8.1% during 2012.
- **Pilotage and conservancy:** revenues increased by 5.3% in 2011 and 9.1% in 2012 to £45.5m (2010: £39.6m, 2011: £41.7m), reflecting increased coal vessel traffic on the Humber and annual price increases.
- **Property:** income increased by 5.0% in 2011 and 28.6% in 2012 to £81.8m (2010: £60.6m, 2011: £63.6m) reflecting rent review uplifts, charges for options over land for customer developments and, in 2012, an upward adjustment in respect of interim rent due in relation to the Immingham Oil Terminal, following a court ruling in May 2012.
- **Other revenue:** decreased by 11.0% in 2011 and increased by 8.5% to £65.1m (2010: 67.4m, 2011: £60.0m). Other income in 2010 included a settlement received in relation to a contract termination at the ABPAH Group's intermodal container terminal at Hams Hall and reduced income from a contract to provide operation of storage sites for a major customer in 2011. The increase in other income in 2012 was principally driven by low margin dredging, undertaken by a third party and managed by the ABPAH Group on behalf of a major customer.

Ports and Transport Costs

The table below provides an analysis of the ABPAH Group's ports and transport costs for the three years ended 31 December 2012:

Cost Category	2010 £m	2011 £m	2012 £m	Change from 2010 to 2011	Change from 2011 to 2012
Labour	(96.9)	(97.9)	(109.6)	+1.0%	+12.0%
Maintenance	(11.2)	(12.8)	(15.8)	+14.3%	+23.4%
Fuel	(7.4)	(10.2)	(10.8)	+37.8%	+5.9%
Dredging	(1.7)	(2.1)	(6.1)	+23.5%	+190.5%
Utilities	(6.3)	(6.7)	(6.8)	+6.3%	+1.5%
Other operating and administrative costs	(36.3)	(28.7)	(43.1)	-20.9%	+50.0%
Total costs excluding depreciation and amortisation	(159.8)	(158.4)	(192.2)	-0.9%	+21.3%
Depreciation*	(42.3)	(41.8)	(41.3)	-1.6%	-1.2%
Amortisation*	(0.2)	(0.7)	(0.9)	+250.0%	+28.6%
Profit/(loss) sale of fixed assets	4.2	(0.9)	(0.1)	-120.5%	-88.9%
Total operating costs	(198.1)	(201.8)	(234.5)	+1.9%	+16.2%

* Excluding acquisition related adjustments

- **Labour:** includes the cost of the ABPAH Group's operational, engineering, pilotage, administrative and management departments. Labour costs increased by 12.0% to £109.6m in 2012 (2011: £97.9m, 1.0% increase from 2010: £96.9m) driven by annual wage increases and the impact of increased coal activity on the ABP operated Humber International Terminal.
- **Maintenance:** represents operational expenditure required to repair, service and maintain the ABPAH Group's operating assets including quayside, plant and machinery and vessels. Maintenance costs increased by 23.4% to £15.8m in 2012 (2011: £12.8m, 14.3% increase from 2010: £11.2m) driven by the high activity at the Humber International Terminal due to coal volumes increased requirement for essential maintenance on equipment used to discharge vessels.
- **Fuel:** predominantly represents fuel required to operate the ABPAH Group's fleet of pilot launches and dredgers for external dredging work. Fuel costs increased by 5.9% in 2012 to £10.8m (2011: £10.2m, 37.8% increase from 2010: £7.4m), reflecting increased vessel traffic on the Humber and fuel cost inflation.
- **Dredging:** represents the cost of dredging to maintain access to the ABPAH Group's ports. Costs increased 190.5% to £6.1m in 2012 (2011: £2.1m, 23.5% increase from 2010: £1.7m) principally driven by dredging undertaken by a third party and managed by the group on behalf of a major customer.
- **Utilities:** increased by 1.5% to £6.8m in 2012 (2011: £6.7m, 6.3% increase from 2010: £6.3m) driven by price increases.
- **Other operating and administrative costs:** includes operating costs, such as lease rentals, security and cleaning and overheads such as IT, legal and professional fees, business rates, insurance and bad debt provisions. The volatility is driven largely by the level and timing of business rate charges and rebates.

Consolidated EBITDA

The table below reconciles Ports and Transport operating profit to Consolidated EBITDA for the ABPAH Group.

	2010** £m	2011* £m	2012 £m
Ports and transport underlying operating profit	209.9	219.6	237.2
Depreciation***	42.3	41.8	41.3
Amortisation***	0.2	0.7	0.9
(Profit)/loss on sale of assets	(4.2)	0.9	0.1
Consolidated EBITDA	248.2	263.0	279.5

* Restated following a change to the group's accounting policy in relation to the classification of property assets between investment property and property, plant and equipment (noted below under Increase / (decrease) in fair value of investment properties of this review).

** Not restated, ie, excludes the impact of the change in accounting policy noted in * above.

*** Excluding acquisition related adjustments

Taxation

The ABPAH Group did not pay corporation tax in 2010, 2011 and 2012 as the group was loss making for the purposes of corporation tax for the most part due to the significant finance costs arising from the group structure. The tax charge / credit recorded in the income statement reflects group relief and movements in deferred tax. The deferred tax movement largely reflects the movement in the fair value of interest rate swaps and the difference between the book value of the ABPAH Group's property assets and the corresponding tax base. The overall net tax charge for the year ended 31 December 2012 amounted to £34.3m (2011 restated: credit of £139.1m, 2010: credit of £82.2m) and reflected a deferred tax charge of £36.1m (2011 restated: credit of £136.2m, 2010: credit of £55.6m) principally reflecting the impact of the uplift in investment property valuation (2011 and 2010: losses on interest rate swap at fair value).

Finance Costs

The table below summarises the finance costs of the ABPAH Group for the three years ended 31 December 2012.

	2010	2011	2012
<i>£m</i>			
Interest – bank loans	(128.2)	(111.6)	(88.6)
Fixed rate senior secured notes 2026		(1.5)	(31.2)
Floating rate senior secured notes due 2033	-	-	(6.0)
Floating rate senior secured notes due 2022	-	-	(0.1)
	(128.2)	(113.1)	(125.9)
Finance leases	(0.2)	(0.1)	(0.1)
Amortisation of borrowing costs	(5.8)	(16.3)	(10.0)
Finance costs capitalised	0.3	0.3	1.0
Other	(1.6)	(0.5)	(0.3)
	(135.5)	(129.7)	(135.3)
Partial settlement of derivative financial instruments	-	(142.3)	-
Interest on loan from parent undertaking	(174.1)	(191.6)	(255.7)
Finance Costs	(309.6)	(463.6)	(391.0)

Finance costs for the year to 31 December 2012 amounted to £391.0m (2011: £463.6m, 2010: £309.6m) and included interest costs of £125.9m (2011: £113.1m, 2010: £128.2m) in relation to the group's external debt and interest payable of £255.7m (2011: £191.6m, 2010: £174.1m) in relation to the fully subordinated and unsecured loans from ABPAH's immediate parent undertaking ABP SubHoldings UK Limited.

Finance Income

Finance income amounted to £10.0m (2011: £48.6m, 2010: £18.3m), including £9.0m (2011: £4.7m, 2010: £3.1m) in relation to interest receivable from an intermediate parent undertaking. The 2011 finance income also included £38.1m waiver of loan due to group undertaking and a £5.4m discount on a debt buyback.

Net unrealised gain/(loss) on interest rate swaps

ABPAH utilises an interest rate swap (net notional amount 2010: £2.2bn, 2011: £1.4bn, 2012: £1.4bn) in order to convert interest charges in relation to its floating rate debt from variable to fixed rate. This swap has been measured at fair value (marked to market) in ABPAH's balance sheet and movements in the fair value have been credited / charged to the income statement in line with market movements. The group recorded an unrealised loss of £10.7m (2011: £364.4m, 2010: £127.4m) in relation to the interest rate swaps held to hedge the group's exposure to interest rate movements.

Increase in fair value of investment properties

Investment properties are held at fair value in the consolidated balance sheet of ABPAH. ABPAH undertakes annual property valuations in order to mark its investment property portfolio at fair value. During the second half of 2012 the ABPAH Group undertook a review of its investment property accounting and valuation policy, which resulted in some reclassification of assets from operating land and buildings to investment property as well as adjustment, where appropriate, to valuation yields that reflect the directors' current view of the most prevalent market consistent comparables. At the same time, the valuation approach now incorporates, if applicable, all income arising from investment property, including that from any integral vessel berthing and third party operated cargo handling equipment. The change in the valuation policy led to a substantial increase in the valuation of investment property, resulting in a gain recognised in the income statement in 2012 of £470.7m. As a result of this accounting policy change, adjustments were made to amounts stated in the income statement in the 2011 financial statements to increase the value of investment properties to £5.1m, reduce the depreciation of property and plant and equipment by £3.2m and decrease the taxation credit by £0.8m. The income statement for 2010 has not been restated. However, the impact would be similar to the impact on 2011.

Income/(expense) from associates

The ABPAH Group's share of profit from associated undertakings for the year to 31 December 2012 was £0.2m (2011: £6.2m, 2010: £2.7m). During 2012, the ABPAH Group disposed of its 33% share of Tilbury Container Services Limited ("TCS"), which operates a deep-sea container terminal located at the Port of Tilbury. Total consideration for the shares was £46.6m. The profit on the disposal amounted to £3.8m. The decrease in the share of profit from associated undertakings in 2012 reflects the loss of the share in TCS's profit and a decrease in deep-sea container volumes handled by DPWS of 7.1% to 1,456,000 (2011: 1,558,000) twenty foot equivalent units (TEUs) reflecting reductions following changes to call patterns of container lines and weak economic growth.

Cashflow Statement

The table below summarises the cashflow of the ABPAH Group for the three years ended 31 December 2012.

	2010	2011	2012
<i>£m</i>			
Consolidated EBITDA	248.2	263.0	279.5
Exceptional costs	-	21.2	(51.5)
Property development EBITDA	0.1	1.8	-
Decrease in property developments and land held for sale	-	0.1	-
Movements in trade payables / receivables	7.4	17.3	12.2
Decrease / (increase) in provisions	(3.3)	3.5	(5.0)
Increase in net retirement benefit asset	(8.9)	(35.0)	37.4
Cash generated from operations	243.5	271.9	272.6
<i>Cash flow from operating activities</i>			
Partial settlement of derivative financial instruments	-	(41.4)	-
Interest paid	(178.6)	(112.7)	(177.7)
Interest received	0.4	0.3	0.8
Taxation	(0.1)	-	-
Net cash inflow from operating activities	65.2	118.1	95.7
<i>Cash flow from investing activities</i>			
Acquisition of subsidiary undertakings, net of cash acquired	5.0	(1.1)	(0.2)
Proceeds from sale of property, plant and equipment	4.6	0.2	0.5
Proceeds from sale of associated undertakings	-	-	36.7
Purchase of intangible assets	(0.2)	(6.5)	(0.5)
Purchase of property, plant and equipment	(31.0)	(31.8)	(56.9)
Purchase of investment property	(1.2)	(6.4)	(16.2)
Net cash outflow from investing activities	(22.8)	(45.6)	(36.6)
<i>Cash flow from financing activities</i>			
Decrease in borrowings	(62.8)	(40.2)	(59.6)
Repayment of obligations under finance leases	(0.4)	(0.4)	(0.5)
Net cash flow from financing activities	(63.2)	(40.6)	(60.1)
(Decrease) / increase in cash and cash equivalents during year	(20.8)	31.9	(1.0)
Opening cash and cash equivalents	41.5	20.7	52.6
Closing cash and cash equivalents	20.7	52.6	51.6

Dividends

The ABPAH Group did not pay any dividends during the period 2010 – 2012.

Restricted Payments

On 30 May 2012 a payment of £30m was made as envisaged in the Common Terms Agreement in respect of accrued interest under subordinated and unsecured loans from ABPS.

ABP submitted its half year compliance certificate and forward looking ratio certificate on 28 September 2012 and as such, on the 30 November 2012 was permitted to pay an additional £21.2m of subordinated intercompany loan interest.

Cash flow — capital expenditure

The group continued to benefit from strong conversion of operating profits to cash flows. Cash generated from operations for the year to 31 December 2012 was £272.6m (2011: £271.9m, 2010: £243.5m)

Given the ABPAH Group's commitment to growing the business through investment in its operations, capital expenditure represents one of the more significant uses of its cash flow, together with service of the group's external debt. Total capital expenditure amounted to £73.6m in 2012 (2011: £44.7m, 2010: £32.4m). There are two elements to the group's capital expenditure: infrastructure replacement to maintain the operating capabilities of the assets and revenue earning/enhancing capital projects. Replacement expenditure during 2012 amounted to £23.6m (2011: £20.7m, 2010: £18.6m). Revenue earning capital expenditure for 2012 amounted to £49.9m (2011: £24.0m, 2010: £13.8m).

Balance Sheet

The balance sheet of the ABPAH Group as at 31 December 2010, 31 December 2011 and 31 December 2012 is set out below:

	2010*	2011*	2012
<i>£m</i>			
Goodwill	1,045.9	1,045.9	1,045.9
Intangible assets	270.3	251.7	227.1
Property, plant and equipment	1,397.3	1,386.7	1,365.4
Investment property	895.4	903.5	1,420.3
Investments	179.7	180.6	136.3
Retirement benefit assets	20.0	27.1	15.3
Trade and other receivables	0.8	1.1	1.3
Total non-current assets	3,809.4	3,796.6	4,211.6
Cash and cash equivalents	20.7	52.6	51.6
Property, development and land held for sale	2.5	2.8	3.0
Derivative financial instruments	0.1	-	-
Trade and other receivables	191.9	183.8	211.0
Total current assets	215.2	239.2	265.6
Financial liabilities - borrowings	(521.0)	(4.2)	(6.7)
Derivative financial instruments	(282.7)	(647.1)	(657.8)
Trade and other payables	(65.9)	(69.1)	(73.0)
Current tax liabilities	(3.1)	-	-
Provisions	(14.8)	(20.5)	(14.0)
Total current liabilities	(887.5)	(740.9)	(751.5)
Financial liabilities - borrowings	(3,320.6)	(4,061.7)	(4,225.8)
Retirement benefit obligations	(3.1)	(2.3)	(54.1)
Deferred tax liabilities	(306.7)	(164.9)	(197.0)
Provisions	(7.8)	(6.3)	(8.2)
Other non-current liabilities	(0.3)	(2.3)	(2.7)
Total non-current liabilities	(3,638.5)	(4,237.5)	(4,487.8)
Net liabilities	(501.4)	(942.6)	(762.1)
Share capital	-	-	-
Revaluation reserve	162.1	175.5	650.7
Hedging reserve	0.1	-	-
Profit and loss account	(663.6)	(1,118.1)	(1,412.8)
Total equity	(501.4)	(942.6)	(762.1)

* Restated. Amounts shown for 2011 and 2010 for Investment Property, Property, Plant and Equipment and deferred tax liabilities do not correspond to the 2010 and 2011 accounts and reflect the changes in accounting policy noted under the heading "increase in fair value of investment property" above.

Debt: Net borrowings amounted to £4,180.9m as at 31 December 2012 which primarily relates to acquisition finance, as set out below:

Net borrowings	£m
Senior bank debt	1,085.0
Fixed rate secured notes	500.0
Floating rate senior secured notes	200.0
Floating rate senior secured notes	65.0
Total bank and bond debt	1,850.0
Finance leases	-
Accrued interest – bank and bond debt	6.7
Net cash	(51.6)
Net bank and bond debt and finance leases	1,805.1
Loan from parent undertaking	1,485.2
Accrued interest – loan from parent undertaking	922.0
Debt issuance costs	(31.4)
Net borrowings	4,180.9

The ABPAH Group's borrowings are managed through a centralised treasury function, which closely monitors and manages the group's compliance with financial covenants and risks in relation to liquidity, interest rates and counterparties. Borrowings comprised £1,085.0m (2011: £1,400.0m) of senior bank debt outstanding under the group's £1,545.0m (2011: £1,860.0m) senior credit facilities, £500m (2011: £500m) in fixed rate senior secured notes, £265m in floating rate senior secured notes (2011: £nil), £nil (2011: £0.5m) of obligations under finance leases, £1,485.2m (2011: £1,491.3m) of amounts due in relation to unsecured subordinated loans from the company's immediate parent undertaking, £922.0m (2011: £710.6m) of interest accrued in relation to the loans from parent undertaking and £6.7m (2011: £4.2m) of interest accrued in relation to bank loans, bonds and overdrafts.

Bank and bond debt and finance leases decreased by £50m in 2012 to £1,850m at 31 December 2012 (2011: £1,900m) reflecting strong cash generation during the year, including the receipt of £36.7m as the first of two instalments in respect of consideration received for the disposal of the group's share in the TCS.

The group can access committed undrawn borrowings of up to £410.0m under its senior credit facilities as at 22 May 2013 (31 December 2012: £460.0m). These undrawn facilities can be utilised to fund working capital (£75m) capital expenditure (under the £250m revolving credit facility, £200m remains undrawn) and, in certain circumstances, senior debt interest (£135m).

SUMMARY OF THE FINANCING AGREEMENTS

This section contains summaries of the key financing agreements.

STID

General

The intercreditor arrangements among the ABPA Secured Creditors including the Issuer (the “**Intercreditor Arrangements**”) are contained in the STID. The Intercreditor Arrangements bind each of the ABPA Secured Creditors, each Covenantor and ABPS.

Unsecured creditors (other than ABPS) are not and will not become parties to the Intercreditor Arrangements and have unfettered, independent rights of action in respect of their debts. However, the aggregate amount of unsecured Financial Indebtedness is restricted under the Common Terms Agreement.

The purpose of the Intercreditor Arrangements is to regulate, among other things: (i) the claims of the ABPA Secured Creditors; (ii) the exercise, acceleration and enforcement of rights by the ABPA Secured Creditors; (iii) the rights of the ABPA Secured Creditors to instruct the ABPA Security Trustee; and (iv) the giving of consents and waivers and the making of modifications to the ABPA Security Documents, the Common Terms Agreement, the Master Definitions Agreement, the STID and the deed entered into on the Initial Issue Date by (among others) the relevant Covenantors, the Issuer, the ABPA Security Trustee and the Note Trustee in respect of certain tax liabilities (the “**Tax Deed of Covenant**”) (the “**Common Documents**”), in particular, the basis on which votes of the ABPA Secured Creditors will be counted for the purpose of determining whether the ABPA Security Trustee may provide such consent or waiver or approve such modification.

The Intercreditor Arrangements provide for the ranking (in point of payment) of the claims of the ABPA Secured Creditors following either a Loan Event of Default or a Potential Loan Event of Default where a Loan Event of Default would have occurred but for a drawing under an ABPA Liquidity Facility.

The ABPA Secured Creditors are bound by, and have the benefit of, the Common Documents.

After the Initial Issue Date, other Authorised Credit Providers may become ABPA Secured Creditors provided that they accede to the STID and the Common Terms Agreement.

The representatives of the ABPA Secured Creditors (each, a “**Secured Creditor Representative**”) are, as from the Initial Issue Date:

- (a) in respect of the Issuer:
 - (i) the Note Trustee, or any successor Note Trustee in respect of itself and the holders of the Notes;
 - (ii) in respect of the Issuer Hedging Agreements (if any), each Issuer Hedge Counterparty thereunder; and
 - (iii) the Issuer Liquidity Facility Agent under the Issuer Liquidity Facility Agreement in respect of each Issuer Liquidity Facility Provider;
- (b) in respect of the Initial Senior Term Facilities, the Initial Senior Facilities Agent;
- (c) in respect of the ABPA Liquidity Facility Providers appointed under the ABPA Liquidity Facility Agreements, the relevant ABPA Liquidity Facility Agent thereunder;
- (d) in respect of the ABPA Hedging Agreements, each ABPA Hedge Counterparty thereunder;
- (e) in respect of the ABPA Account Bank Agreement, the ABPA Account Bank;
- (f) the ABPA Security Trustee (for itself); and

- (g) in respect of any other Authorised Credit Provider, the representative of an ABPA Secured Creditor appointed to act as its representative in the exercise of all rights of the ABPA Secured Creditor in accordance with the STID named in its Accession Memorandum.

ABPA Liquidity Facility Providers, ABPA Hedge Counterparties and ABPAH Subordinated Creditors

Each ABPA Liquidity Facility Provider and each ABPA Hedge Counterparty (provided that the Treasury Transactions entered into by the ABPA Hedge Counterparties comply with certain provisions of the Hedging Policy) is an ABPA Secured Creditor and party to the STID and the Common Terms Agreement. The ABPA Liquidity Facility Providers and the ABPA Hedge Counterparties (except in respect of Pari Passu ABPA Hedging Transactions in relation to the decision to take Enforcement Action and generally following the taking of Enforcement Action) are not Qualifying ABPA Secured Creditors.

The ABPAH Subordinated Creditor is not an ABPA Secured Creditor but is party to the STID to subordinate and postpone (in accordance with the terms of the STID) any claims in respect of any Financial Indebtedness that it may (now or at any time in the future) have against ABPAH and any member of the ABPAH Group.

ABPAH Group Agent Power of Attorney

Each Covenantor (subject to other provisions of the STID) irrevocably appoints the ABPAH Group Agent to be its attorney in relation to the exercise of all rights, powers and discretions of each Covenantor under the STID, the Finance Documents and the Issuer Transaction Documents, and the execution, delivery and perfection of all documents and doing of all things that the ABPAH Group Agent may consider to be necessary in connection with this Deed, the Finance Documents and the Issuer Transaction Documents, in each case in its name, on its behalf and as its act and deed at any time.

Undertakings of ABPA Secured Creditors

Pursuant to the terms of the STID, each ABPA Secured Creditor (other than the ABPA Security Trustee) has undertaken that it will not:

- (a) permit or require any Covenantor to discharge any of the ABPA Secured Liabilities owed to it, save to the extent and in the manner permitted by the Common Terms Agreement and/or the STID and as further specified in the Finance Documents to the extent that the provisions of such Finance Documents are consistent with the relevant provisions of the Common Terms Agreement and/or the STID;
- (b) accelerate, or permit or require any Covenantor to accelerate, cancel, pay, prepay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the ABPA Secured Liabilities owed by such Covenantor, except (i) to the extent and in the manner permitted by the Common Terms Agreement and/or the STID and as further specified in the Finance Documents to the extent that the provisions of such Finance Documents are consistent with the relevant provisions of the Common Terms Agreement and/or the STID, (ii) in the case of any Initial ABPA Liquidity Facility Agreement, to the extent specified in such Initial ABPA Liquidity Facility Agreement and (iii) the mandatory prepayment of an Authorised Credit Facility in the event that it becomes unlawful for an Authorised Credit Provider to perform any of its obligations as contemplated by the relevant Authorised Credit Facility or to fund or maintain any Authorised Credit Facility or any other mandatory prepayments not expressly prohibited by the Common Terms Agreement under an Authorised Credit Facility; (iv) any voluntary prepayment, subject to and in accordance with the terms of the relevant Finance Documents, the Common Terms Agreement and/or the STID and provided that no Loan Event of Default has occurred and is continuing but without prejudice to the exercise of any Equity Cure Right; (v) a termination of a Hedging Transaction provided that such termination was a Permitted Hedge Termination; (vi) in the case of any Revolving Loan, to the extent that participations in a new Revolving Loan are treated under the relevant Finance Document as having been made available and applied by the borrower in or toward repayment of a Revolving Loan maturing on the same day; and (vii) the utilisation of amounts standing to credit of a cash cover account to meet payments due in respect of a letter of credit issued under an Authorised Credit Facility provided that such utilisation is in accordance with the terms of such Authorised Credit Facility;
- (c) take, accept or receive the benefit of any mortgage, pledge, lien, charge (fixed or floating), assignment, hypothecation, set off or trust arrangement for the purpose of creating security, reservation of title or security interest or any other agreement or arrangement having a substantially similar effect (each a “**Security Interest**”) guarantee, indemnity or other assurance against financial loss from any Covenantor

in respect of any of the ABPA Secured Liabilities owed to it except pursuant to the ABPA Security created under the ABPA Security Documents;

- (d) take, receive or recover from any of the Covenantors by set off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever (save where permitted in sub clauses (a) to (c) above) the whole or any part of the ABPA Secured Liabilities owed to it, except (i) in respect of the ABPA Account Bank, to the extent permitted under the ABPA Account Bank Agreement, (ii) any netting of payments or set-off in accordance with the terms of a Hedging Agreement provided that where such netting or set off arises following a termination of a Hedging Transaction, such termination was a Permitted Hedge Termination; (iii) in the case of any Revolving Loan, to the extent that participations in a new Revolving Loan are treated under the relevant Finance Document as having been made available and applied by the borrower in or toward repayment of a Revolving Loan maturing on the same day; or (iv) in accordance with the provisions of the Common Terms Agreement and/or the STID and as further specified in the Finance Documents to the extent the provisions of such Finance Documents are consistent with the relevant provisions of the Common Terms Agreement and/or the STID; or
- (e) take any Enforcement Action in respect of the ABPA Security except in accordance with the provisions of the STID and the other ABPA Security Documents.

Pursuant to the terms of the STID, each ABPA Secured Creditor (other than the ABPA Security Trustee) has agreed that only the ABPA Security Trustee is entitled to deliver a Loan Enforcement Notice or Loan Acceleration Notice and only the ABPA Security Trustee or any Receiver appointed by the ABPA Security Trustee may take any action to enforce the ABPA Security against any Covenantor. However, the Issuer Security Trustee may enforce the security created pursuant to the ABPA Floating Charge Agreement as described in “— *Security Agreement and ABPA Floating Charge Agreement — Floating charges held by the ABPA Security Trustee and the Issuer*” below. The ABPA Security Trustee is not obliged to take any such action unless it is instructed to do so by the Qualifying ABPA Secured Creditors and indemnified and/or secured to its satisfaction. The Issuer Security Trustee is not obliged to enforce the security created pursuant to the ABPA Floating Charge Agreement unless it is instructed in accordance with the Conditions (except in relation to the appointment of an administrative receiver (see “*Security Agreement and ABPA Floating Charge Agreement — Floating charges held by the ABPA Security Trustee and the Issuer*” below)).

Undertakings of Covenantors

Pursuant to the STID, each Covenantor has undertaken that it will not:

- (a) discharge any of the ABPA Secured Liabilities owed by it, save to the extent contemplated in paragraph (i) of “—*Undertakings of ABPA Secured Creditors*” above;
- (b) accelerate, cancel, pay, prepay, repay, redeem, purchase, terminate early or voluntarily terminate or otherwise acquire any of the ABPA Secured Liabilities owed by it, save to the extent contemplated in paragraph (ii) of “—*Undertakings of ABPA Secured Creditors*” above;
- (c) (save as to any Permitted Security Interests) create or permit to subsist any Security Interest, guarantee, indemnity or other assurance against financial loss in respect of any of the ABPA Secured Liabilities owed by it except pursuant to the ABPA Security created by the Security Providers under the ABPA Security Documents;
- (d) (except as referred to in paragraph (iv) of “—*Undertakings of ABPA Secured Creditors*” above) discharge any of the ABPA Secured Liabilities by set-off, any right of combination of accounts, proceedings of any kind or in any other manner whatsoever, save where permitted in any of (a) to (c) above; or
- (e) enter into any Debt Purchase Transaction other than in accordance with the terms of the relevant Finance Document and provided that no Loan Event of Default has occurred and is continuing.

Subordinated Creditors

Pursuant to the STID, each ABPAH Subordinated Creditor has undertaken that it will:

- (a) not have the right to take or join any person in taking steps against any Covenantor for the purposes of obtaining payment of any amount due whatsoever from such Covenantor to such ABPAH Subordinated

Creditor, provided that nothing shall prevent such ABPAH Subordinated Creditor from (a) taking steps to obtain payment to the extent such steps will not cause an Insolvency Event to occur in respect of the relevant Covenantor or result in a Default occurring or (b) proving for the full amount owed to it by any Covenantor in the liquidation of such Covenantor;

- (b) not initiate or join any person in initiating howsoever an Insolvency Event in relation to any Covenantor; and
- (c) not be entitled to take any steps or proceedings which would result in any of the provisions of the ABPA Post-Default Priority of Payments or paragraphs (a) or (b) above not being observed.

Subordination of Subordinated Debt

The STID also provides that:

- (a) no Covenantor may pay, repay, redeem or acquire the Subordinated Debt at any time unless permitted in accordance with the terms of the Common Terms Agreement and the STID;
- (b) no ABPAH Subordinated Creditor may take, accept or receive from any Covenantor the benefit of any Security Interest, guarantee, indemnity or other assurance against loss in respect of the Subordinated Debt;
- (c) each ABPAH Subordinated Creditor agrees that, notwithstanding the terms of any agreement under which Subordinated Debt is incurred, if pursuant to the Common Documents insufficient Restricted Payments are permitted to be made in order to satisfy all amounts due in respect of any Subordinated Debt (including, without limitation, any principal, interest and/or fees) then such amounts as remain unpaid on a due date will be deemed not to have fallen due for payment on the relevant date and the obligation to make such payment shall be suspended until Restricted Payments can be made in accordance with the Common Documents (provided that such unpaid amounts shall remain outstanding and interest or default interest (as relevant) shall continue to accrue in respect of such amounts in accordance with the terms relating to such Subordinated Debt); and
- (d) no ABPAH Subordinated Creditor may amend the terms of any agreement under which Subordinated Debt is owed, if and to the extent such amendment would directly or indirectly affect the provisions of the Common Terms Agreement and the STID with respect to Restricted Payments and the subordination of the Subordinated Debt.

STID Proposals

The STID sets out the procedure for requesting any consent, modification or waiver under the Common Documents (including any release of security under the ABPA Security Documents not contemplated by the Common Documents).

A request may only be made by or on behalf of the ABPAH Group through the delivery of a request in the required form (the “**STID Proposal**”) to the ABPA Security Trustee. The consent, modification or waiver requires the approval of the ABPA Security Trustee before it can be implemented. Pursuant to the Common Terms Agreement, each member of the ABPAH Group will appoint ABPA as its agent (the “**ABPAH Group Agent**”) for the purpose of preparing and delivering notices under the Common Documents (including STID Proposals) on its behalf.

The STID sets out the basis on which the ABPA Security Trustee may approve or, as the case may be, reject the request set out in a STID Proposal. In particular, the STID contains the terms on which the ABPA Security Trustee may choose to exercise its discretion and, where it does not, the procedures and requirements for seeking instructions from Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) who are entitled to participate in the decision process and, if applicable, those Affected ABPA Secured Creditors who have an Entrenched Right. These procedures and requirements fall into three categories: Discretion Matters, Ordinary Voting Matters and Extraordinary Voting Matters, subject always to procedures and requirements with respect to Entrenched Rights and the Reserved Matters.

The ABPAH Group Agent shall be responsible for submitting a STID Proposal and for determining the voting category for the proposed consent, modification or waiver. The ABPAH Group Agent shall in the STID Proposal, *inter alia*:

- (a) certify whether such STID Proposal is in respect of a Discretion Matter, an Ordinary Voting Matter or an Extraordinary Voting Matter and whether or not the STID Proposal gives rise to an Entrenched Right (and if it does, the ABPA Secured Creditors and, where the Issuer is an Affected ABPA Secured Creditor, the Issuer Secured Creditors in whose favour the STID Proposal gives rise to an Entrenched Right);
- (b) propose the form of resolution(s), if applicable, to be put to the applicable ABPA Secured Creditors (acting through their Secured Creditor Representatives);
- (c) specify the period of time within which the approval of the ABPA Security Trustee is sought (referred to as the “**Decision Period**”), which shall be not fewer than 15 Business Days from the date of delivery of the STID Proposal for any Discretion Matter, Ordinary Voting Matter or Extraordinary Voting Matter, in each case including if the STID Proposal gives rise to an Entrenched Right, unless it is an Entrenched Right in respect of which the Issuer is the Affected ABPA Secured Creditor, in which case the Decision Period shall not be fewer than 45 days. The Decision Period for an Ordinary Voting Matter or Extraordinary Voting Matter may be extended for a further period, if the required quorum for the applicable voting matter has not been met within the initial Decision Period (as described in more detail in paragraph (i)(ii) (*Ordinary Voting Matters*) and paragraph (i)(iii) (*Extraordinary Voting Matters*) below); and
- (d) provide such supporting information as in its reasonable opinion is necessary for the recipient of such STID Proposal to make an informed assessment of the matters addressed in the STID Proposal.

The ABPAH Group Agent shall provide copies of the STID Proposal (a) in respect of an Ordinary Voting Matter or an Extraordinary Voting Matter, to the Secured Creditor Representative of each ABPA Secured Creditor and the Secured Creditor Representatives of the Issuer and (b) in respect of an Entrenched Right, to the Secured Creditor Representative of each ABPA Secured Creditor and the Secured Creditor Representatives of the Issuer on behalf of each Issuer Secured Creditor (including, if relevant, the Noteholders) which is affected by such Entrenched Right.

The determination made by the ABPAH Group Agent of the voting category shall be binding on the ABPA Secured Creditors and the Issuer Secured Creditors unless the ABPA Security Trustee on the instruction of Qualifying ABPA Secured Creditors (each acting through its Secured Creditor Representative, if any) representing at least 10 per cent. of the Outstanding Principal Amount of the Qualifying ABPA Senior Debt (including in the case of the Issuer, any Secured Creditor Representative of the Issuer on behalf of the Issuer Secured Creditors) (the “**Determination Dissenting Creditors**”) informs the ABPAH Group Agent within 7 Business Days of receipt by the ABPA Security Trustee and each Secured Creditor Representative (in accordance with the STID) of the relevant STID Proposal that the Determination Dissenting Creditors disagree with the determination of voting category made in the STID Proposal (the “**Determination Dissenting Notice**”) and states the alternative voting category which the Dissenting Creditors propose should apply to the relevant STID Proposal.

The determination made by the ABPAH Group Agent of whether or not a STID Proposal gives rise to an Entrenched Right in respect of an ABPA Secured Creditor (or where the Issuer is an Affected ABPA Secured Creditor, any Issuer Secured Creditor) shall be binding on the ABPA Secured Creditors and, in the case of the Issuer, the Issuer Secured Creditors unless the ABPA Security Trustee on the instruction of an ABPA Secured Creditor (or where the Issuer may be an Affected ABPA Secured Creditor, the relevant Issuer Secured Creditors) (in each case, acting through its Secured Creditor Representative, if any) (each, an “**Entrenched Right Dissenting Creditor**”, and together with the Determination Dissenting Creditors, the “**Dissenting Creditors**”) informs the ABPAH Group Agent in writing within 7 Business Days of receipt by the ABPA Security Trustee and each Secured Creditor Representative (in accordance with the STID) of the relevant STID Proposal that the applicable Entrenched Right Dissenting Creditor disagrees with the determination of whether such STID Proposal gives rise to an Entrenched Right of such ABPA Secured Creditor (or where the Issuer is an Affected ABPA Secured Creditor, such Issuer Secured Creditor) (the “**Entrenched Right Dissenting Notice**”) and stating, in respect of an Entrenched Right, the ABPA Secured Creditor (or if the Issuer is an Affected ABPA Secured Creditor, the Issuer Secured Creditors) whose Entrenched Right is affected.

If the ABPA Security Trustee is not instructed to serve the Determination Dissenting Notice or the Entrenched Right Dissenting Notice within 7 Business Days of receipt of the relevant STID Proposal, the ABPA Security Trustee and the Qualifying ABPA Secured Creditors (including, in the case of the Issuer, the Issuer Secured Creditors) shall be deemed to have consented to the voting category and the Decision Period proposed in the relevant STID Proposal or, as applicable, agreed as to whether the STID Proposal gives rise to any further Entrenched Right.

If the Determination Dissenting Creditors or the Entrenched Right Dissenting Creditors, as the case may be, and the ABPAH Group Agent are not able to agree on the voting category or as to whether or not a STID Proposal gives rise to an Entrenched Right within 5 Business Days of receipt of notice of such disagreement, they must instruct independent adjudicators (at the cost of the Covenantors) agreed upon by each Determination Dissenting Creditor or Entrenched Right Dissenting Creditor, as the case may be, and the ABPAH Group Agent or, if no agreement can be reached, then an expert chosen by the President for the time being of the Law Society of England and Wales (at the cost of the Covenantors) to determine the voting category and/or the Decision Period to be made in respect of the relevant STID Proposal or whether such STID Proposal gives rise to an Entrenched Right of the relevant ABPA Secured Creditor(s) (or, as applicable, Issuer Secured Creditor) and such determination will be binding on the ABPAH Group and the ABPA Secured Creditors and the Issuer Secured Creditors. The period for approval of the resolution(s) set out in the STID Proposal shall be extended as applicable and shall be counted from the date on which the Determination Dissenting Creditors or the Entrenched Right Dissenting Creditors, as the case may be, and the ABPAH Group Agent reach agreement on the applicable voting category or, as applicable, from the date of the independent adjudicator's determination, or the date that is 7 Business Days after receipt of the relevant STID Proposal if the ABPA Security Trustee is not instructed to send the Determination Dissenting Notice or the Entrenched Right Dissenting Notice within 7 Business Days of receipt of the relevant STID Proposal.

“**Qualifying ABPA Senior Debt**” means, subject to the STID (which provides that the ABPA Senior Debt held by a Connected Creditor shall not constitute Qualifying ABPA Senior Debt):

- (a) the principal amount outstanding under the IBLAs corresponding to the Notes;
- (b) the principal amount outstanding under each Capex Facility at such time;
- (c) the principal amount outstanding under the Senior Term Facilities at such time;
- (d) the principal amount outstanding under each WC Facility at such time;
- (e) only (i) in relation to any vote by the Qualifying ABPA Secured Creditors on whether to take Enforcement Action or in relation to any right of a Qualifying ABPA Secured Creditor to request the Security Trustee to send an Enforcement Instruction Notice or Further Enforcement Instruction Notice and (ii) following the taking of Enforcement Action (provided that, for the avoidance of doubt, Entrenched Rights will apply at all times), the principal amount outstanding under the IBLAs at such time corresponding to (A) in relation to any Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement in respect of which an early termination date has been designated, the amount (if any) outstanding to the relevant Pari Passu Issuer Hedge Counterparty following such termination as calculated in accordance with the terms of the Pari Passu Issuer Hedging Agreement, and/or (B) otherwise, the mark-to-market value of all transactions arising under a Pari Passu Issuer Hedging Agreement to which it is a party to the extent that such value represents an amount which would be or is payable to the relevant Pari Passu Issuer Hedge Counterparty if an early termination were designated (assuming the relevant Pari Passu Issuer Hedge Counterparty is the non-defaulting party and not an affected party) at the latest practicable time for the calculation thereof prior to the deadline for submitting its votes in respect of a particular matter (which shall be by 3pm on the Business Day prior to the last Business Day of the relevant Decision Period);
- (f) only (i) in relation to any vote by the Qualifying ABPA Secured Creditors on whether to take Enforcement Action or in relation to any right of a Qualifying ABPA Secured Creditor to request the Security Trustee to send an Enforcement Instruction Notice or Further Enforcement Instruction Notice and (ii) following the taking of Enforcement Action (**provided that**, for the avoidance of doubt, Entrenched Rights will apply at all times), (A) in relation to any Hedging Transaction arising under a Pari Passu ABPA Hedging Agreement in respect of which an early termination date has been designated, the amount (if any) outstanding to the relevant Pari Passu ABPA Hedge Counterparty following such termination as calculated in accordance with the terms of the Pari Passu ABPA Hedging Agreement, and/or (B) otherwise, the mark-to-market value of any transaction or transactions arising under a Pari Passu ABPA Hedging Agreement to the extent that such value represents an amount which would be or is payable to the relevant Pari Passu ABPA Hedge Counterparty if an early termination date were designated (assuming the relevant Pari Passu ABPA Hedge Counterparty is the non-defaulting party and not an affected party) at the latest practicable time for the calculation thereof prior to the deadline for submitting its votes in respect of a particular matter (which shall be by 3pm on the Business Day prior to the last Business Day of the relevant Decision Period);

- (g) the principal amounts outstanding under any other facilities or agreements which are Authorised Credit Facilities and rank *pari passu* with the above (but excluding for the avoidance of doubt any ABPA Liquidity Facilities, Issuer Liquidity Facilities, Super Senior ABPA Hedging Agreements or Super Senior Issuer Hedging Agreements).

Amounts owed (whether actually or contingently) by ABPA to the other ABPA Secured Creditors (such as the ABPA Account Bank, the ABPA Liquidity Facility Providers and ABPA Hedge Counterparties in respect of Super Senior ABPA Hedging Agreements) will not form part of the Qualifying ABPA Senior Debt.

Voting by ABPA Secured Creditors

The votes of Qualifying ABPA Secured Creditors which participate in any vote (“**Participating Qualifying ABPA Secured Creditors**”) other than the Issuer will be cast by the applicable Participating Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) subject, in the case of any Authorised Credit Facility (provided other than on a bilateral basis), to any minimum quorum and voting majority specified in the relevant Authorised Credit Facility. If in respect of any Authorised Credit Facility provided other than on a bilateral basis, the minimum quorum and voting majorities specified in the relevant Authorised Credit Facility are met, only a single vote by reference to the entire Outstanding Principal Amount of the Qualifying ABPA Senior Debt of the applicable Participating Qualifying ABPA Secured Creditors will be counted for or, as the case may be, against the applicable STID Proposal, Direction Notice, Enforcement Instruction Notice and Further Enforcement Instruction Notice (and for the applicable quorum requirements). If, on the other hand, in respect of any Authorised Credit Facility provided other than on a bilateral basis, the minimum quorum and voting majorities specified in the relevant Authorised Credit Facility are not met, votes in respect of the relevant Authorised Credit Facility will be divided between votes cast in favour and votes cast against, on a pound for pound basis. Votes cast in favour and votes cast against will then be aggregated by the ABPA Security Trustee with the votes cast for and against by the other Qualifying ABPA Secured Creditors.

By contrast, the votes of Noteholders in respect of the relevant Series will be divided between votes cast in favour and votes cast against, on a “pound for pound” basis in respect of the Principal Amount Outstanding of Notes then owed to Noteholders that vote on a STID Proposal within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the ABPA Security Trustee with the votes cast for and against by the other Qualifying ABPA Secured Creditors.

Voting in respect of Pari Passu Issuer Hedging Transactions by Pari Passu Issuer Hedge Counterparties

In relation to (i) any vote by the Qualifying ABPA Secured Creditors on whether to take Enforcement Action and (ii) following the taking of Enforcement Action, voting in respect of the Pari Passu Issuer Hedging Transactions will be made by each Pari Passu Hedge Counterparty (A) in relation to any Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement in respect of which an early termination date has been designated the amount (if any) outstanding to the relevant Pari Passu Issuer Hedge Counterparty following such termination as calculated in accordance with the terms of the Pari Passu Issuer Hedging Agreement, and/or (B) otherwise, the mark-to-market value of all transactions arising under a Pari Passu Issuer Hedging Agreement to which it is a party to the extent that such value represents an amount which would be payable to the relevant Pari Passu Issuer Hedge Counterparty if an early termination date were designated at the latest practicable time for the calculation thereof prior to the deadline for submitting its votes in respect of a particular matter (which shall be by 3pm on the Business Day prior to the last Business Day of the relevant Decision Period)). Only such mark to market value will be counted towards the Quorum Requirement. In respect of each Pari Passu Hedge Counterparty, a single vote by reference to the aggregate of the mark to market value of all such Pari Passu Issuer Hedging Transactions arising under the Issuer Hedging Agreements of such Pari Passu Hedge Counterparty will be counted for or against the applicable STID Proposal, Enforcement Instruction Notice, Further Enforcement Instruction Notice or Direction Notice.

Aggregation of Votes

In order to determine whether the requisite majority for any proposal or resolution has been satisfied, the ABPA Security Trustee will aggregate all votes for and against the relevant proposal or resolution as described above.

Voting Categories for STID Proposals

- (a) *Discretion matters*

A “**Discretion Matter**” is a matter in which the ABPA Security Trustee may exercise its discretion to approve any request made in a STID Proposal without any requirement to seek the approval of any ABPA Secured Creditor or any of their Secured Creditor Representatives. Under the STID, the ABPA Security Trustee will be entitled to exercise its discretion if in the opinion of the ABPA Security Trustee, approval of the STID Proposal (i) is required to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature or (ii) is not materially prejudicial to the interests of the Qualifying ABPA Secured Creditors (where “materially prejudicial” means that such modification, consent or waiver would have a material adverse effect on the ability of the ABPAH Group to perform its payment obligations to the ABPA Secured Creditors under the Finance Documents).

The ABPA Security Trustee is under no obligation to exercise its discretion in respect of any STID Proposal designated as a Discretion Matter and if it chooses not to do so, it shall notify the ABPAH Group Agent, which may then issue a STID Proposal referring to another Voting Category. For more information on voting category selection procedures see the voting category selection procedures set out under “*Summary of the Financing Agreements – STID – STID Proposals*” above shall apply.

Any exercise of discretion by the ABPA Security Trustee in respect of a Discretion Matter shall be binding on all of the ABPA Secured Creditors and their Secured Creditor Representatives.

(b) *Ordinary Voting Matters*

“**Ordinary Voting Matters**” are matters which are not Discretion Matters or Extraordinary Voting Matters. Resolutions in respect of Ordinary Voting Matters may be passed by a simple majority of Participating Qualifying ABPA Secured Creditors which participate in the vote on a “pound for pound” basis by reference to the Outstanding Principal Amount then owed to the relevant Participating Qualifying ABPA Secured Creditors (subject to the minimum quorum and voting majorities specified in the relevant Authorised Credit Facility being met (see “ - *Voting by ABPA Secured Creditors*” above)) so that all votes for and against the relevant proposal are considered on an aggregated basis subject to the Qualifying ABPA Senior Debt of such Participating Qualifying ABPA Secured Creditors representing in aggregate at least 20 per cent. of the aggregate Outstanding Principal Amount of all Qualifying ABPA Senior Debt (such minimum representation, the “**Quorum Requirement**”) provided that if the Quorum Requirement for an Ordinary Voting Matter has not been met within the Decision Period, the Quorum Requirement for an Ordinary Voting Matter shall be reduced to one or more Participating Qualifying ABPA Secured Creditors representing, in aggregate, 10 per cent. of the aggregate Outstanding Principal Amount of all Qualifying ABPA Senior Debt and the Decision Period will be extended for a period of a further 10 days from the expiry of the initial Decision Period.

As soon as the ABPA Security Trustee has received votes in favour of a STID Proposal in respect of an Ordinary Voting Matter from the Participating Qualifying ABPA Secured Creditors (acting through their respective Secured Creditor Representatives) representing more than 50 per cent. of the aggregate Outstanding Principal Amount of all Qualifying ABPA Senior Debt, no further votes will be counted by the ABPA Security Trustee or taken into account notwithstanding the fact that the ABPA Security Trustee has yet to receive votes from all Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) in respect of the relevant Qualifying ABPA Senior Debt.

The relevant Qualifying ABPA Secured Creditors who did not cast their votes within the Decision Period shall be considered to have waived their entitlement to vote and will not be counted in the numerator of any fraction used to determine whether the Quorum Requirement is satisfied or in either the numerator or the denominator of any fraction used for the purposes of calculating the majority required to approve the relevant STID Proposal, unless, the requisite minimum quorum and voting requirements have been met under any Authorised Credit Facility (other than those provided on a bilateral basis or any IBLA in respect of the Notes) in relation to voting on such STID Proposal, in which case the entire Outstanding Principal Amount of the Qualifying ABPA Senior Debt outstanding under any such Authorised Credit Facility shall be counted in the numerator of any fraction used to determine whether the Quorum Requirement is satisfied, and in both the numerator and the denominator of any fraction used for the purposes of calculating the majority required to approve such STID Proposal.

(c) *Extraordinary Voting Matters*

“**Extraordinary Voting Matters**” are matters which:

- (i) would change the definition of Extraordinary Voting Matters;
- (ii) 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 (in the case of a Trigger Event only);
- (iii) would relate to the waiver of any Loan Event of Default or any Trigger Event each in relation to non payment, credit rating downgrade (in the case of a Trigger Event only), financial ratios or the making of Restricted Payments;
- (iv) would change in any adverse respect the restriction on any disposal of ABPA or relate to a consent in respect of any such disposal;
- (v) would materially change or have the effect of materially changing the definition of Permitted Business;
- (vi) would change or have the effect of changing the provisions relating to or relate to the waiver of the Additional Financial Indebtedness tests set out in the Common Terms Agreement;
- (vii) would result in the Aggregate ABPA Debt Service Payments being more than the Aggregate ABPA Available Liquidity and, to the extent that the passing of an Extraordinary Resolution on the matters referred to in this sub-paragraph (vii) necessitates an amendment to any Trigger Event, the amendment to that Trigger Event shall be an Extraordinary Voting Matter;
- (viii) would result in the Aggregate Issuer Debt Service Payments being more than the Aggregate Issuer Available Liquidity and, to the extent that the passing of an Extraordinary Resolution on the matters referred to in this sub-paragraph (viii) necessitates an amendment to any Trigger Event, the amendment to that Trigger Event shall be an Extraordinary Voting Matter;
- (ix) would bring forward the scheduled maturity date of any Financial Indebtedness following the occurrence of a Trigger Event which is continuing; or
- (x) without prejudice to paragraph (xi) of the definition of Entrenched Rights, would have the effect of changing the nature or scope of, or would release any of the ABPA Security (unless equivalent replacement security is taken at the same time) or any Guarantee or (in any adverse manner) any indemnity granted to a Finance Party pursuant to a Common Document, in each case unless such change or release is permitted in accordance with the terms of the Common Documents.

The procedures and requirements for a STID Proposal in respect of an Extraordinary Voting Matter shall be the same as for Ordinary Voting Matters except that the majority required to pass the resolution shall be 66.67 per cent. of the Participating Qualifying ABPA Secured Creditors by reference to the Outstanding Principal Amount of the aggregate Voted Qualifying Debt of such Participating Qualifying ABPA Secured Creditors.

As soon as the ABPA Security Trustee has received votes in favour of a STID Proposal in respect of an Extraordinary Voting Matter from the Participating Qualifying ABPA Secured Creditors (acting through their respective Secured Creditor Representatives) representing at least 66.67 per cent. of the aggregate Outstanding Principal Amount of all Qualifying ABPA Senior Debt, no further votes will be counted by the ABPA Security Trustee or taken into account notwithstanding the fact that the ABPA Security Trustee has yet to receive votes from all Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) in respect of the relevant Qualifying ABPA Senior Debt.

The relevant Qualifying ABPA Secured Creditors who did not cast their votes within the Decision Period shall be considered to have waived their entitlement to vote and will not be counted in the numerator of any fraction used to determine whether the Quorum Requirement is satisfied or in the numerator of any fraction is used for the purposes of calculating the Quorum Requirement or in either the numerator or denominator or any fraction for the purpose of calculating the majority required to approve the relevant STID Proposal, unless the requisite minimum quorum and voting requirements have been met under any Authorised Credit Facility (other than those provided on a bilateral basis or any IBLA in respect of the Notes) in relation to voting on such STID Proposal, in which case the entire Outstanding Principal Amount of the Qualifying ABPA Senior Debt of the relevant Participating Qualifying ABPA Secured

Creditors shall be counted in the numerator of any fraction used to determine whether the Quorum Requirement is satisfied, and in both the numerator and the denominator of any fraction used for the purposes of calculating the majority required to approve such STID Proposal.

Subject to Entrenched Rights, the Quorum Requirement, voting threshold and Decision Period for each STID Proposal described above are set out in the table below.

	Voting Threshold	Quorum Requirement	Decision Period
Ordinary Voting Matter	More than 50% **	20% (or at least 10% if STID Proposal is re-instigated following the expiry of the Decision Period)*	Not fewer than 15 Business Days
Extraordinary Voting Matter	66.67% **	20% (or at least 10% if STID Proposal is re-instigated following the expiry of the Decision Period)*	Not fewer than 15 Business Days

*“Quorum Requirement” means, in respect of a vote, one or more Participating Qualifying ABPA Secured Creditors representing at least the amount specified above (expressed as a percentage) of the Outstanding Principal Amount of all Qualifying ABPA Senior Debt at that time.

**This is a percentage of those Participating Qualifying ABPA Secured Creditors which participate in a particular vote.

(d) *Entrenched Rights*

“**Entrenched Rights**” are matters which:

- (i) would delay the date fixed for payment of principal or interest in respect of the relevant ABPA Secured Creditor’s debt or would reduce the amount of principal or the rate of interest payable in respect of such debt;
- (ii) would bring forward the date fixed for payment of principal or interest in respect of an ABPA Secured Creditor’s debt or would increase the amount of principal or the rate of interest payable on any date in respect of the ABPA Secured Creditor’s debt;
- (iii) would have the effect of adversely changing (i) any of the ABPA Post-Default Priority of Payments or application thereof in respect of an ABPA Secured Creditor (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change); or (ii) the subordination of any Subordinated Debt to the ABPA Senior Debt;
- (iv) would have the effect of adversely changing the application of any proceeds of enforcement of the ABPA Floating Charge Agreement;
- (v) would result in the exchange of the relevant ABPA Secured Creditor’s debt for, or the conversion of such debt into, shares, notes or other obligations of any other person;
- (vi) would change or would relate to the currency of payment due under the relevant ABPA Secured Creditors debt (other than due to the U.K. adopting the euro);
- (vii) would change or would relate to any existing obligation of a Covenantor to gross up any payment in respect of the relevant ABPA 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);
- (viii) would change or would have the effect of changing (i) any of the following definitions: Qualifying ABPA Secured Creditors, Qualifying ABPA Senior Debt, STID Proposal, Discretion

Matter, Ordinary Voting Matter, Extraordinary Voting Matter, Voted Qualifying Debt, Reserved Matter, Entrenched Right, ABPA Secured Liabilities; Outstanding Principal Amount; Participating Qualifying ABPA Senior Debt; Secured Creditor Representative; Post-Trigger Debt Discharge; (ii) the Decision Period, Quorum Requirement or voting majority required in respect of any Ordinary Voting Matter, Extraordinary Voting Matter, Enforcement Instruction Notice or Further Enforcement Instruction Notice; (iii) any of the matters that give rise to Entrenched Rights under the STID; or (iv) the provision of the STID setting out the effect of Entrenched Rights described below;

- (ix) would change or have the effect of changing how the Participating Qualifying ABPA Secured Creditors cast their votes under the STID;
- (x) would change or have the effect of changing the scope of the Reserved Matters (see “—*Reserved Matters*” below for definition);
- (xi) would have the effect of:
 - (A) changing the nature or the scope of, or would release any of the ABPA Security in respect of the Security Shares in ABPH, ABPA or ABP, unless:
 - (1) equivalent replacement security is taken at the same time;
 - (2) such change or release of security is in the context of a Permitted Reorganisation and provided that share security has been granted in favour of the ABPA Security Trustee on equivalent terms to the share security created pursuant to the Security Agreement over the shares in each Holding Company of ABPH which is a Subsidiary of ABPAH; or
 - (B) amending or waiving any provision of the Option Scheme with the effect that:
 - (1) ABPA would cease to be obliged to acquire shares issued to employees pursuant to the Option Scheme immediately;
 - (2) the number of shares to be issued to employees pursuant to the Option Scheme would be increased; or
 - (3) the price at which ABPA is required to acquire shares issued to employees pursuant to the Option Scheme would be increased;
- (xii) in respect of each Hedge Counterparty (in addition to those rights specified in paragraphs (i) to (xi) above):
 - (A) would change or would have the effect of changing any of the following definitions: Hedging Agreement; Issuer Secured Creditor Entrenched Right; ABPA Hedge Counterparty; ABPA Hedging Agreement; ABPA Hedging Transaction; Issuer Hedge Counterparty; Issuer Hedging Agreement; Issuer Hedging Transaction; Hedging Policy; Hedge Counterparties; Hedging Agreement; Hedging Liabilities; Hedging Transaction; Pari Passu ABPA Hedge Counterparty; Pari Passu ABPA Hedging Agreement; Pari Passu ABPA Hedging Transaction; Pari Passu Issuer Hedge Counterparty; Pari Passu Issuer Hedging Agreement; Pari Passu Issuer Hedging Transaction; Super Senior ABPA Hedging Agreement; Super Senior Issuer Hedging Agreement; Relevant Debt;
 - (B) would change or would have the effect of changing the limits specified in the Hedging Policy with respect to interest rate risk (see – “*Common Terms Agreement - Hedging Policy*” below) of the Common Terms Agreement or the Super-Senior Hedging Condition;
 - (C) 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;

- (D) would change or have the effect of changing the exemption granted with respect to Permitted Hedge Terminations or any LF Events of Default pursuant to the ABPA Liquidity Facility Agreement under the Common Terms Agreement which permits them to be enforceable;
 - (E) would change or have the effect of changing the definitions of Loan Acceleration Notice, Loan Enforcement Notice or Note Enforcement Notice or the consequences of the delivery of a Loan Acceleration Notice or the ABPA Post-Default Priority of Payments;
 - (F) would change or have the effect of changing the purpose of the ABPA Liquidity Facility;
 - (G) would change or have the effect of changing the purpose of the Issuer Liquidity Facility; and
 - (H) would change or have the effect of changing the covenant in respect of disposals described in “-Common Terms Agreement – Covenants – General” below; and
- (xiii) in respect of each ABPA Liquidity Facility Provider, would change the ranking of payments due to such parties or would affect the ability of such ABPA Liquidity Facility Provider to enforce its rights under an ABPA Liquidity Facility Agreement;
 - (xiv) would change or have the effect of changing the Common Terms Agreement in a manner that would permit or have the effect of, permitting ABP or its Subsidiaries to grant a Security Interest that is not contemplated by, or in respect of liabilities exceeding the amount specified in, the Common Terms Agreement on the Closing Date without ABP or such Subsidiary (as applicable) being required to provide an equivalent Security Interest to the ABPA Security Trustee and requiring the beneficiaries of any Security Interest (that is not the ABPA Security Trustee) to enter into such intercreditor arrangements as the ABPA Security Trustee may require in order to ensure that the ABPA Security Trustee ranks at least pari passu with each other creditor that is not the ABPA Security Trustee and will share at least rateably with each other creditor with respect to such Security Interests;
 - (xv) would change, or would have the effect of changing paragraph (b) of the definition of “Additional Financial Indebtedness” that is not contemplated by, or exceeds the amounts specified in, the Common Terms Agreement on the Closing Date without ABP or such Subsidiary that incurred such Financial Indebtedness being required to provide guarantees in respect of the ABPA Senior Debt and requiring the finance parties in respect of such Financial Indebtedness to enter into such intercreditor arrangements as the ABPA Security Trustee may require in order to ensure that the claims of the ABPA Security Trustee ranks at least pari passu to the claims of the finance parties under the relevant Financial Indebtedness incurred by ABP or its Subsidiaries as applicable.

Where a STID Proposal gives rise to an Entrenched Right, the proposed resolution(s) may not be passed without the approval of each ABPA Secured Creditor (through its respective Secured Creditor Representative) in respect of which the Entrenched Right arises by virtue of the applicable STID Proposal (such Qualifying ABPA Secured Creditors, the “**Affected ABPA Secured Creditors**” and each an “**Affected ABPA Secured Creditor**”). The Issuer will be an Affected ABPA Secured Creditor if the applicable STID Proposal gives rise to an Entrenched Right that affects any Issuer Secured Creditor (an “**Affected Issuer Secured Creditor**” and together, the “**Affected Issuer Secured Creditors**”). An Issuer Secured Creditor will be affected by an Entrenched Right if the subject matter of such Entrenched Right gives rise to an Issuer Secured Creditor Entrenched Right.

No proposed modification to be made, consent to be given or waiver to be granted in respect of any Common Document which gives rise to an Entrenched Right shall be effective unless and until:

- (a) (i) the Note Trustee has confirmed in writing to the Issuer and the ABPA Security Trustee that the holders of each Series of Notes then outstanding affected by the Entrenched Right have duly passed an Extraordinary Resolution approving the modification, consent or waiver in accordance with the Note Trust Deed; or (ii) each Hedge Counterparty under an Issuer Hedging Agreement affected by the Entrenched Right has voted in favour of the relevant modification, consent or waiver; and/or (iii) each other Issuer Secured Creditor which is affected by such Entrenched Right has confirmed to the ABPA Security Trustee its approval of the relevant modification, consent or waiver, or in each case the time period and set out in the relevant STID Proposal has passed since such Issuer Secured Creditor was notified of such Entrenched Right (at which time, if the holders of a Series of Notes, an Issuer Hedge Counterparty or another Issuer Secured Creditor which is affected by the Entrenched Rights has not responded to the STID Proposal, such person or persons shall be deemed to have consented to the relevant STID Proposal and to have confirmed to the ABPA Security Trustee and the Issuer Security Trustee their approval of the relevant modification, consent or waiver); and
- (b) in the case of any other Affected ABPA Secured Creditor, the Secured Creditor Representative on behalf of each such Affected ABPA Secured Creditor has confirmed its approval of such STID Proposal, subject to any required quorum and voting majorities specified in the relevant Authorised Credit Facilities or (in the case of an Affected ABPA Secured Creditor) the time period referred to in the relevant STID Proposal has passed since each such Affected ABPA Secured Creditor was notified of such Entrenched Right (at which time, if an Affected ABPA Secured Creditor has not responded to the STID Proposal, such person or persons shall be deemed to have consented to the relevant STID Proposal and to have confirmed to the ABPA Security Trustee their approval of the relevant modification, consent or waiver).

Reserved Matters

“**Reserved Matters**” are matters (listed in the STID) in respect of which an ABPA Secured Creditor will be free to exercise its discretion in accordance with its own Authorised Credit Facility(ies). Generally, an ABPA Secured Creditor may agree to any modification to and give consent or grant waiver in respect of its own Authorised Credit Facility with the ABPAH Group without the consent of the ABPA Security Trustee provided that the modification, consent or waiver does not conflict with any provision of the Common Terms Agreement and STID in which case the terms of the Common Terms Agreement and STID would prevail. The terms of an Authorised Credit Facility (other than those terms incorporated by reference from the Common Terms Agreement) may not be amended without the consent of the relevant provider of the Authorised Credit Facility. The STID does not prevent any ABPA Secured Creditor from exercising the rights, powers, authorities and discretions defined as “Reserved Matters”.

To the extent that the ABPA Security Trustee is a party to an Authorised Credit Facility, the ABPA Security Trustee will agree if instructed in writing by the Authorised Credit Providers (through their Secured Creditor Representative) who are party to the relevant Authorised Credit Facility and indemnified to its satisfaction with any proposed amendment, modification or waiver to such Authorised Credit Facility provided that the Secured Creditor Representative of the Authorised Credit Providers confirms to the ABPA Security Trustee that the requisite majority of the relevant Authorised Credit Provider(s) have agreed to such amendment, modification or waiver and that the relevant amendment, modification or waiver does not contravene the provisions of the Common Documents. The ABPA Security Trustee has no duty to investigate if any provision of a Common Document is contravened and shall be entitled to assume there is no such contravention in the absence of actual written notice to the contrary.

Acceleration and Enforcement

The Security Agreement, the ABPA Floating Charge Agreement and the STID provide that the ABPA Security will become enforceable following the delivery of a Loan Enforcement Notice.

When the ABPA Security Trustee has actual notice of the occurrence of a Loan Event of Default under the Common Terms Agreement and/or following a Loan Event of Default and receipt by the ABPA Security Trustee of a SC Instruction Notice requesting the same it will promptly request by notice (an “**Enforcement Instruction Notice**”) an instruction from the Qualifying ABPA Secured Creditors as to whether the ABPA Security Trustee should deliver a Loan Enforcement Notice to enforce all or any of the obligations secured under the ABPA Security (other than the AFCA Floating Security) or take any other kind of Enforcement Action (including partial acceleration in accordance with the STID) and/or deliver a Loan Acceleration Notice to accelerate all of the obligations secured under the ABPA Security (other than the AFCA Floating Security) (each, an “**Enforcement Action**”). The period of time within which the instruction is to be provided to the ABPA Security Trustee shall be

not fewer than 15 Business Days from the date of delivery of the Enforcement Instruction Notice. At any time following the delivery of a Loan Enforcement Notice, the ABPA Security Trustee may and, following receipt by the ABPA Security Trustee of an SC Instruction Notice (as described in (i) *ABPA Secured Creditor Instructions*) below), shall promptly request by a notice (“**Further Enforcement Instruction Notice**”) an instruction from the Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) as to whether the ABPA Security Trustee should deliver a Loan Acceleration Notice to accelerate all of the obligations secured under the ABPA Security (other than the AFCA Floating Security).

With respect to an Enforcement Instruction Notice or any Further Enforcement Instruction Notice, the provisions applying to STID Voting Requests and Ordinary Voting Matters described above shall apply provided that:

- (a) references to a STID Voting Request or a STID Proposal will be construed as references to an Enforcement Instruction Notice or a Further Enforcement Instruction Notice, as the case may be;
- (b) the Decision Period shall be 15 Business Days from the date of delivery of the applicable Enforcement Instruction Notice or Further Enforcement Instruction Notice;
- (c) the Quorum Requirement shall be one or more Participating Qualifying ABPA Secured Creditors representing, in aggregate, at least the Relevant Percentage of the aggregate Outstanding Principal Amount of all Qualifying ABPA Senior Debt, where “Relevant Percentage” for this purpose means (i) 50 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice, delivered up to and including the date falling nine months after the occurrence of the Loan Event of Default; (ii) 33.34 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice, delivered during the period following the date falling nine months after the occurrence of the Loan Event of Default to and including the date falling fifteen months after the occurrence of the Loan Event of Default; (iii) 10 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice, delivered at any time following the date falling fifteen months after the occurrence of the Loan Event of Default;
- (d) the majority required to pass the resolution is the Participating Qualifying ABPA Secured Creditors on a pound for pound basis representing at least the Relevant Percentage of the Outstanding Principal Amount of all Voted Qualifying Debt, where “Relevant Percentage” for these purposes means (i) 66.67 per cent in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice, delivered up to and including the date falling nine months after the occurrence of the Loan Event of Default; (ii) 50 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice, delivered during the period following the date falling nine months after the occurrence of the Loan Event of Default to and including the date falling fifteen months after the occurrence of the Loan Event of Default; (iii) 25 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice, delivered at any time following the date falling fifteen months after the occurrence of the Loan Event of Default; and
- (e) as soon as the ABPA Security Trustee has received votes in favour of a STID Proposal in respect of an Enforcement Instruction Notice or Further Enforcement Instruction Notice, from the Participating Qualifying ABPA Secured Creditors representing the relevant majority referred in paragraph (d) above, no further votes will be counted by the ABPA Security Trustee or taken into account notwithstanding the fact that the ABPA Security Trustee has yet to receive votes from all Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) in respect of the relevant Qualifying ABPA Senior Debt.

If the Loan Event of Default relates to (a) an application for the appointment of an administrator in respect of a Security Provider, (b) the giving of notice of intention of appointment of an administrator in respect of a Security Provider or (c) the filing of a notice of appointment of an administrator in respect of a Security Provider with the court, the Issuer Security Trustee (being the assignee by way of security of the AFCA Floating Security by virtue of the Issuer Deed of Charge) shall appoint an administrative receiver to such Security Provider in accordance with the terms of the ABPA Floating Charge Agreement and shall promptly notify the ABPA Security Trustee of such appointment.

Enforcement Action

During an Enforcement Period, the whole of the ABPA Security shall become enforceable and the ABPA Security Trustee may take any Enforcement Action including:

- (a) enforcing all or any part of the ABPA Security other than the AFCA Floating Security (at the times, in the manner and on the terms it thinks fit) and taking possession of and holding or disposing of all or any part of the Charged Property);
- (b) instituting such proceedings against a Covenantor and taking such action as it may think fit to enforce all or any part of the ABPA Security (other than the AFCA Floating Security);
- (c) appointing (or refraining from doing so) or removing any Receiver (notwithstanding the appointment of an administrative receiver by the Issuer Security Trustee pursuant to the ABPA Floating Charge Agreement);
- (d) consulting with any administrative receiver appointed by the Issuer Security Trustee pursuant to the AFCA Floating Security in relation to any dealing with assets over which such administrative receiver is appointed and/or, if necessary, the release of such asset from the Security Agreement Floating Security; and
- (e) whether or not it has appointed a Receiver, exercising all or any of the powers, authorities and discretions conferred by the STID (as varied or extended by this Deed) on mortgagees and by this Deed on any Receiver or otherwise conferred by law on mortgagees or Receivers.

Acceleration following receipt of security proceeds

Prior to delivery of a Loan Acceleration Notice, any Loan Enforcement Notice issued by the ABPA Security Trustee shall provide that each ABPA Secured Creditor may accelerate a portion of its respective claims (and terminate any Hedging Transaction under a Hedging Agreement to the extent giving rise to a claim) to the extent necessary to apply proceeds of enforcement of the ABPA Security but (other than in relation to Hedging Transactions, which may be terminated in whole) only to the extent that such accelerated claims would be discharged out of such proceeds pursuant to the ABPA Post-Default Priority of Payments.

For the purposes of determining the respective amounts of such accelerated claims, the ABPA Security Trustee shall, at least six Business Days prior to the intended application of an amount constituting proceeds of enforcement of the ABPA Security, request that each ABPA Secured Creditor (acting through its Secured Creditor Representative) certify to the ABPA Security Trustee on the Business Day prior to the intended application date (the “**Certification Date**”, which shall be specified in such request) the Outstanding Principal Amount of any ABPA Senior Debt on the Certification Date (and if an ABPA Secured Creditor fails to provide such certification on the Certification Date, then the ABPA Security Trustee will notify the ABPAH Group Agent of such failure and the ABPAH Group Agent must inform the ABPA Security Trustee of the Outstanding Principal Amount of ABPA Senior Debt of such ABPA Secured Creditor on the Certification Date and such notification shall be binding on the relevant ABPA Secured Creditors except in the case of manifest error).

Following receipt of such certifications, the ABPA Security Trustee shall calculate the amount of the proceeds of enforcement of the ABPA Security which would be payable to each ABPA Secured Creditor if such amounts were applied on the Certification Date in accordance with the ABPA Post-Default Priority of Payments, and shall notify each ABPA Secured Creditor of such amount.

The ABPA Security Trustee will, in its absolute discretion, be entitled at any time to serve a written notice on the Qualifying ABPA Secured Creditors requiring such Qualifying ABPA Secured Creditors, with effect from the date that notice is given, to obtain the prior written consent of the ABPA Security Trustee before taking any action which could, in the sole opinion of the ABPA Security Trustee, be likely to lead to the ABPA Security Trustee becoming a mortgagee in possession in respect of any Charged Property.

Loan Acceleration Notice

The ABPA Security Trustee will be required to deliver a Loan Acceleration Notice following the delivery of a Loan Enforcement Notice, an Enforcement Instruction Notice or Further Enforcement Instruction Notice if the ABPA Security Trustee is instructed to do so by the Participating Qualifying ABPA Secured Creditors pursuant the STID and the indemnity requirements set out in the STID have been satisfied. Unless and until so instructed and indemnified, the ABPA Security Trustee shall be under no obligation to and shall not deliver a Loan Acceleration Notice.

Upon the delivery of a Loan Acceleration Notice, all ABPA Secured Liabilities will be accelerated in full. For the avoidance of doubt, no ABPA Secured Liabilities (other than ABPA Secured Liabilities owed under an ABPA

Liquidity Facility or as a result of a Permitted Hedge Termination, or as permitted under the STID, as described in “*Summary of the Financing Agreements – STID — Acceleration following receipt of Security Proceeds*”) may be accelerated other than by delivery of a Loan Acceleration Notice.

Upon the delivery of a Loan Acceleration Notice, or, if earlier, upon acceleration and cancellation of an ABPA Liquidity Facility provided pursuant to an ABPA Liquidity Facility Agreement in accordance with the terms thereof, all amounts credited to the ABPA Standby Reserve Ledger of the ABPA Debt Service Reserve Account in respect of an ABPA Liquidity Facility Provider will be paid by or on behalf of the ABPA Security Trustee or any Receiver to such ABPA Liquidity Facility Provider.

Qualifying ABPA Secured Creditor Instructions

Any Qualifying ABPA Secured Creditor which by itself or together with any other Qualifying ABPA Secured Creditor(s) is or are owed Qualifying ABPA Senior Debt having an aggregate Outstanding Principal Amount of at least 20 per cent. (or such other percentage as may be required pursuant to the Common Terms Agreement which shall include 10 per cent. in relation to paragraph (d) below) of the aggregate Outstanding Principal Amount of all Qualifying ABPA Senior Debt then outstanding may by giving notice (an “**SC Instruction Notice**”) to the ABPA Security Trustee instruct the ABPA Security Trustee to exercise any of the rights granted to the ABPA Security Trustee under the Common Documents including, without limitation, the following rights:

- (a) to challenge a statement(s), calculation(s) or ratio(s) in a Compliance Certificate or an ABPA Forward-Looking Ratio Certificate, as applicable, and to call for other substantiating evidence if the ABPA Security Trustee provides a detailed explanation to the ABPAH Group Agent that it has or such ABPA Secured Creditors have reason to believe that: (i) any statement(s), calculation(s) or ratio(s) made in the Compliance Certificate or the ABPA Forward-Looking Ratio Certificate, as applicable, are incorrect or misleading in any material respect, and (ii) if any such statement(s) were to be re-stated so that they were accurate in all material respects, a Trigger Event would occur, each in accordance with the Common Terms Agreement;
- (b) to appoint an accounting firm, advisory firm or investment bank of international repute and standing which has been agreed between the ABPA Security Trustee and the ABPAH Group Agent pursuant to and subject to the terms of the Common Terms Agreement;
- (c) to request certain further information pursuant to and subject to the terms of the Common Terms Agreement; and
- (d) following a Loan Event of Default but prior to delivery of a Loan Acceleration Notice, to request the ABPA Security Trustee to send an Enforcement Instruction Notice or Further Enforcement Instruction Notice.

The ABPA Security Trustee shall exercise the above rights in accordance with the directions set out in the SC Instruction Notice.

Requests for direction

The ABPA Security Trustee may seek instructions from the Qualifying ABPA Secured Creditors by a Direction Notice to the Qualifying ABPA Secured Creditors (through their Secured Creditor Representatives) on any matter in respect of which the voting regime is not prescribed through a STID Proposal, an Enforcement Instruction Notice, a Further Enforcement Instruction Notice or a SC Instruction Notice.

With respect to any Direction Notice, the provisions of the STID relating to Participating Qualifying ABPA Secured Creditors, STID Voting Requests, Quorum Requirements for an Ordinary Voting Matter and Consent required if Entrenched Rights apply *mutatis mutandis* except that:

- (a) references to a STID Voting Request or a STID Proposal will be construed as references to a Direction Notice;
- (b) the Decision Period shall not be fewer than 10 Business Days;
- (c) the Quorum Requirement shall be one or more Participating Qualifying ABPA Secured Creditors; and

- (d) if the Quorum Requirement is satisfied, a resolution may be passed by a simple majority of the Voted Qualifying Debt.

ABPA Post-Default Priority of Payments

ABPA Security and amounts other than ABPA Defeasance Amounts and Holding Amounts

Pursuant to the STID, following either a Loan Event of Default or a Potential Loan Event of Default where a Loan Event of Default would have occurred but for a drawing under the ABPA Liquidity Facility, all payments to ABPA Secured Creditors (other than in respect of ABPA Defeasance Amounts and Holding Amounts) shall be applied to the extent that it is lawful to do so and on each Payment Date accordance with the ABPA Post-Default Priority of Payments below.

Following the delivery of a Loan Enforcement Notice, all amounts (other than ABPA Defeasance Amounts and Holding Amounts) available in respect of ABPA and each Guarantor and Security Provider and all payments to ABPA Secured Creditors shall in each case be applied by or on behalf of the ABPA Security Trustee or, as the case may be, any Receiver, in each case to the extent that it is lawfully able to do so and on each Payment Date accordance with the following ABPA Post-Default Priority of Payments.

“**ABPA Post-Default Priority of Payments**” means, without double counting:

- (a) *first, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) the fees, costs, charges, liabilities, expenses and other remuneration and indemnity payments (if any) and any other amounts payable to each Senior Term Facilities Agent, the ABPA Security Trustee and/or any Receiver appointed by the ABPA Security Trustee; and
 - (ii) amounts payable to the Issuer by way of Ongoing Facility Fee to satisfy the amounts due in respect of the fees, costs, charges, liabilities, expenses and other remuneration and indemnity payments (if any) and any other amounts payable to the Issuer Security Trustee, the Note Trustee and any Receiver appointed by the Issuer Security Trustee;
- (b) *second, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the ABPA Account Bank incurred under the ABPA Account Bank Agreement; and
 - (ii) amounts payable to the Issuer by way of Ongoing Facility Fee, in or towards satisfaction, *pro rata* and *pari passu* of the amounts payable by the Issuer in respect of:
 - (A) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Agents incurred under the Agency Agreement or a Calculation Agency Agreement;
 - (B) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;
 - (C) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Cash Manager where ABPH or any Connected Creditor is not the Issuer Cash Manager;
 - (D) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of Issuer Corporate Administration Providers under Issuer Corporate Administration Agreements;
 - (E) any amount payable by the Issuer pursuant to paragraph (c) of the Issuer Pre-Enforcement Priority of Payments;
 - (F) an amount equal to, in any Financial Year, the Issuer Lender Profit Amount;

- (c) *third, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) any fees, commissions and interest due and payable or overdue under the ABPA Liquidity Facility Agreement;
 - (ii) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of any fees, commissions and interest due and payable or overdue by the Issuer under the Issuer Liquidity Facility Agreement;
- (d) *fourth, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) all amounts of principal due or overdue in respect of the ABPA Liquidity Facility Agreement;
 - (ii) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of all amounts of principal and all other amounts not covered in paragraph (c)(ii) above due or overdue in respect of the Issuer Liquidity Facility Agreement;
- (e) *fifth, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) all scheduled and unscheduled amounts, termination payments, accretion or other pay as you go payments and other charges payable to each ABPA Hedge Counterparty under any Super Senior ABPA Hedging Agreement between ABPA and an ABPA Hedge Counterparty; and
 - (ii) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of all scheduled and unscheduled amounts, termination payments, accretion or other pay as you go payments and other charges payable to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Agreement between the Issuer and an Issuer Hedge Counterparty;
- (f) *sixth, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) all amounts of commitment fees, duration fees and interest due or overdue in respect of any Senior Term Facilities;
 - (ii) all amounts of commitment fees and interest due or overdue in respect of any Capex Facility;
 - (iii) all amounts of commitment fees and interest due or overdue in respect of any WC Facility;
 - (iv) all amounts of commitment fees and interest due or overdue under any IBLA;
 - (v) all amounts of commitment fees and interest due or overdue in respect of any other Authorised Credit Facilities;
 - (vi) all scheduled amounts (other than any amounts in respect of termination payments or other unscheduled amounts, final or scheduled exchange payments on cross currency swaps and accretion or other pay as you go payments) payable to each ABPA Hedge Counterparty under any Pari Passu ABPA Hedging Transaction; and
 - (vii) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of all scheduled amounts (other than any amounts in respect of termination payments or other unscheduled amounts, final or scheduled exchange payments on cross currency swaps and accretion or other pay as you go payments) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Transaction;
- (g) *seventh, pro rata* according to the respective amounts thereof, in or towards satisfaction of:
- (i) all amounts of principal due or overdue or any other amounts payable on the repayment of principal due or overdue in respect of any Senior Term Facilities;
 - (ii) all amounts of principal due or overdue or any other amounts payable on the repayment of principal due or overdue in respect of any Capex Facility;

- (iii) all amounts of principal due or overdue or any other amounts payable on the repayment of principal due or overdue in respect of any WC Facility;
 - (iv) all amounts of principal due or overdue or any other amounts payable on the repayment of principal due or overdue in respect of each IBLA which corresponds to the Notes;
 - (v) all amounts of principal due or overdue or any other amounts payable on the repayment of principal due or overdue in respect of any other Authorised Credit Facilities;
 - (vi) all termination payments or other unscheduled amounts, final or scheduled exchange payments on cross currency swaps and accretion or other pay as you go payments payable to each ABPA Hedge Counterparty under any Pari Passu ABPA Hedging Transaction;
 - (vii) amounts payable to the Issuer by way of Ongoing Facility Fee in respect of all termination payments or other unscheduled amounts, final or scheduled exchange payments on cross currency swaps and accretion or other pay as you go payments payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Transaction; and
- (h) *eighth*, in or towards satisfaction of all other amounts due to each ABPA Secured Creditor, including the Issuer by way of Ongoing Facility Fee, in each case in respect of any amount not otherwise falling within paragraphs (a) to (g)(vii) above (including without limitation any fees, other remuneration, indemnity payment, costs, charges, liabilities and expenses);
- (i) *ninth*, in or towards satisfaction of amounts payable to the Issuer by way of Ongoing Facility Fee in respect of the amounts payable by the Issuer in respect of fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Cash Manager (if the Issuer Cash Manager is ABPH or a Connected Creditor);
- (j) *tenth*, following delivery of a Loan Enforcement Notice payment into the Debt Collateralisation Account of all amounts then available until the balance of such account is equal to all amounts which are capable of falling within paragraphs (a) to (h) above (inclusive) but have not yet become due and payable; and
- (k) *eleventh*, the surplus (if any) to ABPA or to any persons with an equity of redemption.

ABPA Defeasance Amounts

Following a Loan Event of Default (if the Secured Creditor Representative of the holders of ABPA Defeased Debt so directs) or following the delivery of a Loan Enforcement Notice, all available ABPA Defeasance Amounts shall be applied in repayment and discharge of the ABPA Defeasance Liabilities and in each case *pro rata* in respect of the relevant ABPA Senior Debt to which the relevant ABPA Defeasance Amount relates.

Holding Amounts

Following a Potential Loan Event of Default or Loan Event of Default (unless the Initial Senior Facilities Agent or other relevant Authorised Credit Provider(s) otherwise directs) and provided that the Initial Senior Facilities Agent or other relevant Authorised Credit Provider(s) has not already applied the Holding Amounts in accordance with the Initial Senior Facilities Agreement or any equivalent clause in the relevant Authorised Credit Facility, all available Holding Amounts shall be applied in repayment and discharge of amounts due to the Lenders (as defined in the Initial Senior Facilities Agreement) under the Initial Senior Facilities Agreement or the relevant Authorised Credit Provider(s) under the applicable Authorised Credit Facility(ies) (as the case may be).

ABP Enforceability

Pursuant to the STID if and only to the extent that ABP or any of its subsidiaries is prohibited pursuant to the Transport Act from lawfully making any representation, giving any covenant or entering into any obligation under the Finance Documents as Covenantor or in any other capacity (a “**TA Relevant Provision**”) or ABP or any of its subsidiaries does not have the power under the Transport Act to make or give a particular TA Relevant Provision, such TA Relevant Provision shall be deemed not to have been made, given or constitute an obligation of ABP or any of its subsidiaries, as applicable and neither ABP, its subsidiaries nor its directors shall be in any way liable to any Finance Party as a result of such TA Relevant Provision being deemed not to have been made, given or it not constituting an obligation of ABP or any of its subsidiaries. However, any breach, misrepresentation, or Loan Event

of Default which would have occurred or arisen in relation to a TA Relevant Provision (other than any representation or covenant or other provision given or made with respect to ABP or any of its subsidiaries by any Covenantor which relates to the enforceability, validity or powers of ABP or any of its subsidiaries as regards the Finance Documents to which it is a party) will, nonetheless, entitle each Finance Party, subject to the terms of the STID and the Common Terms Agreement, to exercise each and every right and remedy and take such Enforcement Action against each Security Provider, Guarantor and Covenantor (other than ABP) that it has or would have had pursuant to the terms of the Finance Documents notwithstanding the above mentioned limitation.

Each Covenantor has undertaken that it shall not seek to dispute, challenge, disclaim or otherwise prevent in any way any Finance Party from taking Enforcement Action or exercising its rights and remedies under the Finance Documents subject to the proviso that neither ABP, its subsidiaries nor its directors shall be in any way liable to any Finance Party solely to the extent any enforcement action is taken, or rights and remedies are exercised against it as a result of such a TA Relevant Provision being deemed not to have been made, given nor constitute an obligation of ABP or any of its subsidiaries.

Governing Law

The STID and all non-contractual obligations arising out of or in connection with it are governed by English Law.

COMMON TERMS AGREEMENT

General

Each of the Security Providers, ABP, the Issuer, the ABPA Security Trustee, the ABPA Cash Manager, the Initial Capex Facility Providers, the Initial Senior Term Facilities Providers, the Initial Senior Term Facilities Agent, the Initial WC Facility Providers, the Initial ABPA Liquidity Facility Providers, the Initial Issuer Liquidity Facility Providers, the ABPA Account Bank, the Issuer Account Bank and the ABPA Hedge Counterparties and others entered into the Common Terms Agreement on the Initial Issue Date. The Common Terms Agreement sets out the representations, covenants (positive, negative and financial), Trigger Events and Loan Events of Default which apply to each Authorised Credit Facility (including for the avoidance of doubt the IBLAs and any other document entered into in connection with an Authorised Credit Facility).

It is a term of the Common Terms Agreement that any representation, covenant, Trigger Event and Loan Event of Default contained in any document which is in addition to those in the Common Terms Agreement and any other Common Document will be unenforceable (save for limited exceptions which, among other things, include tax representations or representations under an ABPA Liquidity Facility Agreement and covenants relating to “know your customer” checks, the delivery of documents to allow payments to be made without deduction of Tax, the purpose of the relevant facility, provisions as to illegality, limitations and the exercise of Equity Cure Rights, Information Undertakings, indemnities, covenants to pay, voluntary prepayments, mandatory prepayments or mandatory “clean-down” provisions (other than mandatory prepayments arising as a result of an event of default howsoever worded in an Authorised Credit Facility) and covenants relating to remuneration, costs and expenses). In addition, subject to certain conditions, further representations, covenants, Trigger Events and Loan Events of Default may be included where they are extended to all of the Finance Parties including the Issuer for the duration of the Authorised Credit Facility pursuant to which such further representations, covenants, Trigger Events and/or Loan Events of Default were given.

It is a requirement of the Common Terms Agreement that future providers of Authorised Credit Facilities accede to the Common Terms Agreement and the STID.

The Common Terms Agreement contains certain indemnities of the Covenantors (other than ABP and its Subsidiaries) to the Finance Parties in respect of losses caused, *inter alia*, by Loan Events of Default.

A summary of the representations, covenants, Trigger Events and Loan Events of Default included in the Common Terms Agreement is set out below.

Representations

On the Initial Issue Date, each Covenantor made a number of representations in respect of itself to each Finance Party. These representations included (subject, in some cases, to agreed exceptions and qualifications as to materiality and reservations of law) representations as to:

- (a) its due incorporation, power and authority (i) to enter into and perform its obligations under the Finance Documents to the extent applicable to it and (ii) has the power and authority to own its assets and carry on its business as it is being and will be conducted and, in the case of ABP, the fact that it is a statutory corporation formerly known as the British Transport Docks Board duly constituted and validly existing under the Transport Act 1962 and duly reconstructed and validly existing under the Transport Act 1981 (iii) that ABPH has, in relation to ABP, the powers of a holding company over a wholly-owned subsidiary, in accordance with section 5(2) of the Transport Act;
- (b) its obligations under the Finance Documents being legal, valid, binding and enforceable;
- (c) its entry into and performance under the Finance Documents not conflicting with any document or agreement which is binding upon it, its constitutional documents or any applicable law, licence or regulation;
- (d) all relevant consents, authorisations, licences and approvals (including, without limitation, environmental permits) having been obtained and compliance with all applicable laws;
- (e) absence of Defaults, Trigger Event, Insolvency Events and other similar events and circumstances;
- (f) validity and admissibility in evidence of the Finance Documents, the recognition of the choice of jurisdiction of the courts of England and Wales in any proceedings, the recognition of the choice of English law to govern such documents and the absence of filing and registration requirements in relation thereto;
- (g) use and protection of intellectual property rights;
- (h) the accuracy of certain information including financial statements, the Base Case Model and this Base Prospectus;
- (i) absence of litigation, arbitration, administrative proceedings, environmental claims or other proceedings;
- (j) with respect to real estate, the holding of appropriate title, leases, licences or rights of use (as appropriate), the ownership of Port Assets, compliance with and enforcement of the terms of leases and licences, the enforcement of restrictive covenants and compliance with planning permission requirements where, in each case, failure to do so would reasonably be expected to have a Material Adverse Effect;
- (k) there being no loan made by any member of the ABPAH Group to any person or guarantee by any member of the ABPAH Group of the obligations of any other person to a third party outstanding immediately following the issue of the Notes on the Initial Issue Date, other than (i) pursuant to Finance Documents and (ii) under any Permitted Loan;
- (l) absence of outstanding Financial Indebtedness other than Permitted Financial Indebtedness;
- (m) absence of Security Interests created other than pursuant to the Finance Documents and validity and ranking of the Security Interests created by the Finance Documents;
- (n) insurances required to be maintained by any member of the ABPAH Group under any Finance Document being in full force and effect, all premiums having been paid, absence of outstanding claims and such insurances being consistent with reasonably prudent insurance practices which a business of a similar size and substantially the same nature would customarily keep in place (so far as is commercially available);
- (o) except for the ABPAH Group Defined Benefit Pension Schemes:
 - (i) neither it nor any of its Subsidiaries is or has at any time been an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993);
 - (ii) neither it nor any of its Subsidiaries is or has at any time been “connected” with or an “associate” of (as those terms are used in section 38 and 43 of the Pensions Act 2004) such an employer; and

- (iii) all pension or superannuation schemes operated or maintained for the benefit of the ABPAH Group and/or any of its employees are being funded by employer contributions in accordance with and to the extent required by applicable law in all material respects;
- (p) certain matters related to tax including, tax residence, stamp duty and due filing of tax returns; and
- (q) matters relating to its centre of main interest.

In addition, on each Issue Date and on each date on which any other new Authorised Credit Facility is issued or entered into under the Programme, each Covenantor will repeat certain of such representations (the “**Initial Date Representation**”).

On each Payment Date, on each date of a request for a borrowing and, on the first date of each borrowing each Covenantor shall repeat the representations set out in paragraphs (a) to (f) above by reference to the facts and circumstances then subsisting (the “**Repeated Representations**”). A Covenantor acceding to an Authorised Credit Facility shall make the Repeated Representations on the date of such accession.

Covenants

The Common Terms Agreement contains certain covenants from each of the Covenantors. A summary of the covenants is set out below.

Information Covenants

- (a) The ABPAH Group Agent has undertaken to supply to the ABPA Security Trustee and the Note Trustee in sufficient copies for all ABPA Secured Creditors:
 - (i) consolidated audited Financial Statements of the ABPAH Group (including the Issuer), prepared as if they constituted a statutory group for consolidation purposes, and related auditors’ opinion, within 120 days after the end of the preceding financial year (such financial statements to comprise profit and loss account, balance sheet and cashflow statement);
 - (ii) audited Financial Statements of each Covenantor and the Issuer and an applicable auditors’ opinion within 120 days after the end of the preceding financial year (such Financial Statements to comprise profit and loss account, balance sheet and cashflow statement); and
 - (iii) consolidated, unaudited Financial Statements of the ABPAH Group (including the Issuer) together, prepared as if they constituted a statutory group for consolidation purposes, for the first financial half-year in each financial year, within 90 days after the end of such financial half-year (such Financial Statements to comprise profit and loss account, balance sheet and cashflow statement for such financial half year).

The ABPAH Group Agent must ensure that each set of Financial Statements supplied by it is prepared in accordance with Accounting Standards and gives a true and fair view of it or, in the case of any unaudited Financial Statements, fairly presents its financial condition (consolidated or otherwise).

- (b) The ABPAH Group Agent has undertaken to, among other things by each Reporting Date starting with respect to the Reporting Date falling in October 2012, supply a Compliance Certificate to the ABPA Security Trustee, the Note Trustee, the Issuer and each Rating Agency that has been engaged to provide a credit rating for any Financial Indebtedness under an Authorised Credit Facility or the Notes, with the financial statements described in paragraph (a) above, such Compliance Certificate to be accompanied by a statement confirming:
 - (i) the historic ratios and forward-looking ratios which are required to be calculated under the Common Terms Agreement and calculations thereof in reasonable detail;
 - (ii) summary details of any acquisition or disposal of Subsidiaries or interest in any Permitted Joint Venture by any member of the ABPAH Group and of any company or business or material disposals by any member of the ABPAH Group, in each case since the previous delivered Compliance Certificate (or, if none, the Initial Issue Date); and

- (iv) the amount of any Restricted Payment made since the date of the previous Compliance Certificate.
- (c) Each Covenantor has undertaken, among other things:
- (i) to confirm in each Compliance Certificate that each of the historic ratios and forward-looking ratios, listed below, has been calculated, specifying the results of such calculations and providing a copy of the computations made in respect of the calculation of such ratios and to confirm in each Investor Report that each of the historic ratios and the forward-looking ratios, listed below, has been calculated, specifying the results of such calculations and providing a copy of the computations made in respect of the calculation of such ratios in reasonable detail:
 - (A) the ratio of Historic Adjusted Consolidated EBITDA to Historic Net Interest Payable for each Relevant Calculation Period;
 - (B) the ratio of Projected Adjusted Consolidated EBITDA to Projected Net Interest Payable for each Relevant Calculation Period;
 - (C) the ratio of Historic Consolidated Net Borrowings to Historic Consolidated EBITDA as at each Relevant Calculation Date; and
 - (D) the ratio of Projected Consolidated Net Borrowings to Projected Consolidated EBITDA as at each Relevant Calculation Date;
 - (ii) to calculate the historic ratios referred to above using the audited Financial Statements (or unaudited Financial Statements or management accounts if audited Financial Statements are not available on such date), and if applicable, regulatory accounts delivered with such Compliance Certificate;
 - (iii) to ensure that all forward-looking financial ratio calculations and projections:
 - (A) are made on the basis of assumptions made in good faith and arrived at after due and careful consideration;
 - (B) are consistent and updated by reference to the most recently available financial information required to be supplied by each Covenantor;
 - (C) are consistent with the Accounting Standards (insofar as such Accounting Standards reasonably apply to such calculations and projections);
 - (iv) to provide an ITA Forward-Looking Ratio Certificate in respect of each Accounting Date falling in June and an ABPA Forward-Looking Ratio Certificate or an ITA Forward-Looking Ratio Certificate in respect of each Accounting Date falling in December, in each case in accordance with the Common Terms Agreement; and
 - (v) that this Base Prospectus is updated as required under applicable laws or market practice before the Issuer seeks to issue any further series or tranches of Notes after the validity period following the filing of the latest update (or, if none, the original filing of this Base Prospectus) has expired.
- (d) The ABPAH Group Agent (on behalf of each Covenantor) must supply, by each Reporting Date starting with the Reporting Date falling in October 2012, to, among others, the ABPA Security Trustee, the Note Trustee, the Initial Senior Facilities Agent, each Rating Agency that has been engaged to provide a credit rating for any Financial Indebtedness under an Authorised Credit Facility or the Notes and the Paying Agents an Investor Report and the ABPAH Group Agent must hold annually a password protected conference call presentation made by ABP and ABPA to, among others, the Note Trustee and the Noteholders.
- (e) Each Investor Report must include:
- (i) the historic ratios and forward-looking ratios and calculations thereof in reasonable detail;

- (ii) a general update of the following including narrative and details of any key changes:
 - (A) general overview;
 - (B) business developments and performance evaluation;
 - (C) capital expenditure;
 - (D) outsourcing;
 - (E) financing;
 - (F) acquisitions and disposals;
 - (G) current hedging position; and
 - (H) Joint Ventures which are Covenantors and Permitted Joint Ventures;
- (iii) confirmation of the amount of any Restricted Payment made since the date of the previous Investor Report; and
- (iv) confirmation that:
 - (A) the Investor Report is accurate in all material respects;
 - (B) no Default or Trigger Event has occurred and is continuing, or if a Default or a Trigger Event has occurred and is continuing, steps (which shall be specified) are being taken to remedy such Default or Trigger Event; and
 - (C) the ABPAH Group is in compliance with the Hedging Policy.
- (f) So far as permitted by any applicable law, regulation, order or any binding confidentiality obligations, each Covenantor has undertaken to supply to the ABPA Security Trustee:
 - (i) as soon as reasonably practicable after becoming aware of the same, details of any communication, enquiry, investigation or proceeding with, from or involving any regulator or other governmental authority, where such communication relates to a matter which has or could reasonably be expected to have a Material Adverse Effect or where such enquiry, investigation or proceeding, if adversely determined, would have or could reasonably be expected to have a Material Adverse Effect; and
 - (ii) such material information (including hedging information) about the business and financial condition of the ABPAH Group (including the Issuer) which can be requested by the ABPA Security Trustee on the instruction of Qualifying ABPA Creditors holding at least 20 per cent. by value of the Qualifying ABPA Senior Debt.
- (g) In addition, ABP is required to maintain a freely accessible investor website www.abports.co.uk (the “**Designated Website**”) on which certain information (including Financial Statements and Investor Reports) is published. Notwithstanding the foregoing ABP may designate a third party to operate and manage the Designated Website on its behalf. ABP must promptly upon becoming aware of its occurrence, notify the ABPA Security Trustee and the Note Trustee if the Designated Website cannot be accessed or the Designated Website or any information on it is infected by any electronic virus or similar software for a period of 5 Business Days, in which case the Covenantor must supply the ABPA Security Trustee and the Note Trustee with all information required under the Common Terms Agreement in paper form with copies as requested by any Finance Party or Issuer Secured Creditor.
- (h) The ABPA Security Trustee shall, within 14 days of receipt of the Compliance Certificate or an ABPA Forward-Looking Ratio Certificate have the right on the written instructions of the Qualifying ABPA Secured Creditors holding at least 20 per cent. by value of Qualifying ABPA Senior Debt to challenge a statement, calculation or ratio in: (a) a Compliance Certificate (unless in the case of a calculation or ratio, such Compliance Certificate is accompanied by an ITA Forward-Looking Ratio Certificate confirming

such calculation or ratio); or (b) an ABPA Forward-Looking Ratio Certificate, and to call for other substantiating evidence if it provides a detailed explanation to the ABPAH Group Agent that it has or such ABPA Secured Creditors have reason to believe that (i) any statement, calculation or ratio made in the Compliance Certificate or the ABPA Forward-Looking Ratio Certificate, as applicable, are incorrect or misleading in any material respect; and (ii) if any statement(s) set out in (i) above were to be re-stated so that they were accurate in all material respects, a Trigger Event would occur.

In the event that the information to be provided by the ABPAH Group Agent to determine the accuracy of the statement, calculation or ratio being challenged is confidential or commercially sensitive or, following receipt of additional information, if the ABPA Security Trustee (acting on the written instructions of the Qualifying ABPA Secured Creditors holding at least 20 per cent. by value of Qualifying ABPA Senior Debt) remains of the opinion that the statement(s), calculation(s) or ratio(s) that are the subject of the challenge are materially inaccurate or misleading in a manner that would otherwise result in there being a Trigger Event subsisting, the ABPA Security Trustee shall at the cost of the Covenantors and following consultation with ABPA, appoint an accounting firm, advisory firm or investment bank of international repute and standing which has been agreed between the ABPA Security Trustee and the ABPAH Group Agent (the "**Independent Expert**") to investigate the relevant statement, calculation or ratio that are the subject of the challenge in the Compliance Certificate or the ABPA Forward-Looking Ratio Certificate (subject to the entry into appropriate confidentiality arrangements between the parties).

The Independent Expert shall provide a report of its conclusions within 30 days of its appointment in respect of a Compliance Certificate or an ABPA Forward-Looking Ratio Certificate, which shall be binding and conclusive as to the challenge in respect of which that Independent Expert is appointed.

General Covenants

Pursuant to the Common Terms Agreement, the Covenantors have given covenants which are customary for a financing of the type (with customary carve-outs, thresholds and caveats) including in relation to compliance with laws, conduct of business and maintenance of licences and authorisations. In particular, the Covenantors have given the following covenants:

- (a) not to change without the prior written consent of the ABPA Security Trustee, its memorandum or articles of association or other constitutional documents where such change would or would reasonably be expected to be materially prejudicial to the interests of the Finance Parties;
- (b) not to:
 - (i) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so;
 - (ii) issue any shares which by their terms are redeemable or convertible or exchangeable for Financial Indebtedness; or
 - (iii) after the Initial Issue Date, issue any share capital to any person which is not a Covenantor or a Non-Material Subsidiary other than where such share capital is issued by ABPAH.

Sub-paragraphs (i) to (iii) above do not apply to (a) any such action which is in furtherance of a Restricted Payment, where the amount of the Restricted Payment is permitted to be paid pursuant to the Finance Documents, (b) any transaction which is expressly permitted under the Common Terms Agreement, (c) any transaction which has received the prior written consent of the ABPA Security Trustee, (d) any transaction in respect of Additional Equity with is for the purposes of effecting an Equity Cure or remedying a Trigger Event to the extent necessary to effect such Equity Cure or remedy such Trigger Event or (e) any issuance of shares in ABPH as required pursuant to the terms of the Option Schemes, up to an aggregate maximum of 70,000 shares provided that such shares are then acquired by ABPA in accordance with the terms of the Option Schemes;

- (c) to maintain its centre of main interests for the purpose of Council Regulation (EC) No. 1346/2000 in the United Kingdom and will ensure that it does not have an establishment for the purposes of Council Regulation (EC) No. 1346/2000 in any jurisdiction other than the United Kingdom;
- (d) to ensure that it only carries on its Permitted Business; and in the case of a business to which the Transport Act applies, it only carries on such business and activities as are not prohibited by the Transport Act;

- (e) not to transfer the functions of ABPH as the direct holding company of ABP to any other person or entity, whether in accordance with section 13 of the Transport Act or otherwise provided that this does not apply to any transfer which is required or requested by an governmental body, statutory body or regulatory authority or similar entity or body pursuant to any applicable law or regulation (provided, however, that any such replacement Holding Company or Holding Companies owning any direct or indirect interest in ABP becomes a Covenantor, Guarantor and Security Provider and that such arrangements replicate the arrangements contemplated at the Initial Closing Date and are not materially prejudicial to the interests of any Finance Party);
- (f) if 10 per cent. or more of:
 - (i) Historic Consolidated EBITDA of the ABPAH Group for a Relevant Calculation Period is attributable to activities of members of the ABPAH Group that constitute Permitted Business but not Core Business; and
 - (ii) Projected Consolidated EBITDA is expected or forecast (based on reasonable assumptions which the ABPAH Group Agent shall certify to the ABPA Security Trustee and which shall be confirmed by the Independent Technical Adviser) for each Relevant Calculation Period within the Projected Test Period to be attributable to activities of members of the ABPAH Group that are Permitted Business but not Core Business,

to dispose of one or more member of the ABPAH Group (or its interests in any such member) to a person that is not a member of the ABPAH Group on or prior to the immediately following Relevant Calculation Date (a “**Non-Core Business Disposal**”). Any such Non-Core Business Disposal must be made on arms’ length terms for cash;

- (g) not to create or allow to exist any Security Interest on any of its present or future business, assets or undertakings other than any Permitted Security Interest;
- (h) not to:
 - (i) dispose of any of its assets on terms where it is or may be required to be leased to or reacquired or acquired by a Covenantor or a Non-Material Subsidiary or any of its related entities;
 - (ii) dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

- (i) to the extent that it is a Security Provider will undertake that on acquiring any asset which would not be immediately and effectively charged by the then existing ABPA Security Documents:
 - (i) is of a type which is charged by the then existing ABPA Security Documents; or
 - (ii) is otherwise material to the business of that Security Provider,

it will execute and deliver to the ABPA Security Trustee such further or additional ABPA Security Documents in relation to such assets as the ABPA Security Trustee may reasonably require and in form and substance satisfactory to the ABPA Security Trustee;

- (j) prior to the application of the ABPA Post-Default Priority of Payments, if a drawing is made or any other amount is outstanding under any ABPA Liquidity Facility Agreement (other than a ABPA Standby Drawing), not to make any subsequent payment of or in respect of its ABPA Senior Debt (or, where such payment would otherwise be permitted by the terms hereof, make any Restricted Payment) unless and until all amounts owing under the relevant ABPA Liquidity Facility Agreement have been paid in full;

- (k) to the extent that it owns a Port Asset undertakings in relation to protecting such assets and its interests therein;
- (l) not to, either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily, dispose of all or any part of its business, assets or undertaking other than by way of a Permitted Disposal and, other than pursuant to a Permitted Reorganisation, not to enter into any amalgamation, demerger, merger, consolidation other than with the consent of the ABPA Security Trustee;
- (m) not to acquire or subscribe for shares or other ownership interests in or securities of any company (or other person), acquire any business or undertaking or incorporate any company or other person other than by way of a Permitted Acquisition;
- (n) not to incur or permit to be outstanding any Financial Indebtedness other than Permitted Financial Indebtedness;
- (o) not to be the creditor in respect of any Financial Indebtedness or of any trade credit extended to any of its customers other than where such Financial Indebtedness is a Permitted Loan;
- (p) not to incur or allow to be outstanding any guarantee by it or any of its Subsidiaries in respect of any person other than a Permitted Guarantee;
- (q) on each Issue Date or on each date on which a drawdown is made under any of the Senior Term Facilities, the WC Facility or the Capex Facility, or any other Authorised Credit Facility to which an annual Clean-Down does not apply (other than a rollover loan or a drawing under a liquidity facility) or on each date where there is an extension of the availability period, an extension of the scheduled date of payment of principal or an increase in the total commitment under such facilities (such dates together being the “**Testing Dates**”), each Covenantor shall not, taking into account such issuance, extension, increase or drawdown:
 - (i) be scheduled to make one or more repayments in respect of ABPA Senior Debt which in aggregate are more than the higher of:
 - (A) 30 per cent. of the aggregate ABPA Senior Debt outstanding; and
 - (B) £400,000,000 (or its equivalent in any other currency),

where, for the avoidance of doubt, such repayment includes scheduled amortisation payments and scheduled repayments on maturity in any rolling two-year period following such Testing Date; or

- (ii) be scheduled to make one or more repayments in respect of ABPA Senior Debt which in aggregate are more than the higher of:
 - (A) 50 per cent. of the aggregate ABPA Senior Debt outstanding; and
 - (B) £600,000,000 (or its equivalent in any other currency),

where, for the avoidance of doubt, such repayment includes scheduled amortisation payments and scheduled repayments on maturity in any Five Year Period following such Testing Date,

(sub-paragraphs (i) and (ii) above being referred to as the “**Maximum Maturities Condition**”).

For the purposes of testing compliance with the Maximum Maturities Condition:

- (i) when tested prior to 31 December 2014, all ABPA Senior Debt which is scheduled to be repaid on or prior to 31 December 2016 and all amounts which fall due for payment under Hedging Agreements on or prior to 31 December 2016 shall be disregarded;
- (ii) any amounts outstanding under the WC Facility or any other Authorised Credit Facility with an annual Clean-Down shall be disregarded; and

- (iii) any amounts owed or scheduled to be payable under the Hedging Agreements that would otherwise be included in the calculation of the Maximum Maturities Condition shall be disregarded, other than: (A) accretions by indexation to the notional amount of inflation-linked Hedging Agreements which have a break or are otherwise repayable within the relevant period; and (B) “pay as you go” swaps under which a scheduled pay down is due to occur within the relevant period which in each case shall be calculated on the basis of the forward implied mark-to-market;
- (r) not to (and in the case of ABPAH, to procure that each Non-Material Subsidiary shall not) enter into, invest in or acquire any interest in any Joint Venture other than any Permitted Joint Venture;
- (s) to procure that any each Covenantor agrees that it shall procure that any Notes held by any Covenantor shall be surrendered for cancellation in accordance with, and to the extent required by, the Issuer Transaction Documents;
- (t) to comply with all Environmental Laws and obtain and comply with Environmental Approvals applicable to it, where failure to do so would be reasonably likely to have a Material Adverse Effect and promptly upon becoming aware, notify the ABPA Security Trustee of any Environmental Claim which is current, or to its knowledge, pending or threatened, or any circumstances reasonably likely to result in an Environmental Claim, which has or could reasonably be expected to have a Material Adverse Effect;
- (u) not to compromise or settle any claim, litigation or arbitration without prior notification to the ABPA Security Trustee if any such compromise or settlement would have or would reasonably be expected to have a Material Adverse Effect;
- (v) to maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is good practice for companies carrying on the same or a substantially similar business;
- (w) to use all reasonable endeavours to safeguard, preserve and maintain the subsistence and validity of such present and future rights in accordance with Intellectual Property Rights, licences and sub-licences as are necessary for its business including observing all covenants and stipulations relating thereto and obtaining all necessary registrations where failure to do so would have or would reasonably be expected to have a Material Adverse Effect;
- (x) to at all times procure that the provision of any services to the ABPAH Group which are outsourced to a third party are provided on arms’ length terms, with reputable providers and in accordance with good industry practice;
- (y) to use reasonable endeavours to maintain a rating of the Notes issued by the Issuer from at least two Rating Agencies that have been engaged to provide a credit rating for any Financial Indebtedness under an Authorised Credit Facility or the Notes and to co-operate with such Rating Agencies in connection with any reasonable request for information in respect of the maintenance of a rating and with any review of its business which may be undertaken by one or more of such Rating Agencies;
- (z) each Covenantor has undertaken, among other things, with respect to itself (and in certain cases, ABPAH has undertaken to procure that each Non-Material Subsidiary complies with such undertaking) not to enter into any material transaction with any person which is not a wholly owned Subsidiary (including without limitation, any material transaction with any Joint Venture, in respect of which a member ABPAH Group has an interest or has made an investment, any Holding Company of ABPAH or entity which does not constitute a member of the ABPAH Group but in respect of which any member of the ABPAH Group has any ownership interest) otherwise than on arm’s length terms unless such transaction:
 - (i) is required by law;
 - (ii) a contractual arrangement with an Affiliate (that is not a member of the ABPAH Group) pursuant to which the Covenantor or Non-Material Subsidiary provides asset and corporate management services to such Affiliate;
 - (iii) permitted (other than on arm’s length terms) by the Finance Documents; and

- (iv) if not on arm's length terms, where the ABPA Security Trustee has given its prior written consent;
 - (v) any transactions with: (A) a statutory body, regulator, governmental authority or similar body or entity, (B) any law enforcement agency or any entity with statutory responsibilities, whether governed by primary or secondary legislation, or similar body or entity or (C) any authorised representative of any such entities or bodies, in each case including, without limitation, any port authority, border control agency, immigration authority or tax authority;
- (aa) to procure that there are installed and maintained management accounting and systems customary for a business of its nature and size and that the ABPAH Group has accounting and management systems which enable it to provide the reports required to be delivered pursuant to the Finance Documents;
 - (bb) to at all times retain reputable auditors, to inform the ABPA Security Trustee of any change to the Auditors, as soon as reasonably practicable and to only replace the Auditors without the prior written approval of the ABPA Security Trustee if the replacement Auditors are a firm of independent public accountants of international standing;
 - (cc) to ensure that, in respect of all pension schemes operated by or maintained for the benefit of members of the ABPAH Group and/or any of their employees, all contributions required by any member of the ABPAH Group under the relevant scheme's schedule of contributions and any recovery plan are duly paid and, to the extent that compliance with the relevant legal requirements are within ABPAH's control, any pension scheme that is operated by the members of the ABPAH Group is fully funded to the extent required by law;
 - (dd) except for the ABPAH Group Defined Benefit Pension Schemes, to ensure that no member of the ABPAH Group as at the date of the Common Terms Agreement is or has at any time in the six years prior to the date of the Common Terms Agreement been, and that no company that becomes a member of the ABPAH Group after the date of the Common Terms Agreement is or has at any time in the six years prior to the date on which it becomes a member of the ABPAH Group been :
 - (i) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms are defined in the Pension Schemes Act 1993) and is not a scheme within section 38(1)(b) of the Pensions Act 2004; or
 - (ii) "connected" with or an "associate" of (as those terms are used in sections 38 or 43 of the Pensions Act 2004) such an employer;

in addition, ABPAH makes certain undertakings in relation to the delivery of actuarial reports to the ABPAH Group Agent and to notify the ABPAH Group Agent of increases in contributions of over £5,000,000 per annum applicable to any member of the ABPAH Group;
 - (ee) not to make a Restricted Payment (i) other than during a Permitted Distribution Period and provided that no Trigger Event has occurred and is subsisting or (ii) if a Trigger Event has occurred and is subsisting other than:
 - (i) fees payable to the banking arm or division of a Sponsor or an Affiliate of the ABPAH Group and/or a Sponsor for advisory, broking, banking or other services provided on arm's length terms;
 - (ii) payments made pursuant to arm's length contracts with a Non-Material Subsidiary or the Affiliate of a Non-Material Subsidiary for the provision of asset, property or corporate management services;
 - (iii) an amount up to £10,000,000 per annum (Indexed) that is paid in respect of the aggregate positive net amount of repayments and advances made by a Covenantor to all Non-Material Subsidiaries in aggregate; less repayments and advances made by all Non-Material Subsidiaries in aggregate to a Covenantor, in each case under any financing arrangement between a Covenantor and a Non Material Subsidiary;

- (iv) payments made by a Covenantor to any other Covenantor provided that any payment from a Security Provider to a Covenantor which is not a Security Provider can only be made if it would not otherwise breach any other provision of the Finance Documents;
 - (v) payments made in respect of ABPA Senior Debt or Issuer Senior Debt purchased by a Covenantor in accordance with the provisions of the Finance Documents;
 - (vi) payments made for surrenders of group relief provided such payments are in accordance with the Tax Deed of Covenant;
 - (vii) a payment from ABPAH to ABPS in respect of accrued interest under the intercompany loan between them on or before 31 May 2012 in an amount not exceeding £30,000,000 which may be paid other than during a Permitted Distribution Period provided that no Trigger Event is continuing for which purpose, for the avoidance of doubt, the Trigger Event Ratios shall be deemed not to be breached; and
 - (viii) an aggregate amount of up to £600,000 that is paid by ABPA in connection with the acquisition of shares in ABPH, as required pursuant to the Option Schemes;
- (ff) to use all reasonable endeavours at all times to procure that the Issuer maintains a listing of all Notes which on issue, were listed;
- (gg) not to:
- (i) impose, alter or otherwise determine any borrowing or guarantee limit in respect of ABP or its Subsidiaries, without the prior written consent of the ABPA Security Trustee; or
 - (ii) authorise or induce ABP or its Subsidiaries to do (and in the case of ABP, do itself) any matter or thing which is prohibited by the terms of the Finance Documents or the Transport Act;
- (hh) to expend, or procure the expenditure of, such Capital Expenditure as is necessary for the purposes of maintaining the assets of the ABPAH Group in accordance with good industry standards and in line with the practices of a prudent owner and operator of any business, and of assets of a type and size, similar in all cases, to those owned and operated by the relevant Covenantor or Non-Material Subsidiary in a similar location and in connection therewith. Without prejudice to the foregoing the ABPAH Group will be required to spend, or procure the expenditure of, at least £20,000,000 (Indexed) (or its equivalent) in each Financial Year on maintenance Capital Expenditure or, in any Financial Year, deposit an amount equal to the difference between £20,000,000 (Indexed) (or its equivalent) and the amount of maintenance Capital Expenditure actually expended in that Financial Year, in a secured account in the name of ABPA (with such amounts to be applied towards maintenance Capital Expenditure in subsequent Financial Years (to the extent less than £20,000,000 (Indexed) (or its equivalent))). In determining whether at least £20,000,000 (Indexed) (or its equivalent) has been spent in any Financial Year there shall be disregarded any unspent amount from any previous Financial Year which has been placed on deposit and withdrawn and applied toward Capital Expenditure.

Other than development Capital Expenditure that is funded by cash that ABPAH would otherwise be permitted to apply towards making a Restricted Payment, all development Capital Expenditure above the higher of: (i) £25,000,000 (Indexed) (or its equivalent); and (ii) 10 per cent. of the Threshold Amount, must be projected to have a central case internal rate of return of at least 10 per cent. from such expenditure (with such projection to be evidenced by a contractual arrangement or a third party feasibility report provided to the ABPAH Group, the Facility Agent and the ABPA Security Trustee);

- (ii) ABPAH has undertaken:
- (i) where it is demonstrated by reference to the Financial Statements that a member of the ABPAH Group is a Material Subsidiary, to promptly and in any event within 20 Business Days of the delivery of such Financial Statements procure that such Material Subsidiary becomes a Guarantor and/or a Security Provider if it is not restricted under the Transport Act (by virtue of an amendment to the Transport Act or otherwise) from becoming a full Guarantor and Security Provider (as applicable);

- (ii) if it is lawful at any time for Material Subsidiary or a Non-Material Subsidiary to be a Security Provider in respect of all of the debt outstanding to the ABPA Secured Creditors or a full Guarantor in respect of all of the debt outstanding to the ABPA Secured Creditors that is guaranteed by the other Guarantors, and the contribution to Consolidated EBITDA of ABP, each existing Security Provider and each existing Guarantor taken together is in either case less than 90 per cent. of the Consolidated EBITDA of the ABPAH Group or the aggregate net assets of the Guarantors is less than 90 per cent. of the aggregate net assets of the ABPAH Group (in each case as set out in the recent financial statements), to ensure that one or more additional Material Subsidiaries or Non-Material Subsidiaries which are so permitted become a Security Provider and/or a full Guarantor within 20 Business Days of the date of delivery of the latest Financial Statements until the condition is satisfied or all Material Subsidiaries and Non-Material Subsidiaries that are so permitted to become Security Providers or Guarantors have done so and an equivalent provision applies whereby ABPAH undertakes to ensure that further Material Subsidiaries or Non-Material Subsidiaries (where this is lawful) become Covenantors where the aggregate contribution to Consolidated EBITDA of the Covenantors is less than 85 per cent. of the Consolidated EBITDA of the ABPAH Group or the aggregate net assets of the Covenantors is less than 85 per cent. of the aggregate net assets of the ABPAH Group (in each case as set out in the recent financial statements. However, it is acknowledged that as at the Closing Date, the Transport Act prohibits ABP and its Subsidiaries from providing any security in respect of debt outstanding to the ABPA Secured Creditors or guaranteeing debt outstanding to the ABPA Secured Creditors but without prejudice to the obligation of a member of the ABPAH Group to become a Security Provider and Guarantor following any change to the Transport Act;
- (jj) ABPAH, ABPA and ABPH have undertaken not to carry on any business, incur any Financial Indebtedness, give any guarantee or own any assets, other than:
 - (i) the ownership of Cash or Cash Equivalents and the provision of administrative services to other Covenantors or Non-Material Subsidiaries of a type customarily provided by a Holding Company to its Subsidiaries;
 - (ii) incurring Financial Indebtedness or granting guarantees under the Finance Documents **provided that** the same are permitted by the Finance Documents;
 - (iii) permitted by, or under transactions contemplated by, the Finance Documents or the Transport Act (if applicable);
 - (iv) in the case of:
 - (A) ABPAH, the ownership of shares in ABPA;
 - (B) ABPA, the ownership of shares in its Subsidiaries and ownership of its interest in Permitted Joint Ventures;
 - (C) ABPH, being the holding company of ABP in accordance with the Transport Act.
- (kk) ABPA and ABPH have undertaken that if, following a change in law, it is possible for shares to be issued by ABP, ABPA and ABPH will each use reasonable endeavours to arrange for the issue of shares by ABP to ABPH (representing the entire economic and legal interest in ABP) and upon such issue, ABPA and ABPH will procure the completion of all necessary actions in order to create, protect and perfect the Security Interests in respect of such shares;
- (ll) ABPA has undertaken to protect and maintain its real estate assets;
- (mm) additionally, ABPA has undertaken that it shall (and ABPAH has agreed to procure that the Issuer shall) at all times with effect from the earlier of (i) the Closing Date and (ii) the date of first utilisation of an Authorised Credit Facility comply with the Hedging Policy and each Covenantor agrees that it shall not (and ABPAH has agreed to procure that each Non-Material Subsidiary shall not) enter into any Treasury Transaction, other than:
 - (i) the Treasury Transactions contemplated by the Hedging Policy and documented by a Hedging Agreement;

- (ii) spot and forward delivery foreign exchange contracts or option contracts entered into in the ordinary course of trading but not for speculative purposes; and
- (iii) any Treasury Transaction entered into for the hedging of actual or projected exposures arising in the ordinary course of trading activities of a Covenantor or a Non-Material Subsidiary for non-speculative purposes.

Trigger Events

The Common Terms Agreement also sets out certain Trigger Events. The specific Trigger Events and the consequences which flow from the occurrence of those events are set out below.

The occurrence of any of the following events will be a “**Trigger Event**”:

(a) *Financial ratios*

On any date when any of the following ratios is calculated in accordance with the Common Terms Agreement to breach the relevant level specified below (each a “**Trigger Event Ratio Level**”) as determined as at the most recently occurring Accounting Date in respect of the Relevant Calculation Period or Relevant Calculation Date as applicable:

- (i) the ratio of Historic Adjusted Consolidated EBITDA to Historic Net Interest Payable is less than 1.75 times for the Relevant Calculation Period;
- (ii) the ratio of Projected Adjusted Consolidated EBITDA to Projected Net Interest Payable is or is estimated to be less than 1.75 times for the Relevant Calculation Period;
- (iii) the ratio of Historic Consolidated Net Borrowings to Historic Consolidated EBITDA is more than the Applicable Ratio as at each Relevant Calculation Date within the Applicable Ratio Period; and
- (iv) the ratio of Projected Consolidated Net Borrowings to Projected Consolidated EBITDA is or is estimated to be more than the Applicable Ratio as at each Relevant Calculation Date within the Applicable Ratio Period,

in each case as stated in the Compliance Certificate supplied in respect of any Reporting Date, or in respect of any calculation required by the terms of the Common Terms Agreement but not delivered in respect of a Reporting Date, as stated in a Compliance Certificate from the ABPAH Group Agent on the date delivered in respect of the most recently occurring Accounting Date and subject in each case to any final determination or dispute procedure in accordance with the terms of the Common Terms Agreement.

For the purposes of sub-paragraphs (iii) and (iv) above, in each case, “Applicable Ratio” and “Applicable Ratio Period” has the meanings set out in the table below.

Applicable Ratio Period	Applicable Ratio
In respect of each Accounting Date up to and including the Accounting Date falling in December 2013:	8.25 x
In respect of each Accounting Date falling in 2014:	7.75 x
In respect of each Accounting Date falling after December 2014:	7.50 x

(b) *Credit rating downgrade*

The long-term credit rating of any Notes ascribed by at least two Rating Agencies (which have been engaged by the Issuer to provide a public long-term credit rating) is downgraded below BBB-/Baa3 or the

equivalent rating from any other Rating Agency that has been engaged to provide a credit rating for any Financial Indebtedness under an Authorised Credit Facility or the Notes, or if the long-term rating of the Notes are ascribed a rating by only one such Rating Agency, such rating is downgraded by such Rating Agency below BBB- or Baa3 (or equivalent rating) as applicable.

The credit rating referred to above is the “**Trigger Event Credit Rating**” for the Notes.

(c) *Drawdown on Liquidity Facilities*

The Issuer draws down under an Issuer Liquidity Facility (excluding any Issuer Standby Drawing) or withdraws sums credited to the Issuer Debt Service Reserve Account or, as the case may be, the Issuer Standby Reserve Ledger, if the withdrawal of such amount is for the purposes of making scheduled debt service payments on the Issuer Senior Debt or ABPA draws down under an ABPA Liquidity Facility (excluding any drawing or repayment of any ABPA Standby Drawing) or withdraws sums credited to the ABPA Debt Service Reserve Account or, as the case may be, the ABPA Standby Reserve Ledger, if the withdrawal of such amount is for the purposes of making scheduled debt service payments on the ABPA Senior Debt.

(d) *Debt Service Funding Trigger*

The Aggregate Debt Service Payments exceed the Aggregate Available Liquidity.

(e) *Adverse governmental legislation*

The commencement of the final reading of draft legislation in the House of Lords or the House of Commons (whichever occurs later) of legislation relating to the business of any Covenantor if such legislation would (if enacted) reasonably be expected to have a Material Adverse Effect and if the Trigger Event has previously been remedied because of a delay in the legislative process, the subsequent recommencement of such final reading (or enactment of the relevant legislation if there is no such reading).

(f) *Loan Event of Default*

Without prejudice to the other remedies in respect thereof, the occurrence of a Loan Event of Default which is continuing.

(g) *Super Senior Hedging Agreements*

As at the most recently occurring Relevant Calculation Date, the aggregate amount of (without double counting): (i) all accretions by indexation to the notional amount of inflation linked Super Senior Hedging Agreements; (ii) the outstanding amount of any advance or fee payable under the IBLAs corresponding to accretions by indexation to the notional amount of inflation linked Super Senior Hedging Agreements, less any Cash or Cash Equivalents held by ABPA and the Issuer (other than amounts standing to the credit of the ABPA Debt Service Reserve Account and the Issuer Debt Service Reserve Account and amounts available to be drawn under the ABPA Liquidity Facility Agreement and the Issuer Liquidity Facility Agreement); and (iii) the net mark-to-market value (whether or not crystallised) under the Hedging Agreements that constitutes a Super Senior ABPA Hedging Agreement or Super Senior Issuer Hedging Agreement exceeds 15 per cent. of the Consolidated Borrowings as at such most recently occurring Relevant Calculation Date where “**Consolidated Borrowings**” means Consolidated Net Borrowings but without making the deduction in paragraph (b) of the definition of that term.

(h) *Auditors reports*

The auditors qualify their report on any audited Financial Statements provided by the ABPAH Group either: (i) in relation to going concern; or (ii) in a manner which causes the calculation of the financial ratios to no longer reflect the true position of the ABPAH Group and would, when recalculated using the value deemed by the auditors as the applicable value, result in a breach of the Trigger Event Ratios.

(i) *Forward-Looking Ratio Certificate*

Failure by ABPA to deliver an ITA Forward-Looking Ratio Certificate promptly following receipt thereof from the Independent Technical Adviser or an ABPA Forward-Looking Ratio Certificate at the same time that the Compliance Certificate is issued immediately following each Accounting Date.

Trigger Event Consequences

Following the occurrence of a Trigger Event and at any time until such Trigger Event has been waived by the ABPA Security Trustee or remedied in accordance with the Trigger Event Remedies (see “—*Trigger Events Remedies*” below) the following provisions (“**Trigger Event Consequences**”) will apply:

(a) *No Restricted Payments*

No Covenantor may (and ABPAH shall procure that each ABPAH Subsidiary shall not) make a Restricted Payment until the next scheduled test date after the Trigger Event is cured and provided that no Trigger Event is then subsisting.

(b) *Remedial Plan*

(i) The ABPAH Group Agent shall prepare a plan for the conduct of the business of the ABPAH Group, describing in reasonable detail and taking into account the occurrence and consequences of the Trigger Event, and, if capable of remedy by the ABPAH Group, a plan for remedying the Trigger Event (a “**Remedial Plan**”).

(ii) In the event that the ABPAH Group Agent does not prepare a Remedial Plan within 60 days of the occurrence of the Trigger Event, the ABPA Security Trustee shall be entitled to appoint (if necessary) and instruct an independent adviser to prepare a Remedial Plan. Such Remedial Plan is to be reviewed and amended annually, or, if there has been a material change in the facts and circumstances subsisting since the Remedial Plan was last prepared or reviewed, amended on the request of the ABPA Security Trustee (acting on the instructions of 10 per cent. or more by value of the Qualifying ABPA Secured Creditors), in light of the facts and circumstances then subsisting until such time as the Trigger Event is no longer subsisting.

(c) *Acquisitions, Disposals, Equity Investments*

The Covenantors may (and ABPAH shall procure that each Non-Material Subsidiary shall) only make such acquisitions, disposals, equity investments in Permitted Joint Ventures and capital expenditure (i) envisaged by a Remedial Plan or as otherwise agreed with the ABPA Security Trustee (acting on the advice of the independent adviser referred to above) or (ii) carried out in the ordinary course of trading or (iii) already contractually committed to by ABP or any of its Subsidiaries prior to the occurrence of the Trigger Event.

(d) *Further Information*

So far as permitted by any applicable law, regulation, order or any binding confidentiality obligations, the ABPAH Group must provide such information as to the relevant Trigger Event (including its causes and effects) as may be reasonably requested by the ABPA Security Trustee acting on the instructions of 10 per cent. or more by value of the Qualifying ABPA Secured Creditors, provided that the ABPAH Group will not be obliged to provide any information for distribution to the ABPA Secured Creditors if such information is commercially sensitive and disclosure of such information could prejudice the outcome of ongoing negotiations by any member of the ABPAH Group but provided that following the conclusion of any such negotiations, the relevant information shall be so disclosed.

In respect of any of the Trigger Event Consequences described above which requires the ABPA Security Trustee to exercise its discretion, it must do so upon instructions of the Qualifying ABPA Secured Creditors in accordance with the STID and any reference to reasonableness and reasonable time will be interpreted accordingly. The ABPA Security Trustee is entitled to assume that no Trigger Event has occurred unless informed otherwise.

(e) *Application of Excess Cash*

Unless the terms of paragraph (f) below apply, on each date on which Excess Cash falls to be applied pursuant to the terms of an Authorised Credit Facility, the amount of any Excess Cash so required to be applied pursuant to the terms of such Authorised Credit Facility shall be applied towards Post-Trigger Debt Discharge.

(f) *Excess Cash Following Three Consecutive Trigger Periods*

If a Trigger Event is outstanding in respect of three consecutive Reporting Dates, all Excess Cash in respect of the preceding 18 month period ending on the most recent Accounting Date to which such Reporting Dates relate (and by reference to the related Reporting Date all Excess Cash in respect of any further six month period ending on any subsequent Accounting Date on which a Trigger Event remains outstanding) shall be applied towards Post-Trigger Debt Discharge.

(g) *Application of Unutilised Excess Disposal Proceeds*

Any Unutilised Excess Disposal Proceeds from time to time shall be immediately applied towards Post-Trigger Debt Discharge.

(h) *Withdrawal from ABPA Defeasance Accounts*

(i) No amount may be withdrawn from any ABPA Defeasance Account to the extent representing amounts deposited pursuant to a Post-Trigger Debt Discharge in respect of Unutilised Excess Disposal Proceeds.

(ii) Amounts standing to the credit of any ABPA Defeasance Account (other than those referred to in (a) above) may only be withdrawn:

(A) when no Trigger Event is outstanding; or

(B) to be applied (in each case towards the relevant ABPA Defeasance Liabilities to which the ABPA Defeasance Amount relates) in prepayment of the ABPA Senior Debt or market purchase of the Notes (subject to cancellation and surrender of any such purchased Notes and deemed prepayment of the corresponding IBLA advances and reduction of future scheduled principal repayments in accordance with the corresponding IBLA) together in each case with the related amount payable, on a pro-rata basis, to each Hedge Counterparty arising as a result of termination (in whole or in part) of a Treasury Transaction under a Hedging Agreement following such prepayment or market purchase, as applicable to the extent that such termination is necessary in order to remain in compliance with the Hedging Policy and provided that if a Loan Event of Default is outstanding all amounts must be applied in accordance with the provisions of the STID.

(i) *Super Senior Hedging Agreements*

If a Trigger Event is outstanding in respect of paragraph (g) (*Super Senior Hedging Agreements*) under Trigger Events above, then ABPA must not enter into any additional super senior swaps, other than: (i) offsetting swaps in order to remedy such Trigger Event; or (ii) replacement swaps for maturing super senior swaps, but only to the extent that ABPA will not remain in breach of such Trigger Event after entering into the replacement swap.

(j) *Prepayment and Market Purchase*

(i) Subject to paragraph (ii) below, any amount (a) to be applied towards any voluntary prepayment of any ABPA Senior Debt must be applied in Post-Trigger Debt Discharge and (b) to be applied in purchase of the ABPA Senior Debt of the Notes may only be applied on a pro-rata basis towards purchase and cancellation of ABPA Senior Debt and the Notes; and

(ii) paragraph (i) above shall not apply to (a) any prepayment of ABPA Senior Debt which has a scheduled maturity date falling within 18 months of the date on which the Trigger Event first occurred or (b) the application of the proceeds of Additional Equity.

Trigger Event Remedies

At any time when a Covenantor believes that a Trigger Event has been remedied by virtue of any of the following, it must provide the ABPA Security Trustee with a certificate signed by a director of such Covenantor to that effect, together with such evidence in support of such certificate as the ABPA Security Trustee may reasonably require. The ABPA Security Trustee must respond within ten (10) Business Days (or such longer period as it may reasonably stipulate within five (5) Business Days of receipt of the relevant certificate from a Covenantor) confirming that the relevant Trigger Event has, in its reasonable opinion, been remedied or setting out its reasons for believing that such Trigger Event has not been remedied (in which case, such event shall continue to be a Trigger Event until such time as the ABPA Security Trustee is reasonably satisfied that the Trigger Event has been remedied).

The following shall constitute remedies to the Trigger Events (each, a “**Trigger Event Remedy**”):

(a) *Financial ratios*

The breach of a “**Trigger Event Ratio**” will be remedied if such ratio or ratios come within the relevant Trigger Event Ratio level or levels specified below relating to the most recently occurring Accounting Date in respect of the Relevant Calculation Period and Relevant Calculation Date as applicable:

- (i) the ratio of Historic Adjusted Consolidated EBITDA to Historic Net Interest Payable is equal to or more than 1.75 times for the Relevant Calculation Period;
- (ii) the ratio of Projected Adjusted Consolidated EBITDA to Projected Net Interest Payable is or is estimated to be equal to or more than 1.75 times for the Relevant Calculation Period;
- (iii) the ratio of Historic Consolidated Net Borrowings to Historic Consolidated EBITDA is equal to or less than the Applicable Ratio as at each Relevant Calculation Date within the Applicable Ratio Period; and
- (iv) the ratio of Projected Consolidated Net Borrowings to Projected Consolidated EBITDA is or is estimated to be equal to or less than the Applicable Ratio as at each Relevant Calculation Date within the Applicable Ratio Period,

in each case as stated in the Compliance Certificate supplied in respect of any relevant Reporting Date, or in respect of any calculation required by the terms of the Common Terms Agreement but not delivered in respect of a Reporting Date, as stated in a Compliance Certificate from the ABPAH Group Agent on the date delivered in respect of the most recently occurring Accounting Date and subject in each case to any final determination or dispute procedure in accordance with the terms of the Common Terms Agreement.

For the purposes of sub-paragraphs (iii) and (iv) above, in each case, “Applicable Ratio” and “Applicable Ratio Period” have the meanings set out in the table in the section entitled “*Financial Ratios*” above.

(b) *Credit Rating Downgrade*

The occurrence of a Trigger Event in relation to a Credit Rating Downgrade will be remedied if the credit rating of the relevant Notes given by at least two of the Rating Agencies (or if the long term rating of the Notes are ascribed a rating by only one such Rating Agency, the credit rating given by such Rating Agency) is no longer below the Trigger Event Credit Rating.

(c) *Drawdown on Liquidity Facilities*

The occurrence of a Trigger Event in relation to drawdowns under an Issuer Liquidity Facility or an ABPA Liquidity Facility, as the case may be, will be remedied if the aggregate balance drawn down (other than by way of Standby Drawings) under the Issuer Liquidity Facilities or the ABPA Liquidity Facilities, as the case may be, is restored to zero and an amount equal to any sums withdrawn from the ABPA Debt Service Reserve Account, or as the case may be, the ABPA Standby Reserve Ledger for the purposes of making scheduled debt service payments on the ABPA Senior Debt is deposited into the ABPA Debt Service Reserve Account or, as the case may be, the ABPA Standby Reserve Ledger.

(d) *Debt Service Funding Trigger*

The occurrence of the Trigger Event will be remedied if the Aggregate Debt Service Payments no longer exceed the Aggregate Available Liquidity.

(e) *Adverse Governmental Legislation*

The occurrence of the Trigger Event in relation to adverse governmental legislation will be remedied if the draft bill fails to become an Act of Parliament within 6 months of the occurrence of the Trigger Event or becomes an act in a form which is reasonably likely not to have a Material Adverse Effect.

(f) *Loan Event of Default*

The occurrence of a Trigger Event in relation to a Loan Event of Default will be remedied if the Loan Event of Default is waived in accordance with the STID or is remedied to the reasonable satisfaction of the ABPA Security Trustee.

(g) *Super Senior Hedging Agreements*

The occurrence of a Trigger Event in relation to Super Senior Hedging Agreements will be remedied if, on any subsequent date the aggregate amount of: (i) all accretions by indexation to the notional amount of inflation linked Super Senior ABPA Hedging Agreements; (ii) the outstanding amount of any advance/or fee payable under the IBLAs corresponding to accretions by indexation to the notional amount of inflation linked Super Senior Issuer Hedging Agreements, less any Cash or Cash Equivalents held by ABPA and the Issuer (other than amount standing to the credit of the ABPA Debt Service Reserve Account and the Issuer Debt Service Reserve Account and amounts available to be drawn under the ABPA Liquidity Facility Agreement and the Issuer Liquidity Facility Agreement) and (iii) the mark-to-market (whether or not crystallised) under any Hedging Agreement that constitutes a Super Senior ABPA Hedging Agreement or Super Senior Issuer Hedging Agreement no longer exceeds 15 per cent. of Consolidated Borrowings as at such most recently occurring Relevant Calculation Date.

(h) *Remedy of Audit Report*

Either:

- (i) a future set of audited financial statements is issued in respect of which the audit report is not qualified:
 - (A) in relation to going concern; or
 - (B) in a manner which causes the Financial Ratios to no longer reflect the true position of the ABPAH Group and would, when recalculate using the value deemed by the auditors as the applicable value, not result in a breach of the Trigger Event Ratios; or
- (ii) the original audit qualification is withdrawn.

(i) *Forward-Looking Ratio Certificate*

The occurrence of a Trigger Event referred to in “—*Trigger Events* (viii) *Forward-Looking Ratio Certificate*” above of will be remedied if an ITA Forward-Looking Ratio Certificate is delivered in respect of the relevant Accounting Date.

In respect of any of the Trigger Event Remedies described above which require the ABPA Security Trustee to exercise its discretion, it must do so upon instructions of the Qualifying ABPA Secured Creditors in accordance with the STID and any reference to reasonableness or reasonable time shall be construed accordingly.

Loan Events of Default

The Common Terms Agreement and other financing arrangements contain the following events of default which constitute the “**Loan Events of Default**” under each Finance Document, each one being a “**Loan Event of Default**”.

(a) *Non-Payment*

Non payment by a Covenantor on the due date of amounts payable under the Finance Documents in the manner required under such documents unless payment is made within 5 Business Days of the due date. The “**due date**” for the purpose of any payment under an IBLA shall be the date on which such payment is required to be made to the Issuer even if it is in advance of the applicable Interest Payment Date.

(b) *Breach of Financial Covenant*

- (i) The ratio of Historic Adjusted Consolidated EBITDA to Historic Net Interest Payable is less than 1.40 times for the Relevant Calculation Period as stated in the Compliance Certificate supplied in respect of any Reporting Date (or as otherwise determined in accordance with the Common Terms Agreement).
- (ii) The ratio of Historic Consolidated Net Borrowings to Historic Consolidated EBITDA is more than the Applicable Ratio as at the Relevant Calculation Date within the Applicable Ratio Period as stated in the Compliance Certificate supplied in respect of any Reporting Date (or as otherwise determined in accordance with the Common Terms Agreement).

For the purposes of this paragraph, “Applicable Ratio” and “Applicable Ratio Period” have the meanings set out in the table below:

Applicable Ratio Period	Applicable Ratio
In respect of each Accounting Date up to and including the Accounting Date falling in December 2013:	9.75 x
In respect of each Accounting Date falling in 2014:	9.25 x
In respect of each Accounting Date falling after December 2014 up to and including the Accounting Date falling in December 2018:	9.00 x
In respect of each Accounting Date falling after December 2018 up to and including the Accounting Date falling in December 2022:	8.75 x
In respect of each Accounting Date falling after December 2022:	8.50 x

(c) *Breach of other Obligations*

A Covenantor does not comply with any term of any covenant or undertaking in any Finance Document which, except where such non compliance is not capable of remedy, is not remedied:

- (i) within 5 Business Days of the earlier of the ABPA Security Trustee giving notice and a Covenantor becoming aware of breaches of, among others, covenants relating to disposals, acquisitions, mergers and Financial Indebtedness; and
- (ii) in all other cases, within 20 Business Days of the earlier of the ABPA Security Trustee giving notice and a Covenantor becoming aware,

provided that: (i) failure by ABPAH to procure that a Non-Material Subsidiary complies with a covenant will only result in a Loan Event of Default if it would result in a Material Adverse Effect; and (ii) a failure to provide a Forward-Looking Ratio Certificate will not result in a Loan Event of Default.

(d) *Misrepresentation*

A representation made or repeated by a Covenantor in the Common Terms Agreement or in any document delivered by or on behalf of any Covenantor under any Finance Document is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation:

- (i) are capable of remedy; and
- (ii) are remedied within 20 Business Days of the earlier of the ABPA Security Trustee giving notice and a Covenantor becoming aware that the representation was incorrect or misleading,

provided that a misrepresentation which occurs with respect to a Non-Material Subsidiary or as a result of a Non-Material Subsidiary taking or failing to take any action will only result in a Loan Event of Default if it would result in a Material Adverse Effect.

(e) *Cross-default*

Any of the following occurs in respect of any Covenantor:

- (i) non-payment of amounts payable after the expiry of any originally applicable grace period in respect of any of its Financial Indebtedness (other than in respect of the Finance Documents) in excess of £15,000,000 threshold (Indexed); or
- (i) an amount of its Financial Indebtedness (other than in respect of the Finance Documents) in excess of £15,000,000 threshold (Indexed):
 - (A) is declared due and payable prior to its specified maturity; or
 - (B) is capable of being declared by a creditor to be prematurely due and payable prior to its specified maturity,

in each case, as a result of an event of default (howsoever described).

(f) *Insolvency*

Any of the following occurs in respect of ABP, ABPH, ABPA or ABPAH, or if it results in or would reasonably be expected to result in a Material Adverse Effect, any other Covenantor or a Non-Material Subsidiary:

- (i) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or the value of its assets is less than its liabilities, taking into account its contingent and prospective liabilities, provided that section 123(a)(i) of the Insolvency Act shall not apply to ABP or ABPH;
- (ii) it makes a general assignment for the benefit of or a composition with its creditors;
- (iii) a moratorium is declared in respect of any of its indebtedness;
- (iv) any Covenantor or Non-Material Subsidiary is declared insolvent by any court; or
- (v) without prejudice to the generality of (i) to (iv) above, any event specified in such paragraphs which occurs in respect of a Covenantor or Non-Material Subsidiary shall be deemed to have a Material Adverse Effect if such Covenantor or Non-Material Subsidiary contributes by itself or together with any other Covenantor or Non-Material Subsidiary in respect of which an Insolvency Event has occurred 10 per cent. or more of the Consolidated EBITDA.

(g) *Insolvency Proceedings*

An Insolvency Event occurs in respect of ABP, ABPH, ABPA or ABPAH, or if it results in or would reasonably be expected to result in a Material Adverse Effect, any other Covenantor or a Non-Material Subsidiary. Without prejudice to the generality of the former a Covenantor or Non-Material Subsidiary

shall be deemed to have a Material Adverse Effect if such Covenantor or, a Non-Material Subsidiary contributes by itself or together with any other Covenantor or Non-Material Subsidiary in respect of which an Insolvency Event has occurred 10 per cent. or more of the Consolidated EBITDA.

Notwithstanding the above, no Loan Event of Default shall arise in respect of any proceedings referred to in above, which are taken for the purpose of a solvent reorganisation or merger (which has received the prior written approval of the ABPA Security Trustee) or in respect of any proceedings which are frivolous or vexatious and which are discharged within 30 days of being commenced.

(h) *Effectiveness of Documents*

- (i) It becoming unlawful for any Covenantor to perform its obligations under any Finance Document where such illegality would have or would reasonably be expected to have a Material Adverse Effect.
- (ii) Other than stamp duty indemnities rendered void under Section 117 of the Stamp Act 1891, any Finance Document or ABPA Security Document against a Covenantor or the STID against any party thereto or any material obligation purported to be contained in a Finance Document is not effective or is alleged by a Covenantor or a party to the STID (other than a Finance Party), as applicable, to be ineffective, invalid or unenforceable against any Covenantor or party to the STID, as applicable, for any reason.
- (iii) Any Covenantor repudiating a Finance Document or any obligation purported to be contained in such Finance Document or evidences an intention to repudiate a Finance Document or any obligation purported to be contained in such Finance Document.

(i) *Effectiveness of Security*

The ABPA Security created by an ABPA Security Document ceasing to be in full force and effect.

(j) *Enforcement of Security*

Any Enforcement Action is taken in relation to any security (other than any ABPA Security) granted by a Covenantor.

(k) *Breach of STID*

Any party to the STID (other than any Finance Party) fails to comply in any material respect with any obligation to which it is subject under the STID.

(l) *Failure to comply with Judgment*

Any Covenantor failing to comply with, or pay any sum due from it under a judgment of any court of competent jurisdiction (except where such judgement is being appealed in good faith to a higher court).

(m) *Nationalisation*

Any governmental authority:

- (i) seizes, expropriates, nationalises or compulsorily acquires (whether or not for fair compensation) any material asset of a Covenantor; or
- (ii) takes any step that is reasonably likely to result in the management of a Covenantor being wholly or partially displaced or the authority of a Covenantor to conduct its business is wholly or partially curtailed,

in any case where such event would have or would reasonably be expected to have a Material Adverse Effect, provided that such event will not be determined to have a Material Adverse Effect to the extent that a Ratings Confirmation regarding the Notes then outstanding is provided in connection with such event. Notwithstanding the foregoing, nothing in this paragraph shall be construed so as to impose an obligation on a Covenantor to seek a Ratings Confirmation.

(n) *Cessation of Business*

The ABPAH Group ceases to carry on its business or any substantial part of its business carried on as at the date of the Common Terms Agreement or which is contemplated by the Finance Documents other than a Permitted Reorganisation or as permitted pursuant to the Common Terms Agreement.

(o) *Material Proceedings*

- (i) Any litigation is brought against a Covenantor or in respect of its assets or revenues which, in any such case, would be reasonably likely to be adversely determined and which, if so adversely determined, has or would reasonably be expected to have a Material Adverse Effect.
- (ii) Any execution proceedings are enforced in relation to any assets of any Covenantor where such enforcement has or would reasonably be expected to have a Material Adverse Effect.

(p) *Note Event of Default*

The occurrence of a Note Event of Default.

(q) *Equity Cure*

If a Compliance Certificate for any period shows that a Financial Ratio Event of Default has occurred, the Investors may provide or procure the provision of Additional Equity in an amount at least sufficient for the amount necessary to prevent or cure the relevant breach (the “**Equity Cure Amount**”) by applying that Equity Cure Amount towards Post-Trigger Debt Discharge (an “**Equity Cure Right**”).

On application of the Equity Cure Amount towards Post-Trigger Debt Discharge the applicable financial ratio will be re-calculated on a pro forma basis so that (i) Consolidated Net Borrowings as at the relevant Accounting Date shall be deemed to have been reduced by the Equity Cure Amount which has been applied in prepayment of ABPA Senior Debt and by way of defeasance of ABPA Defeased Debt or (ii) Net Interest Payable shall be deemed as at the relevant Accounting Date to have been reduced by the amount of Net Interest Payable which is attributable to the ABPA Senior Debt which has been prepaid and by the amount of interest reasonably expected to be earned on the moneys deposited in the ABPA Defeasance Accounts.

If after the applicable financial ratio is re-calculated, the breach has been prevented or cured, that financial ratio shall be deemed to have been satisfied on the date of the relevant Compliance Certificate as though no breach had ever occurred and any related Financial Ratio Event of Default shall be deemed not to occur or have occurred, as applicable.

No Equity Cure Right may be exercised if: (i) exercise of such right would exceed the Equity Cure Limitations or (ii) following delivery of a Loan Enforcement Notice. The ABPAH Agent shall notify the ABPA Security Trustee of any Equity Cure Limitation specified in the relevant Authorised Credit Facility on the date of entering into such Authorised Credit Facility.

“**Additional Equity**” means (in each case in addition to such amounts subscribed for, committed or incurred on or before the Closing Date):

- (i) any amount subscribed in cash for shares in ABPAH or any other form of capital contribution in cash to ABPAH (which is not Financial Indebtedness and provided that repayment (if any) of such amounts are subject to the terms of the STID); or
- (ii) the incurrence of Subordinated Debt by ABPAH;

which in each case may be contributed by way of further subscription for equity or incurrence of intra-group loans between ABPAH, ABPH and ABPA the terms of which shall be subject to the terms of the STID.

Hedging Policy

Pursuant to the Common Terms Agreement, the members of the ABPAH Group (including the Issuer) have agreed to be bound by a hedging policy (the “**Hedging Policy**”) the purpose of which is to limit the exposure of the Issuer and ABPA to fluctuations in interest rates, currencies and inflation.

The Hedging Policy provides that no member of the ABPAH Group will enter into Treasury Transactions for the purpose of speculation, but rather only to manage risk inherent in its business or funding on a prudent basis. The Hedging Policy does not apply to any Treasury Transaction entered into by members of the ABPAH Group in the ordinary course of business and for non-speculative purposes where the counterparty does not accede to the STID.

Any change to the Hedging Policy will be subject to the approval of the ABPA Security Trustee (acting on the instructions of the requisite majority of Qualifying ABPA Secured Creditors (but at all times subject to Entrenched Rights and Reserved Matters) in accordance with the terms of the STID). Subject to such approval, the Hedging Policy will be reviewed from time to time by the ABPAH Group and may be amended as appropriate in line with market practice, regulatory developments and good industry practice (subject to Entrenched Rights and Reserved Matters and in accordance with the provisions of the STID).

For the purposes of determining whether or not there is an Overhedged Position, the notional amount and/or currency amount of a Hedging Transaction (the “**First Hedging Transaction**”) on any date will be reduced by the notional amount or corresponding currency amount of another Hedging Transaction (the “**Second Hedging Transaction**”) on that date if that Second Hedging Transaction is an Offsetting Transaction in respect of the First Hedging Transaction. For this purpose, “**Offsetting Transaction**” means, in respect of the Second Hedging Transaction, a Hedging Transaction which (i) has been entered into with a Hedge Counterparty which has acceded to the STID and the Common Terms Agreement; (ii) is governed by a Hedging Agreement; (iii) has a notional amount profile which is comparable to that of the First Hedging Transaction; and (iv) where ABPA or the Issuer (as applicable) is a fixed rate payer in respect of the First Hedging Transaction, it is a floating rate payer in respect of the Second Hedging Transaction and vice versa.

Currency Risk Principles

Neither the Issuer nor ABPA may bear unhedged currency risk in respect of the interest payable to expected maturity and the repayment of principal under any foreign currency denominated debt instrument.

Interest Rate Risk Principles

At any time, ABPA and the Issuer will (taken together) ensure that:

- (a) a minimum of 75 per cent. of the total outstanding Relevant Debt (i) is fixed rate, (ii) is index-linked or (iii) effectively bears either a fixed rate or an index-linked rate of interest for a period of at least of 7 years, pursuant to Hedging Transactions; and
- (b) no more than 110 per cent. of the total outstanding Relevant Debt (i) is fixed rate, (ii) is index-linked or (iii) effectively bears either a fixed rate or an index-linked rate of interest pursuant to the Hedging Transactions,

in each case, taking into account any Offsetting Transactions and without double-counting any basis swaps which are entered into in connection with a corresponding interest rate swap.

In the event that more than 110 per cent. of the total outstanding Relevant Debt (i) is fixed rate, (ii) is index-linked or (iii) effectively bears either a fixed rate or an index-linked rate of interest pursuant to the Hedging Transactions (after taking into account any Offsetting Transaction to which ABPA and/or the Issuer is a party) (an “**Overhedged Position**”), then ABPA and/or the Issuer (as the case may be) must, within 30 days of becoming aware of the Overhedged Position, reduce the notional amount of the Hedging Transactions (which may be achieved by terminating one or more Hedging Transactions (in whole or in part) (without any obligation to notify any other Hedge Counterparty of such termination) and/or entering into Offsetting Transactions so that it is in compliance with the parameters described above. During the first 25 days after becoming aware of the Overhedged Position, ABPA and/or the Issuer (as the case may be) may effect any such termination by selecting one or more Hedging Transactions at its sole discretion and terminating such Hedging Transactions (in whole or in part) on terms to be agreed in good faith between ABPA and/or the Issuer (as the case may be) and the relevant Hedge Counterparties. If an Overhedged Position remains at the end of the 25th day, ABPA and/or the Issuer (as the case may be) may

only effect any such termination by terminating Hedging Transactions (in whole or in part) on a *pro rata* basis across all then outstanding Hedging Transactions pursuant to the exercise of a right of Optional Early Termination (as defined in the relevant Hedging Agreements) under the relevant Hedging Transactions. If ABPA and/or the Issuer (as the case may be) exercises a right of Optional Early Termination (as defined in the relevant Hedging Agreement) in accordance with the preceding sentence, ABPA and/or the Issuer (as the case may be) shall notify the Hedge Counterparties of (i) the amount by which it is overhedged and (ii) the Hedging Transactions (or parts hereof) that should be terminated in order to comply with the parameters in the paragraph above, on the basis that:

- (a) taking into account the different types of Hedging Transactions which ABPA and/or the Issuer may have entered into with each Hedge Counterparty, the aggregate notional amount of all existing Hedging Transactions shall be reduced on a *pro rata* basis across all Hedge Counterparties;
- (b) no more Hedging Transactions (or parts thereof) should be terminated than is necessary to comply with the parameters in the paragraph above; and
- (c) the Optional Early Termination Date (as defined in the relevant Hedging Transactions) in respect of each Hedging Transaction (or part thereof) that is to be terminated should occur on the same date.

Principles relating to Hedge Counterparties

The Issuer and ABPA will only be permitted to enter into Hedging Transactions with counterparties whose short-term, unsecured and unsubordinated debt obligations are assigned a rating by at least two Rating Agencies which is no less than the Minimum Short Term Rating or the Minimum Long Term Rating, or where a guarantee is provided by an institution which meets the same criteria. The ratings requirement with respect to credit ratings are to be tested only on the entry into Hedging Transactions. Without prejudice to either the Issuer's or ABPA's obligations to comply with the ratings requirement on entry into Hedging Transactions, neither will have any obligation to take any action (or to cease to take any action) if a Hedge Counterparty subsequently ceases to satisfy the requirement set out in the Hedging Policy with respect to counterparties.

Principles relating to Treasury Transactions

All Treasury Transactions entered into by ABPA or the Issuer will be required to be in the form, as amended by the parties thereto, of the 1992 ISDA Master Agreement (Multicurrency — Cross Border) or any successor thereto published by ISDA unless otherwise agreed by the ABPA Security Trustee (acting in accordance with the STID).

ABPA and the Issuer will be entitled pursuant to the Hedging Policy to enter into Treasury Transactions with Hedge Counterparties that contain break clauses or that grant either ABPA or the Issuer (as the case may be) and/or the relevant Hedge Counterparty a break clause or right of optional early termination (but not, for the avoidance of doubt, an Event of Default, or Credit Event Upon Merger (as such terms are defined in the relevant Treasury Transactions) or as a result of a change in the regulatory status of ABPH or ABP) provided that ABPA and the Issuer may only enter into a Super Senior ABPA Hedging Transaction or Super Senior Issuer Hedging Transaction with a break clause or an optional early termination right if, as at the date on which it enters into such Treasury Transaction:

- (a) the aggregate notional amount of all Super Senior ABPA Hedging Transactions that rank in priority to ABPA's obligations under the Senior Term Facilities, the WC Facility, the Capex Facility and the IBLAs, Super Senior ABPA and Super Senior Issuer with break clauses or optional early termination rights within 2 years of such date (taking into account the proposed new Hedging Agreement if it is to have a break clause or optional early termination right within 2 years) does not exceed 40 per cent. of the Senior Hedged Debt;
- (b) the aggregate notional amount of Super Senior ABPA Hedging Transactions and Super Senior Issuer Hedging Transactions with break clauses or optional early termination rights in any Five Year Period (taking into account the proposed new Treasury Transaction if it is to have a break clause or optional early termination right within that Five Year Period) does not exceed 60 per cent. of the Senior Hedged Debt,

(the "**Super-Senior Hedging Condition**").

When the Super-Senior Hedging Condition is tested prior to 31 December 2014, all Treasury Transactions with break clauses or optional early termination rights prior to 31 December 2016 shall be disregarded.

Principles relating to the termination of Hedging Transactions

The following terms shall apply with respect to the termination of ABPA Hedging Agreements and Issuer Hedging Agreements:

- (a) “Market Quotation” and payments under the “Second Method” shall apply (other than where that termination occurs pursuant to either “Optional Early Termination” or “Mandatory Early Termination” as defined in the applicable Hedging Agreement (incorporating the 2006 ISDA Definitions or any replacement thereof).
- (b) A Hedge Counterparty to an ABPA Hedging Agreement may only terminate an ABPA Hedging Agreement or an ABPA Hedging Transaction if:
 - (i) there is a failure to make a payment or delivery under an ABPA Hedging Transaction or ABPA Hedging Agreement which has not been remedied on or before the later to occur of (A) the fifth Local Business Day after the due date for such payment or delivery and (B) the third Local Business Day after notice of such non-payment or non-delivery is given to ABPA;
 - (ii) a Loan Event of Default has occurred in respect of which a Loan Acceleration Notice has been delivered;
 - (iii) following delivery of a Loan Enforcement Notice but prior to the delivery of a Loan Acceleration Notice, the ABPA Secured Creditors accelerate part of their claims pursuant to the STID; or
 - (iv) any event outlined in Section 5(a)(vii) (*Bankruptcy*) of the relevant Hedging Agreement (as amended by the relevant schedule to such Hedging Agreement to disapply, with respect to ABPA, Section 5(a)(vii)(2), (7) and (9) of the standard ISDA Master Agreement) if it relates to an event that has occurred in relation to ABPA.
- (c) A Hedge Counterparty to an Issuer Hedging Agreement may only terminate an Issuer Hedging Transaction or an Issuer Hedging Agreement if:
 - (i) there is a failure to make a payment or delivery under an Issuer Hedging Transaction or Issuer Hedging Agreement which has not been remedied on or before the later to occur of (A) the fifth Local Business Day after the due date for such payment or delivery and (B) the third Local Business Day after notice of such non-payment or non-delivery is given to the Issuer;
 - (ii) a Note Event of Default has occurred in respect of which a Note Enforcement Notice has been delivered;
 - (iii) following delivery of a Loan Enforcement Notice, the Issuer accelerates all or part of its claim for the repayment of principal under an IBLA pursuant to the STID or the delivery of a Loan Acceleration Notice;
 - (iv) any event outlined in Section 5(a)(vii) (*Bankruptcy*) of the relevant Hedging Agreement (as amended by the relevant schedule to such Hedging Agreement to disapply, with respect to the Issuer, Section 5(a)(vii)(2), (7) and (9) of the standard ISDA Master Agreement) if it relates to an event that has occurred in relation to the Issuer.
- (d) A Treasury Transaction is entered into which does not comply with this Hedging Policy or does not constitute Permitted Financial Indebtedness, provided that the Hedge Counterparty may only designate an Early Termination Date in respect of the relevant Treasury Transaction.
- (e) An event outlined in Sections 5(b)(i) (*Illegality*), 5(b)(ii) (*Tax Event*) or 5(b)(iii) (*Tax Event upon Merger*) occurs.
- (f) If a break clause or right of optional early termination granted in favour of the relevant Hedge Counterparty is exercisable in accordance with the terms of the relevant Treasury Transaction.
- (g) Any representation as to the tax residency of a Hedge Counterparty proves to have been incorrect or misleading in any material respect when made or deemed to be repeated by that Hedging Counterparty.

If rights of “Optional Early Termination” or “Mandatory Early Termination” are included in a Hedging Agreement, the Issuer or ABPA (as applicable) and the relevant Hedge Counterparty shall specify the applicable “Cash Settlement Method” as defined in the applicable Hedging Agreement (incorporating the 2006 ISDA Definitions or any replacement thereof) together with such amendments to those provisions as may be agreed between the Issuer or ABPA (as applicable) and the relevant Hedge Counterparty.

ABP Enforceability

Pursuant to the Common Terms Agreement if and only to the extent that ABP or any of its subsidiaries is prohibited pursuant to the Transport Act from lawfully making any representation, giving any covenant or entering into any obligation under the Finance Documents as Covenantor or in any other capacity (a “TA Relevant Provision”) or ABP or any of its subsidiaries does not have the power under the Transport Act to make or give a particular TA Relevant Provision, such TA Relevant Provision shall be deemed not to have been made, given or constitute an obligation of ABP or any of its subsidiaries, as applicable and neither ABP, its subsidiaries nor its directors shall be in any way liable to any Finance Party as a result of such TA Relevant Provision being deemed not to have been made, given or it not constituting an obligation of ABP or any of its subsidiaries. However, any breach, misrepresentation, or Loan Event of Default which would have occurred or arisen in relation to a TA Relevant Provision (other than any representation or covenant or other provision given or made with respect to ABP or any of its subsidiaries by any Covenantor which relates to the enforceability, validity or powers of ABP or any of its subsidiaries as regards the Finance Documents to which it is a party) will, nonetheless, entitle each Finance Party, subject to the terms of the STID and the Common Terms Agreement, to exercise each and every right and remedy and take such Enforcement Action against each Borrower, Security Provider, Guarantor and Covenantor (other than ABP) that it has or would have had pursuant to the terms of the Finance Documents notwithstanding the above mentioned limitation.

Each Covenantor has undertaken that it shall not, seek to dispute, challenge, disclaim or otherwise prevent in any way any Finance Party from taking Enforcement Action or exercising its rights and remedies under the Finance Documents provided that neither ABP, its subsidiaries nor its directors shall be in any way liable to any Finance Party solely to the extent any enforcement action is taken, or rights and remedies are exercised against it as a result of such a TA Relevant Provision being deemed not to have been made, given nor constitute an obligation of ABP or any of its subsidiaries.

The Common Terms Agreement and all non-contractual obligations arising out of or in connection with it is governed by English Law.

IBLA

All amounts raised by the Issuer from time to time through the issue of Notes will be lent to ABPA by the Issuer under an IBLA. Indebtedness under each IBLA will be subdivided into advances (each, an “**IBLA Loan**”) such that one or more IBLA Loans when taken together will correspond in the aggregate to the principal amounts of the relevant Tranche of Notes issued. As the IBLA Loans are structured and tranced to match the tenor, interest rate and payment dates of each Tranche of Notes and related hedging, the IBLA Loans have characteristics that demonstrate capacity to produce funds to service any payment due and payable under the Notes and related hedging. The proceeds of the Notes issued on the Initial Issue Date have been lent by the Issuer to ABPA pursuant to the Initial IBLA. In consideration for the Issuer agreeing to make the IBLA Loans available under the Initial IBLA, ABPA has agreed to pay to the Issuer the initial and ongoing facility fees set out in the Initial IBLA.

All advances made or to be made by the Issuer under the Initial IBLA were or will be in Sterling and in amounts and at rates of interest (or such discount or indexed amount) corresponding to amounts and rates set out in the relevant Final Terms or relevant Drawdown Prospectus or, if hedged in accordance with the Hedging Policy, at the hedged rate and will have interest periods which match the Interest Periods for the corresponding Notes and related hedging arrangements but will have interest payment dates two Business Days prior to the Interest Payment Date on the related Notes. Interest on each advance made under an IBLA will accrue from the date of such advance or in the case of the IBLA entered into on the Initial Issue Date, the Initial Issue Date. In addition, each advance will be repayable on or prior to the Final Maturity Date in respect of the related Notes.

If ABPA is required to prepay amounts outstanding under any IBLAs, and/or make market purchases of Notes, it will prepay the relevant Advances or part thereof together with accrued interest, any prepayment fees and other break fees (including any indemnity payable to the Issuer in respect of any hedging termination payments arising as a consequence of such prepayment), costs and expenses and where applicable any make-whole amounts, then payable under the relevant IBLA and other relevant Transaction Documents to correspond to the amounts payable

by the Issuer in respect of the corresponding early redemption of the corresponding Tranche of Notes. IBLA Loans made at a discount will be repaid at the face value of the corresponding Notes and indexed advances will be repayable at the indexed principal amount of the corresponding Note.

The obligations of ABPA under each IBLA are secured pursuant to the Security Agreement, and such obligations are guaranteed by each Guarantor in favour of the ABPA Security Trustee, who holds the benefit of such security and guarantees on trust for the ABPA Secured Creditors (including the Issuer) on the terms of the STID. The obligations of each Borrower under each IBLA are also secured pursuant to the ABPA Floating Charge Agreement in favour of the Issuer.

The Issuer's obligations to repay principal and pay interest on the Notes are intended to be met primarily from the payments of principal and interest received from ABPA under the IBLAs and payments received under any related Hedging Agreements. Failure of ABPA to repay an advance on the maturity date in respect of such advance (which corresponds to the Scheduled Redemption Date of the corresponding Tranche of Notes) will be a Loan Event of Default under the IBLAs, although it will not, of itself, precipitate a Note Event of Default.

ABPA will make payments free and clear of any withholding on account of tax unless it is required by law to do so. In such circumstances, ABPA will gross-up such payments to the Issuer.

Each IBLA and any non-contractual obligations arising out of or in connection with it are governed by English law and is subject to the exclusive jurisdiction of the English courts.

Fees Generally

The Issuer is responsible for paying, *inter alia*, the fees and expenses of the Note Trustee (and any receiver appointed by the Note Trustee), the Agents, the Issuer Cash Manager, the Issuer Account Bank, the Issuer Corporate Administration Provider, the Issuer Liquidity Facility Providers, the Issuer's legal advisers, accountants and auditors and any amount payable to the Issuer Hedge Counterparties (if any) and to the Issuer Liquidity Facility Providers and any amount payable by the Issuer in respect of the Notes which have not been met through payments of interest and principal on the IBLA Loans.

ABPA (by way of Ongoing Facility Fees under each IBLA), will pay to the Issuer amounts equal to the amounts required by the Issuer to pay its ongoing fees and expenses and leave it with a retained profit of £3000 per annum (the "**Issuer Lender Profit Amount**"). Any payment in excess of this amount will be repaid by the Issuer to ABPA by way of rebate of the Ongoing Facility Fees.

In consideration for the Issuer agreeing to make IBLA Loans to ABPA, each Security Provider will also agree jointly and severally to indemnify the Issuer in respect of any Notes the proceeds of which have been deposited into the Issuer Debt Service Reserve Account and are not on-lent to ABPA pursuant to an IBLA. Such obligations of the Security Provider shall form part of the terms of each IBLA.

INITIAL SENIOR FACILITIES AGREEMENT

ABPA entered into a Senior Facilities Agreement with certain lenders (the "**Initial Senior Facilities Providers**") pursuant to which, the following facilities were made available to ABPA:

- (a) three sterling term loan facilities for the following amount and term:
 - (i) up to £850,000,000 due to be repaid on or about the date falling three years from the Initial Issue Date ("**Term Facility A**");
 - (ii) £325,000,000 due to be repaid on or about the date falling five years from the Initial Issue Date ("**Term Facility B**");
 - (iii) £225,000,000 due to be repaid on or about the date falling seven years from the Initial Issue Date ("**Term Facility C**" and with Term Facility A and Term Facility B, the "**Initial Senior Term Facilities**");
- (b) a five year sterling capex revolving credit facility of £250,000,000 (the "**Initial Capex Facility**"); and

- (c) a five year sterling working capital revolving credit facility of £75,000,000 (the “**Initial WC Facility**” and together with the Initial Senior Term Facilities and the Capex Facility, the “**Initial Senior Facilities**”).

ABPA made representations and warranties, covenants and undertakings to the Initial Credit Facility Providers on the terms set out in or otherwise permitted by the Common Terms Agreement. All utilisations on the Closing Date under the Initial Senior Term Facilities were subject to all representations in the Common Terms Agreement being true by reference to the facts and circumstances then subsisting and, in relation to any subsequent utilisations, the Repeated Representations being true on the relevant utilisation date by reference to the facts and circumstances then subsisting.

The Loan Events of Default under the Common Terms Agreement apply under the Initial Senior Facilities Agreement (see the section “- *Common Terms Agreement*” above).

The ability of the Initial Credit Facility Providers to accelerate any sum owing to them under the Initial Senior Facilities Agreement upon or following the occurrence of a Loan Event of Default thereunder is subject to the STID. The occurrence of a Loan Event of Default is not a draw-stop under the Initial Capex Facility or Initial WC Facility for rollover advances and any drawings which are outstanding at the time of the occurrence of a Loan Event of Default will remain outstanding until the earlier of (a) repayment in full of such amounts, (b) the delivery of a Loan Acceleration Notice or (c) the Final Maturity Date for the relevant facility. However, no further drawings may be made under the Initial Senior Facilities Agreement following the occurrence of a Default which is continuing.

ABPA was required to apply the following amounts in prepayment of the Initial Senior Term Facilities and/or to exercise its rights to purchase Notes or to purchase or prepay ABPA Senior Debt in accordance with the Senior Facilities Agreement or the Common Terms Agreement:

- (a) Disposal Proceeds;
- (b) Insurance Proceeds;
- (c) Report Recovery Proceeds;
- (d) Capital Raising Proceeds;
- (e) Unutilised Debt Disposal Proceeds;
- (f) an amount equal to 50 per cent. of Excess Cash for the sixth month periods ending on or about 30 June 2017 and 31 December 2017; and
- (g) an amount equal to 100 per cent. of Excess Cash for the sixth month periods ending on or about 30 June 2018 and 31 December 2018.

The amounts specified in paragraphs (a), (b) and (c) must be applied in prepayment only if a Trigger Event resulting from a breach of a Trigger Event Ratio is subsisting (or, in relation to (a) only, would occur as a result of the relevant disposal) and to the extent necessary to cure the breach of the Trigger Event Ratio. Each amount is subject to agreed thresholds and carve outs.

ABPA is also required to prepay amounts advanced under the Initial Senior Facilities Agreement where it becomes unlawful for the applicable Initial Senior Facilities Provider to perform any of its obligations or fund, issue, or maintain its participation in a utilisation .

All prepayments must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for break costs. Prepayments described in (a) to (g) above may be deferred until the last day of the then current interest period if no Default or Loan Event of Default is continuing.

If there is a sale of all or substantially all of the assets of the ABPAH Group or a Change of Control occurs, an Initial Senior Facilities Provider may cancel its commitments under the Initial Senior Facilities Agreement and declare all outstanding amounts immediately due and payable.

Initial Senior Term Facilities

The purpose of the Initial Senior Term Facilities was as follows:

- (a) to refinance existing indebtedness;
- (b) towards fees, commissions, costs and expenses incurred in connection with the above; and
- (c) for general corporate purposes of the Covenantors.

Subject to the Common Term Agreement and the STID, ABPA may, by giving not fewer than 3 Business Days' prior notice to the Facility Agent, prepay amounts outstanding under the Initial Senior Term Facilities in a minimum amount of £10,000,000 and an integral multiple of £5,000,000 (or such lesser amount as may be outstanding or such other amount as may be agreed by the Facility Agent (acting on the instructions of the Senior Term Facilities Providers)). ABPA may not make a voluntary prepayment if a Loan Event of Default is outstanding other than for the purposes of curing a Loan Event of Default in accordance with the Equity Cure provisions.

Initial WC Facility

The purpose of the Initial WC Facility is to fund the working capital requirements of the Covenantors. The Initial WC Facility may be utilised by way of letters of credit ("**Letters of Credit**").

ABPA is required to ensure that the aggregate amount of all Initial WC Facility Loans and any cash loan not covered by a Letter of Credit shall not exceed zero for a period of not less than 5 successive Business Days in each period of 12 months following the Closing Date (and commencing on the Closing Date) and not fewer than 90 days from the preceding clean down.

ABPA may, by giving not fewer than 3 Business Days' prior notice to the Facility Agent, prepay amounts outstanding under the WC Facility in a minimum amount of £1,000,000 and an integral multiple of £500,000 (or such lesser amount as may be outstanding or such other amount as may be agreed by the Facility Agent (acting on the instructions of the WC Facility Providers)). ABPA may not make a voluntary prepayment if a Loan Event of Default is outstanding.

Initial Capex Facility

The purpose of the Initial Capex Facility is as follows:

- (a) to finance any Capital Expenditure of a Covenantor incurred after the Initial Issue Date;
- (b) to finance the investment by a Covenantor in a Permitted Joint Venture which has been entered into for the purposes of developing or maintaining property, operational equipment or assets that are, or will be, owned or used by, or are, or will be, the subject of a contractual arrangement with a Covenantor in connection with the ABPAH Group's Permitted Business; and
- (c) towards any fees, costs or expenses incurred by (or required to be paid by) any Covenantor in connection with the transactions contemplated by paragraphs (a) and (b) above.

ABPA may, by giving not fewer than 3 Business Days' prior notice to the Facility Agent, prepay amounts outstanding under the Initial Capex Facility in a minimum amount of £1,000,000 and an integral multiple of £500,000 (or such lesser amount as may be outstanding or such other amount as may be agreed by the Facility Agent (acting on the instructions of the Capex Facility Providers) may not make a voluntary prepayment if a Loan Event of Default is outstanding.

The Initial Senior Facilities Agreement and all non-contractual obligations arising out of or in connection with it is governed by English law.

U.S. PRIVATE PLACEMENT

Pursuant to a note purchase agreement dated 22 March, 2012 (the "**USPP Note Purchase Agreement**") between ABPA, ABPAH, ABPH and the note purchasers named therein (the "**USPP Note Purchasers**"),

ABPA issued £200,000,000 Floating Rate Senior Secured Guaranteed Notes due 25 April 2033. The USPP Note Purchasers agreed to be bound by the terms of the Common Terms Agreement and the STID as Additional ABPA Secured Creditors.

ABPA made representations and warranties, covenants and undertakings to the USPP Note Purchasers on substantially the terms set out in or otherwise permitted by the Common Terms Agreement. The Loan Events of Default under the Common Terms Agreement apply under the USPP Note Purchase Agreement (see the section “- *Common Terms Agreement*” above). The ability of the USPP Note Purchasers to accelerate any sum owing to them under the USPP Note Purchase Agreement upon or following the occurrence of a Loan Event of Default thereunder is subject to the STID.

The USPP Note Purchasers agreed that any additional representation, covenant, trigger event or event of default contained in the Finance Documents for the Additional ABPA Secured Creditors which would otherwise be unenforceable by virtue of the terms of the Common Terms Agreement (the “**Additional ABPA Secured Creditors Terms**”) unless such terms are extended for the benefit of the ABPA Secured Creditors, shall be deemed to be provided to all ABPA Secured Creditors for such time as amounts are outstanding under such Finance Documents, and provided that the rights relating to such Additional ABPA Secured Creditor Terms may only be exercised by the ABPA Security Trustee subject to, and unless otherwise permitted by, the terms of the Common Terms Agreement and the STID.

The USPP Note Purchase Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

REFINANCING FACILITIES AGREEMENTS

ABPA is the borrower under the following facility agreements which were put in place for the purpose of refinancing part of Term Facility A under the Initial Senior Term Facilities:

- (j) a term loan facility agreement dated 22 March 2013 with an institutional lender pursuant to which a term loan facility of up to £40,000,000 was made available, with a final maturity date falling 16 years after the date of that facility agreement;
- (k) a term loan facility agreement dated 24 April 2013 with an institutional lender pursuant to which a term loan facility of up to £40,000,000 was made available, with a final maturity date falling 16 years after the date of that facility agreement, together the **Refinancing Facilities** and each a **Refinancing Facility**).

ABPA, ABPAH and ABPH are party to each Refinancing Facility as covenantors.

The Refinancing Facilities constitute Authorised Credit Facilities for the purpose of the STID, the Common Terms Agreement and the MDA. The finance parties under each Refinancing Facility agreed to be bound by the terms of the Common Terms Agreement and the STID as Additional ABPA Secured Creditors. ABPA, ABPAH and ABPH made representations and warranties, covenants and undertakings to the finance parties under each Refinancing Facility on the terms set out in or otherwise permitted by the Common Terms Agreement. The Loan Events of Default under the Common Terms Agreement apply under each Refinancing Facility (see the section “- *Common Terms Agreement*” above).

The ability of the finance parties under each Refinancing Facility to accelerate any sum owing to them under the Refinancing Facility to which they are a party upon or following the occurrence of a Loan Event of Default thereunder is subject to the STID.

Each Refinancing Facility provides that ABPA is required to prepay amounts outstanding to a lender if it becomes unlawful for that lender to perform any of its obligations, or fund, issue or maintain its participation in a utilisation. In addition, each lender has the right to request prepayment of its participation in a Refinancing Facility if, within a specified period, following a change of control, a ratings downgrade to below investment grade occurs, solely as a result of a change of control.

The Refinancing Facilities and any non-contractual obligations arising out of or in connection with them are governed by English law.

FUTURE FINANCINGS

ABPA is currently considering funding opportunities from a variety of sources (including by way of additional Authorised Credit Facilities) in order to refinance part of the Initial Senior Term Facilities and to finance capex projects at one or more of its ports.

In connection with the capex financings, ABPA may need to give project specific representations and covenants to the relevant Authorised Credit Provider(s). In connection with a current proposed financing of a project at the port of Southampton, ABPA is seeking consent by way of a STID Proposal to enable the Covenantors to give certain project specific representations and covenants only for the benefit of the relevant provider of the financing. The STID Proposal also contains proposals to make certain technical amendments to the Common Documents, details of which will be published in due course as and when the STID Proposal is approved.

The providers of any such additional Authorised Credit Facilities would be required to agree to be bound by the terms of the Common Terms Agreement and the STID as Additional ABPA Secured Creditors.

INITIAL ABPA LIQUIDITY FACILITY AGREEMENT

The ABPA Liquidity Facility provided by the Initial ABPA Liquidity Facility Providers pursuant to the Initial ABPA Liquidity Facility Agreement is the only ABPA Liquidity Facility in place as at the date of this Base Prospectus. ABPA may enter into further or replacement ABPA Liquidity Facilities in connection with the Authorised Credit Facilities to be entered into from time to time.

Under the terms of the Initial ABPA Liquidity Facility Agreement, the Initial ABPA Liquidity Facility Providers granted a 364 day committed sterling revolving credit facility (which may be renewed) in aggregate amount specified in the Initial ABPA Liquidity Facility Agreement for the purpose of covering certain shortfalls in the ability of ABPA to service amounts payable in respect of (a) interest under the ABPA Senior Debt (excluding any amounts due under any IBLA) and (b) netting payments under any ABPA Hedging Agreement (excluding accretions due under index-linked hedging and principal exchanges under any Cross-Currency Hedging Agreements) (an “**ABPA Liquidity Shortfall**”).

Each Initial ABPA Liquidity Facility Provider must be a bank or a financial institution which, at the Initial Issue Date, has the Requisite Rating. Each ABPA Liquidity Facility Provider is an ABPA Secured Creditor and a party to the STID and the Common Terms Agreement.

Under the Initial ABPA Liquidity Facility Agreement, the ABPA Liquidity Facility is not available to be drawdown if an ABPA LF Event of Default has occurred and is continuing. Following an ABPA LF Event of Default, the Initial ABPA Liquidity Facility Agent may, by notice to ABPA and the ABPA Security Trustee, declare all outstanding drawings immediately due and payable and/or cancel the commitments of each Initial ABPA Liquidity Facility Provider.

The Initial ABPA Liquidity Facility Agreement provides that if (i) at any time the rating of the relevant Initial ABPA Liquidity Facility Provider falls below the Requisite Rating or (ii) the relevant Initial ABPA Liquidity Facility Provider does not agree to renew its commitment under the ABPA Liquidity Facility prior to the expiry of the relevant availability period, ABPA will:

- (a) use all reasonable endeavours to replace the relevant Initial ABPA Liquidity Facility Provider with a party having the Requisite Rating; and
- (b) (if a replacement is not made within the relevant time period specified in the Initial ABPA Liquidity Facility Agreement) be entitled to require such Initial ABPA Liquidity Facility Provider to pay into the ABPA Standby Reserve Ledger the full amount of the relevant Initial ABPA Liquidity Facility Provider’s undrawn commitment (an “**ABPA Standby Drawing**”).

If the ABPA Standby Drawing results from an Initial ABPA Liquidity Facility Provider falling below the Requisite Rating, ABPA shall repay the ABPA Standby Drawing if: (i) the relevant Initial ABPA Liquidity Facility Provider which has been downgraded is re-rated with the Requisite Rating; (ii) ABPA serves a notice of cancellation; (iii) the affected Initial ABPA Liquidity Facility Provider assigns or transfers its rights, benefits or obligations under the Initial ABPA Liquidity Facility Agreement; (iv) within 5 Business Days of the date on which the Initial ABPA Liquidity Facility Agent has served a notice on ABPA, the ABPA Cash Manager and the ABPA Security Trustee indicating that the Initial ABPA Liquidity Facility Provider has been re-rated with the requisite rating, or (v) the Ratings Agencies then rating the Notes or any Tranche of Notes confirm to the ABPA Security Trustee that such

repayment would not lead to the ratings ascribed to any Tranche of Notes being downgraded below the then current ratings of such Tranche of Notes.

If the ABPA Standby Drawing results from an Initial ABPA Liquidity Facility Provider not agreeing to renew its commitment, ABPA shall repay the ABPA Standby Drawing if: (i) a replacement ABPA Liquidity Facility Provider accedes to the Initial ABPA Liquidity Facility Agreement in accordance with conditions set out therein; (ii) ABPA enters into a replacement liquidity facility on terms acceptable to the ABPA Security Trustee and the Rating Agencies; (iii) ABPA serves a notice of cancellation to the affected ABPA Liquidity Facility Provider; or (iv) the Rating Agencies then rating the Notes or any Tranche of Notes confirm to the ABPA Security Trustee that such repayment would not lead to the ratings ascribed to any Tranche of Notes being downgraded below the then current ratings of such Tranche of Notes.

The commitments of each of the Initial ABPA Liquidity Facility Providers and the commitments of each of the Initial Issuer Liquidity Facility Providers are aggregated under the Initial ABPA Liquidity Facility Agreement and the Initial Issuer Liquidity Facility Agreement to represent a single global commitment. Accordingly, if the amount of scheduled debt service under ABPA Senior Debt supported by the Initial ABPA Liquidity Facility Agreement reduces, a portion of the commitment of each of the Initial ABPA Liquidity Facility Providers under the Initial ABPA Liquidity Facility Agreement may be reallocated, subject to certain conditions, and added on a *pro rata* basis to the commitments of the Initial Issuer Liquidity Facility Providers under the Initial Issuer Liquidity Facility Agreement, but without increasing the global commitments of the Initial ABPA Liquidity Facility Providers and the Initial Issuer Liquidity Facility Providers.

The Initial ABPA Liquidity Facility Agreement and all non-contractual obligations arising out of or in connection with are governed by English law.

INITIAL ABPA HEDGING AGREEMENTS

ABPA may enter into various interest rate, inflation-linked and currency swap transactions with the ABPA Hedge Counterparties (the “**ABPA Hedging Agreements**”) in conformity with the Hedging Policy (see “*Common Terms Agreement – Hedging Policy*”).

SECURITY AGREEMENT

Each Security Provider entered into the security agreement (the “**Security Agreement**”) with the ABPA Security Trustee on the Initial Issue Date. Under the Security Agreement, each Security Provider guaranteed the obligations of each other Security Provider under the Finance Documents, in each case to the ABPA Security Trustee for itself and as security trustee for the ABPA Secured Creditors. All the security created under the Security Agreement other than the ABPA Defeasance Security was created in favour of ABPA Security Trustee for itself and as trustee for the ABPA Secured Creditors. The ABPA Defeasance Security was created in favour of ABPA Security Trustee for the ABPA Security Trustee itself and on trust for the Issuer.

Subject as set out below, the security given by each Security Provider and constituted by the Security Agreement is expressed to include:

- (a) first fixed charges over:
 - (i) the Mortgaged Property except for any Excluded Charged Property for such time as it is Excluded Charged Property;
 - (ii) all of its present and future estates or interests in any freehold or leasehold property (other than that mortgaged under (i) above) and any rights under any licence or other agreement or document which gives such Security Provider a right to occupy or use such property except for any Excluded Charged Property for such time as it is Excluded Charged Property, wheresoever such property is situated now or hereafter belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title, any moneys paid or payable in respect of such covenants and all rights, powers, benefits, claims, contracts, warranties, remedies, security guarantees, indemnities and undertakings in respect of such property;
 - (iii) all plant, machinery, office equipment, computers, vehicles and other chattels now or in the future owned by it and its interest in any plant, machinery, computers, office equipment, vehicles or

other chattels in its possession other than any for the time being forming part of such Security Provider's stock in trade or work in progress;

- (iv) all moneys (including interest) from time to time standing to the credit of each of its present and future accounts with any bank, financial institution or other person and the debts represented thereby;
 - (v) (to the extent not effectively assigned) all its present and future rights, title and interest in and to the Assignable Insurances;
 - (vi) all of its present and future book and other debts, all other moneys due and owing to it or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the foregoing including in each case the proceeds of the same;
 - (vii) (other than where otherwise effectively charged or assigned under the Security Agreement) all of its rights and benefits under each of the Finance Documents and any other contracts or agreements to which such Security Provider is a party from time to time and/or that confer any rights upon such Security Provider including all bills of exchange and other negotiable instruments held by it, any letters of credit issued in its favour and (subject to any necessary third party's consent to such charge being obtained) any distributorship or agreement for the licensing of Intellectual Property Rights or similar agreements entered into by it;
 - (viii) its present and future goodwill;
 - (ix) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Charged Property referred to above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof, subject to any necessary third party's consent being obtained;
 - (x) its present and future uncalled capital and rights in relation to such uncalled capital;
 - (xi) all its present and future licence agreements, Intellectual Property Rights owned by it, subject to any necessary third party's consent to such charge being obtained;
 - (xii) all Securities and all Related Rights accruing to all or any of the Securities now or in the future owned by such Security Provider from time to time not otherwise charged by it pursuant to the Security Agreement; and
 - (xiii) all of its rights and benefits under any Authorised Investments and all Authorised Investments now or in the future owned by it (other than where effectively assigned by it pursuant to the Security Agreement).
- (b) a mortgage over all ABPAH Group Shares (and, in the case of ABPH, the ABP Ownership Rights);
- (c) an assignment by way of security of each Security Provider's right in respect of Assignable Insurances and in respect of its right, title and interest from time to time in and to:
- (i) the insurance proceeds of any Assignable Insurances (but, for the avoidance of doubt, not the contracts comprising the Assignable Insurances themselves);
 - (ii) all Finance Documents to which an Security Provider is a party from time to time subject to netting and set off provisions contained therein;
 - (iii) each Assigned Account (other than the ABPA Defeasance Accounts) which a Security Provider has from time to time subject to netting and set-off provisions; and
 - (iv) all its rights, title and interest from time to time (if any) in and to the ABPA Defeasance Accounts subject to netting and set-off provisions contained therein; and

- (d) first floating charges of the whole of the undertaking, property, assets and rights whatsoever and wheresoever present and future of each Security Provider (the “**Security Agreement Floating Security**”).

The ABPA Security does not extend to certain leasehold or freehold property or properties in respect of which the creation of any security is prohibited absolutely or without consent (until such time or consent is obtained).

The ABPA Security granted in favour of the ABPA Security Trustee is held on trust by the ABPA Security Trustee for itself and (except as otherwise provided below in relation to the Issuer) on behalf of the ABPA Secured Creditors and, to the extent relating to the ABPA Defeasance Security, on trust for each ABPA Defeasance Creditor, in accordance with and subject to the terms of the STID.

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

ABPA FLOATING CHARGE AGREEMENT

The Issuer holds the floating charges granted by the Security Providers pursuant to the ABPA Floating Charge Agreement (the “**AFCA Floating Security**”) for the Benefit of itself. However, the Issuer Security Trustee is the assignee (by way of security) of the AFCA Floating Security pursuant to the Issuer Deed of Charge, see “—*Issuer Deed of Charge*” below.

The AFCA Floating Security and the Security Agreement Floating Security rank *pari passu* with one another and are expressed to have been created simultaneously.

Enforceability

The ABPA Floating Charge Agreement provides that the AFCA Floating Security shall become enforceable by the Issuer Security Trustee (by appointing an administrative receiver):

- (a) following the delivery of a Loan Enforcement Notice under the Common Terms Agreement; or
- (b) if the Issuer Security Trustee has actual notice of an application for the appointment of an administrator in respect of a Security Provider or has actual notice of the giving of a notice of intention to appoint an administrator in respect of a Security Provider or has actual notice of the filing of a notice of appointment of an administrator of a Security Provider with the court (in which case, the Issuer Security Trustee will (subject to “— *Indemnity of the Issuer Security Trustee*” immediately below), be obliged to appoint an administrative receiver).

In either case, the Issuer Security Trustee shall not be liable for any failure to appoint, save in the case of its own negligence, wilful default or fraud.

Consultation in dealings with administrative receiver of the floating charge assets

Any administrative receiver appointed pursuant to the ABPA Floating Charge Agreement, in respect of any assets over which it is so appointed, shall consult with the ABPA Security Trustee and, if necessary, request the release of such assets from the Security Agreement Floating Security.

Indemnity of the Issuer Security Trustee

The Issuer Security Trustee shall not be obliged to enforce the AFCA Floating Security unless it has been indemnified and/or secured to its satisfaction against all liabilities to which it may become liable or which it may incur by the enforcement of the AFCA Floating Security, provided that the Issuer Security Trustee agrees that, in respect of the appointment of an administrative receiver, it is adequately indemnified and secured to its satisfaction against all liabilities in respect of such appointment pursuant to (a) its rights against the Issuer under the Issuer Deed of Charge and the security it has in respect of such rights (the amounts of such indemnity forming part of the Issuer Secured Liabilities in the Issuer Deed of Charge) and (b) its rights against the Security Providers under the ABPA Floating Charge Agreement, and the security it has in respect of such rights (the amount of such indemnity forming part of the ABPA Secured Liabilities).

Appointment of an administrator

The STID provides that the ABPA Security Trustee shall not (notwithstanding any instruction from an ABPA Secured Creditor to the contrary) make any application to appoint an administrator or give any notice of intention to appoint an administrator unless the Issuer Security Trustee has agreed to such action.

Proceeds

The Security Agreement, the STID and the ABPA Floating Charge Agreement provide that the proceeds of enforcement of the AFCA Floating Security by the Issuer Security Trustee (or any administrative receiver appointed by it) and paid to the ABPA Security Trustee will be applied, together with any proceeds of enforcement of the other ABPA Security by the ABPA Security Trustee (or any Receiver appointed by it), in accordance with the ABPA Post-Default Priority of Payments, as the case may be. Any proceeds of enforcement of the AFCA Floating Security will be paid to the Issuer and will be taken into account by the ABPA Security Trustee in ensuring that the Issuer recovers no more than its *pro rata* proportion of the aggregate proceeds of enforcement of all ABPA Security.

The ABPA Floating Charge Agreement and all matters arising from or connected with it are governed by English law.

ABPA ACCOUNT BANK AGREEMENT

Pursuant to the ABPA Account Bank Agreement, ABPA has established or caused to be established sterling, euro and U.S. dollar operating accounts, the Holding Account, the ABPA Debt Service Reserve Account, the ABPA Defeasance Account and the Debt Collateralisation Account (together with any other account opened by ABPA, the “**ABPA Accounts**”). The ABPA Accounts are held with the ABPA Account Bank pursuant to ABPA Account Bank Agreement.

TAX DEED OF COVENANT

Pursuant to the Tax Deed of Covenant, each of the Tax Covenantors made representations and gave warranties and covenants with a view to protecting, *inter alios*, the Issuer, ABPA and each of their Material Subsidiaries from various tax related risks. Among the matters covered by those representations, warranties and covenants are VAT grouping, group tax matters, secondary tax liabilities and the Issuer’s status as a securitisation company for the purposes of The Taxation of Securitisation Regulations 2006.

The Tax Deed of Covenant and all matters arising from it are governed by English law.

ISSUER DEED OF CHARGE

On the Initial Issue Date, the Issuer entered into the Issuer Deed of Charge with, among others, the Issuer Security Trustee (for itself and on behalf of the other Issuer Secured Creditors). Pursuant to the Issuer Deed of Charge, the Issuer has secured its obligations to the Issuer Secured Creditors by granting in favour of the Issuer Security Trustee, for itself and on behalf of the other Issuer Secured Creditors the following security:

- (a) an assignment by way of first fixed security of the Benefit of the Issuer under the Finance Documents to which it is a party;
- (b) an assignment by way of first fixed security of the Benefit of the Issuer under each Issuer Transaction Document (other than the Trust Documents);
- (c) a first fixed charge of the Benefit of Issuer Accounts (including any non-sterling account and for the benefit of the holders of the Note issued at the Initial Issue Date only, the Prefunding Account) pursuant to or in accordance with any Issuer Transaction Document including any sub-account or sub-accounts relating to that account and any replacement account from time to time and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit;
- (d) a first fixed charge of the Benefit of each Authorised Investment of the Issuer; and
- (e) a first floating charge over the whole of the Issuer’s undertaking, assets, property and rights whatsoever and wheresoever situated, present and future, including the Issuer’s uncalled capital.

As continuing security for the payment or discharge of the Issuer Secured Liabilities, ABPAH has granted a first fixed charge to the Issuer Security Trustee (for itself and as trustee for the Issuer Secured Creditors) of the Benefit of all the shares it holds in the Issuer and has covenanted to grant a first fixed charge of the Benefit of all of the new shares it acquires in the Issuer in the future.

The Issuer Security is held on trust by the Issuer Security Trustee for itself and on behalf of the Issuer Secured Creditors in accordance with, and subject to the Issuer Deed of Charge.

After the service of a Note Enforcement Notice by the Note Trustee in accordance with Condition 11(b) the Issuer Cash Manager (or, as the case may be, any Receiver) is required to use funds standing to the credit of the Issuer Accounts (other than amounts standing to the credit of the Issuer Standby Reserve Ledger in the Issuer Debt Service Reserve Account that has been opened in accordance with the terms of an Issuer Liquidity Facility Agreement, which shall be paid to the relevant Issuer Liquidity Facility Provider in accordance with such Issuer Liquidity Facility Agreement) to make payments in accordance with the following order of priority (the “**Issuer Post-Enforcement Priority of Payments**”):

- (a) *first*, the amounts due in respect of the fees and other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee, the Note Trustee and any Receiver and any costs, charges liabilities and expenses incurred by the Issuer Security Trustee, the Note Trustee and any Receiver appointed under the Trust Documents or the ABPA Floating Charge Agreement and any other amounts payable to the Issuer Security Trustee, the Note Trustee and any Receiver under the Trust Documents or the ABPA Floating Charge Agreement;
- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu* of the amounts payable by the Issuer in respect of any amounts due and owing by the Issuer in respect of:
 - (i) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Paying Agents, Agent Bank, Registrar and Transfer Agent incurred under the Agency Agreement and any Calculation Agent under the Calculation Agency Agreement;
 - (ii) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;
 - (iii) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Cash Manager (for so long as the Issuer Cash Manager is not ABPH or a Connected Creditor) incurred under the Issuer Cash Management Agreement; and
 - (iv) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of Issuer Corporate Administration Providers under Issuer Corporate Administration Agreement;
- (c) *third*, *pro rata* according to the respective amounts thereof, all amounts due to each Issuer Liquidity Facility Provider (and any facility agent and arranger under any Issuer Liquidity Facility Agreement), including all amounts of interest and principal due in respect of any drawing under the Issuer Liquidity Facility Agreement;
- (d) *fourth*, *pro rata* according to the respective amounts thereof in or towards satisfaction of all amounts (whether scheduled or unscheduled), termination payments, accretion or other pay-as-you-go payments and other charges payable to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Transaction between the Issuer and an Issuer Hedge Counterparty;
- (e) *fifth*, *pro rata* according to the respective amounts thereof, in or towards satisfaction of: (a) all scheduled amounts (other than any amounts in respect of termination payments or other unscheduled amounts, final or scheduled exchange payments on cross-currency swaps and accretion or other pay-as-you-go payments) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Transaction; and (b) all amounts of interest (or equivalent payments) due in respect of the Notes;
- (f) *sixth*, *pro rata* according to the respective amounts thereof, in or towards satisfaction of: (a) all termination payments or other unscheduled amounts, final or scheduled exchange payments on cross-currency swaps and accretion or other pay-as-you-go payments) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Transaction; and (b) all amounts of principal due (or other amounts payable on

redemption of the Notes) or overdue in respect of the Notes or other costs due in respect of redemption of the Notes;

- (g) *seventh*, in or towards satisfaction of the amounts payable by the Issuer in respect of any amounts due and owing by the Issuer in respect of the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Cash Manager (if the Issuer Cash Manager is ABPH or a Connected Creditor); and
- (h) *thereafter*, after retaining the Issuer Lender Profit Amount (which the Issuer may, after meeting any corporation tax thereon, use to pay a dividend or otherwise to pay to such account or person nominated by the Issuer), any remaining amount by way of rebate of facility fees pursuant to the terms of the IBLAs.

Limited Recourse

Pursuant to the Issuer Deed of Charge, each party thereto (other than the Issuer and the Issuer Security Trustee) has agreed with each of the Issuer and the Issuer Security Trustee that notwithstanding any other provision of any Issuer Transaction Document, all obligations of the Issuer to it, including, without limitation, the Issuer Secured Liabilities, are limited in recourse as set out below:

- (a) each party has a claim only in respect of the Issuer Charged Property and does not have any claim, by operation of law or otherwise, against, or recourse to any of the other assets or the contributed capital of the Issuer or ABPAH;
- (b) the aggregate amount of all sums due and payable to each party in respect of the Issuer's obligations to such party is reduced by the amount by which the aggregate amount of sums due and payable to such party exceeds the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer Charged Property (after payment of any sums which are payable by the Issuer in accordance with the Issuer Payment Priorities in priority to or *pari passu* with sums payable to such party), whether pursuant to enforcement of the Issuer Security or otherwise; and
- (c) upon the Issuer Security Trustee giving written notice to the Issuer Secured Creditors that it has determined in its sole opinion, that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Property (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents, each party has no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

Indemnification of the Issuer Security Trustee

The Issuer Deed of Charge contains provisions for indemnification of the Issuer Security Trustee, and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Issuer and/or any other person unless indemnified and/or secured to its satisfaction. The Issuer Security Trustee or any of its affiliates is be entitled to enter into business transactions with the Issuer, the other Issuer Secured Creditors or any of their respective subsidiaries or associated companies without accounting for any profit resulting therefrom. Save as otherwise provided in the any Issuer Transaction Document, the Issuer Security Trustee is only required to take any action under or in relation to, or to enforce or protect the Issuer Security, or a document referred to therein, if so directed by the Issuer Secured Creditors and in all cases if indemnified and/or secured to its satisfaction provided the Issuer Security Trustee has agreed it is indemnified to its satisfaction in respect of the AFCA Floating Security as described in the ABPA Floating Charge Agreement.

Directions, Duties and Liabilities

The Issuer Security Trustee, in the absence of its own wilful default, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the Issuer Secured Creditors shall not in any way be responsible for any loss, costs, damages or expenses or other liability, which may result from the exercise or non exercise of any consent, waiver, power, trust, authority or discretion vested in the Issuer Security Trustee pursuant to the Issuer Deed of Charge or any ancillary document.

The Issuer Deed of Charge and all non-contractual or other obligations arising out of or in connection with it are governed by English law.

ISSUER CASH MANAGEMENT AGREEMENT AND ISSUER ACCOUNT BANK AGREEMENT

The Issuer has appointed ABPH as Issuer Cash Manager pursuant to a cash management agreement dated the Initial Issue Date (the “**Issuer Cash Management Agreement**”). Pursuant to the Issuer Cash Management Agreement, the Issuer Cash Manager has undertaken certain cash administration functions on behalf of the Issuer. The Issuer may terminate the appointment of the Issuer Cash Manager at any time with at least 30 days’ prior notice.

The appointment of the Issuer Cash Manager will terminate under the Issuer Cash Management Agreement if: (a) default is made by the Issuer Cash Manager in the performance of any of its material covenants and material obligations under the Issuer Cash Management Agreement; (b) an Insolvency Event occurs in relation to the Issuer Cash Manager; or (c) a Note Enforcement Notice is given and the Note Trustee is of the opinion that the continuation of the appointment of the Issuer Cash Manager is materially prejudicial to the Noteholders.

The Issuer Cash Manager is entitled to resign on giving 30 days’ written notice provided that any such resignation will not become effective until a successor Issuer Cash Manager is appointed. The successor must have similar experience in calculation and administration of cash and cash accounts, enter into an agreement substantially the same as the Issuer Cash Management Agreement and the rates payable to the successor must not be more than commonly charged by other cash managers in the United Kingdom.

The Issuer has established or caused to be established on or before the Initial Issue Date sterling, euro and U.S. dollar operating accounts (together with any issuer collateral accounts to be opened after the Initial Issue Date, the “**Issuer Accounts**”). The Issuer Accounts are held with the Issuer Account Bank pursuant to an account bank agreement (the “**Issuer Account Bank Agreement**”) dated the Initial Issue Date between, among others, the Issuer, the Issuer Account Bank and the Issuer Security Trustee. The Issuer may also open and maintain a liquidity reserve account (the “**Issuer Debt Service Reserve Account**”).

Prior to the delivery of a Note Enforcement Notice, amounts standing to the credit of the Issuer Accounts will be applied, subject to certain exceptions in the Issuer Cash Management Agreement, for payment in accordance with the priority of payments (the “**Issuer Pre-Enforcement Priority of Payments** ”):

- (a) *first*, the amounts due in respect of the fees and other remuneration and indemnity payments (if any) payable to the Note Trustee, the Issuer Security Trustee and any Receiver and any costs, charges, liabilities and expenses incurred by the Note Trustee and the Issuer Security Trustee under the Issuer Transaction Documents and any other amounts payable to the Note Trustee, the Issuer Security Trustee and any Receiver under the Issuer Transaction Documents;
- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu* of the amounts payable by the Issuer in respect of any amounts due and owing by the Issuer in respect of:
 - (i) the fees, other remuneration, indemnity payments, costs, liabilities, charges and expenses of the Paying Agents, Agent Bank, Registrar and Transfer Agent incurred under the Agency Agreement and any Calculation Agent under the Calculation Agency Agreement;
 - (ii) the fees, other remuneration, indemnity payments, costs, liabilities, charges and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;
 - (iii) the fees, other remuneration, indemnity payments, costs, liabilities, charges and expenses of the Issuer Cash Manager (for so long as the Issuer Cash Manager is not ABPH or a Connected Creditor);
 - (iv) the fees, other remuneration, indemnity payments, costs, liabilities, charges and expenses of the Issuer Corporate Administration Providers under the Issuer Corporate Administration Agreement;
- (c) *third*, in or towards satisfaction, *pro rata* and *pari passu*, of:
 - (i) payment of amounts due and payable to any third party creditors of the Issuer, or to become due and payable to any third party creditors of the Issuer prior to the next Interest Payment Date, of which the Issuer Cash Manager has notice prior to the relevant Interest Payment Date, which amounts have been incurred without breach by the Issuer of the Issuer Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere); and

- (ii) any amounts due and payable by the Issuer and for which the Issuer is primarily liable in respect of all UK corporation tax and other tax for which the Issuer is liable under the laws of any jurisdiction other than UK corporation tax at the standard rate from time to time on the Issuer Lender Profit Amount, which shall be met by the Issuer out of the Issuer Lender Profit Amount;
- (d) *fourth, pro rata*, according to the respective amounts thereof, the fees, other remuneration, indemnity payments, costs, charges and expenses of each Issuer Liquidity Facility Provider (and any facility agent and arranger under any Issuer Liquidity Facility Agreement) and amounts of interest and principal due in respect of any drawing under the Issuer Liquidity Facility Agreement;
- (e) *fifth, pro rata* according to the respective amounts thereof in or towards satisfaction of all amounts (whether scheduled or unscheduled), termination payments, accretion or other pay-as-you-go payments payable to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Agreement between the Issuer and an Issuer Hedge Counterparty;
- (f) *sixth, pro rata* according to the respective amounts thereof, in or towards satisfaction of: (a) all scheduled amounts (other than any amounts in respect of termination payments or other unscheduled amounts, final or scheduled exchange payments on cross-currency swaps and accretion or other pay-as-you-go payments and other charges) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Transaction; and (b) all amounts of interest (or equivalent payments) due in respect of the Notes;
- (h) *seventh, pro rata* according to the respective amounts thereof, in or towards satisfaction of: (a) all termination payments or other unscheduled amounts, final or scheduled exchange payments on cross-currency swaps and accretion (or other pay-as-you-go payments) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Transaction; and (b) all amounts of principal due (or other amounts payable on redemption of the Notes) or overdue in respect of the Notes and any other amounts payable in connection with redemption of the Notes or other costs due in respect of redemption of the Notes;
- (g) *eighth*, in or towards satisfaction of the amounts payable by the Issuer in respect of any amount due and owing by the Issuer in respect of the fees, other remuneration, indemnity payments, costs, liabilities, charges and expenses of the Issuer Cash Manager (if the Issuer Cash Manager is ABPH or a Connected Creditor); and
- (i) *ninth*, after retaining the Issuer Lender Profit Amount, (which the Issuer may, after meeting any corporation tax thereon, use to pay a dividend or otherwise to pay to such account or person nominated by the Issuer), any remaining amount by way of rebate of Ongoing Facility Fees to the Borrowers under the terms of the IBLAs.

The Issuer Cash Management Agreement and the Issuer Account Bank Agreement and all non-contractual or other obligations arising out of or in connection with it are governed by English law.

INITIAL ISSUER LIQUIDITY FACILITY AGREEMENT

The Issuer Liquidity Facility provided by the Initial Issuer Liquidity Facility Providers pursuant to the Initial Issuer Liquidity Facility Agreement is the only Issuer Liquidity Facility in place as at the date of this Base Prospectus. The Issuer may enter into replacement Issuer Liquidity Facilities in connection with further Notes issued by the Issuer from time to time.

Under the terms of the Initial Issuer Liquidity Facility Agreement, the Initial Issuer Liquidity Facility Providers have granted a 364 day committed sterling revolving credit facility (which may be renewed) in an aggregate amount specified in the Initial Issuer Liquidity Facility Agreement for the purpose of covering certain shortfalls in the ability of the Issuer to service amounts payable in respect of items (a) to (f) of the Issuer Pre-Enforcement Priority of Payments on any Interest Payment Date (an “**Issuer Liquidity Shortfall**”).

Each Initial Issuer Liquidity Facility Provider must be a bank or a financial institution which, at the Initial Issue Date, has the Requisite Rating. Each Initial Issuer Liquidity Facility Provider is an Issuer Secured Creditor and a party to the STID and the Common Terms Agreement.

Under the Initial Issuer Liquidity Facility Agreement, the Issuer Liquidity Facility is not available if an Issuer LF Event of Default has occurred and is continuing. Following an Issuer LF Event of Default, the Initial Issuer

Liquidity Facility Agent may, by notice to the Issuer and the Issuer Security Trustee, declare all outstanding drawings immediately due and payable and/or cancel the commitments of each Initial Issuer Liquidity Facility Provider.

The Initial Issuer Liquidity Facility Agreement provides that if (i) at any time the rating of the relevant Initial Issuer Liquidity Facility Provider falls below the Requisite Rating or (ii) the relevant Initial Issuer Liquidity Facility Provider does not agree to renew its commitment under the Issuer Liquidity Facility prior to the expiry of the relevant availability period, the Issuer will:

- (a) use all reasonable endeavours to replace the relevant Initial Issuer Liquidity Facility Provider with a party having the Requisite Rating; and
- (b) (if a replacement is not made within the relevant time period specified in the Initial Issuer Liquidity Facility Agreement) be entitled to require such Initial Issuer Liquidity Facility Provider to pay into the Issuer Standby Reserve Ledger the full amount of the relevant Initial Issuer Liquidity Facility Provider's undrawn commitment (an "**Issuer Standby Drawing**").

If the Issuer Standby Drawing results from an Initial Issuer Liquidity Facility Provider falling below the Requisite Rating, the Issuer shall repay the Issuer Standby Drawing if: (i) the relevant Initial Issuer Liquidity Facility Provider which has been downgraded is re-rated with the Requisite Rating; (ii) the Issuer serves a notice of cancellation; (iii) the affected Initial Issuer Liquidity Facility Provider assigns or transfers its rights, benefits or obligations under the Initial Issuer Liquidity Facility Agreement; (iv) within 5 Business Days of the date on which the Initial Issuer Liquidity Facility Agent has served a notice on the Issuer indicating that the Initial Issuer Liquidity Facility Provider has been re-rated with the requisite rating; or (v) the Ratings Agencies then rating the Notes or any Tranche of Notes confirm to the Issuer Security Trustee that such repayment would not lead to the ratings ascribed to any Tranche of Notes being downgraded below the then current ratings of such Tranche of Notes.

If the Issuer Standby Drawing results from an Initial Issuer Liquidity Facility Provider not agreeing to renew its commitment, the Issuer shall repay the Issuer Standby Drawing if: (i) a replacement Issuer Liquidity Facility Provider accedes to the Initial Issuer Liquidity Facility Agreement in accordance with conditions set out therein; (ii) the Issuer enters into a replacement liquidity facility on terms acceptable to the Issuer Security Trustee and the Rating Agencies; (iii) the Issuer serves a notice of cancellation to the affected Initial Issuer Liquidity Facility Provider; or (iv) the Rating Agencies then rating the Notes or any Tranche of Notes confirm to the Issuer Security Trustee that such repayment would not lead to the ratings ascribed to any Tranche of Notes being downgraded below the then current ratings of such Tranche of Notes.

The commitments of each of the Initial Issuer Liquidity Facility Providers and the commitments of each of the Initial ABPA Liquidity Facility Providers are aggregated under the Initial Issuer Liquidity Facility Agreement and the Initial ABPA Liquidity Facility Agreement to represent a single global commitment. Accordingly, if the amount of scheduled debt service under or in connection with the Notes supported by the Initial Issuer Liquidity Facility Agreement reduces, a portion of the commitment of each of the Initial Issuer Liquidity Facility Providers under the Initial Issuer Liquidity Facility Agreement may be reallocated, subject to certain conditions, and added on a *pro rata* basis to the commitments of the Initial ABPA Liquidity Facility Providers under the Initial ABPA Liquidity Facility Agreement, but without increasing the global commitments of the Initial Issuer Liquidity Facility Providers and the Initial ABPA Liquidity Facility Providers.

The Initial Issuer Liquidity Facility Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

NOTE TRUST DEED

On the Initial Issue Date, the Issuer and the Note Trustee entered into the Note Trust Deed pursuant to which the Notes were constituted. The Note Trust Deed includes the form of the Notes and contains a covenant from the Issuer to the Trustee to pay all amounts due under the Notes. The Note Trustee holds the benefit of that covenant on trust for itself and the Noteholders in accordance with their respective interests.

If, in the Note Trustee's opinion, there is a conflict between the interests between the holders of two or more Series or Tranches of Notes it shall have regard to the interests of the holders of the Series or Tranche then outstanding with the greatest Principal Amount Outstanding and will not have regard to the consequences of such exercise for the holders of other Tranches or Series.

The Issuer has undertaken, among other things:

- (a) not to:
 - (i) carry on or transact any business other than:
 - (A) the raising of funds to provide debt financing to ABPA in accordance with the Issuer Transaction Documents; or
 - (B) the entry into the Issuer Liquidity Facility Agreement or any Hedging Agreement in accordance with the Hedging Policy;
 - (ii) own any assets or incur any liabilities except as required for the purpose of carrying on that business in accordance with the Issuer Transaction Documents;
 - (iii) suspend, abandon or cease to carry on its business;
- (b) to maintain compliance with the Hedging Policy;
- (c) to use reasonable endeavours to procure the admission of all listed Notes to the Official List and to trading on the regulated market of the Irish Stock Exchange, or such other stock exchange approved by the Dealers and the Note Trustee, and to maintain such admission until none of the relevant listed Notes is outstanding;
- (d) upon receiving a written request from the Note Trustee, to deliver to the Note Trustee a certificate setting out, *inter alia*, details of the aggregate principal amount outstanding under the outstanding Notes which, for the time being, are held by the Issuer, any member of the ABPAH Group, or any of their respective holding companies (or any Affiliate (as such term is used in the definition of “outstanding”) of any such person) or by any person for the benefit of the Issuer, any member of the ABPAH Group, or any of their respective holding companies (or any Affiliate (as such term is used in the definition of “outstanding”) of any such person);
- (e) to send or procure to be sent (not less than three days prior to the date of publication) to the Note Trustee for the Note Trustee’s approval, one copy of each notice to be given to the Noteholders in accordance with the Conditions and not to publish such notice without such approval and, upon publication, send to the Note Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval for the purpose of section 21 of the FSMA of such notice as an investment advertisement (as therein defined));
- (f) to use its reasonable endeavours to procure that the Principal Paying Agent notifies the Note Trustee forthwith if it does not, on or before the due date for payment in respect of the Notes of any Series, receive unconditionally the full amount in the correct currency of the moneys payable on such due date;
- (g) forthwith to give notice to the Noteholders of payments made after their due date to the Principal Paying Agent or the Note Trustee;
- (h) not less than the number of days specified in the relevant Conditions prior to the redemption or repayment date in respect of any Note, to give to the Note Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions and to redeem or pay such Notes accordingly;
- (i) prior to giving notice to the Noteholders that it intends to redeem the Notes pursuant to Condition 8(d) (*Optional Redemption*), Condition 8(e) (*Redemption for Index Event, Taxation or Other Reasons*), Condition 8(f) (*Redemption on Prepayment of Issuer Borrower Loan Agreements*) or Condition 8(g) (*Early Redemption following Loan Enforcement Notice*), to provide such information to the Note Trustee as the Note Trustee requires in order to satisfy themselves of the matters referred to in those Conditions;
- (j) promptly to give notice to the Note Trustee:
 - (i) if it is required by law to effect a deduction or withholding of Tax in respect of any payment due in respect of any Notes listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007); or

- (ii) if an Issuer Hedge Counterparty is required to make a deduction or withholding of Tax in respect of any payment due under the relevant Issuer Hedging Agreement;
- (k) while any of the Notes remain outstanding, to give notice, or procure that notice is given, to each of the Rating Agencies of:
 - (i) any proposed amendment to Issuer Transaction Documents other than amendments that the Note Trustee considers to be of a formal, minor or technical nature or made to correct a manifest error or an error in respect of which an English court would reasonably be expected to make a rectification order;
 - (ii) the Notes of any Series being repaid in full;
 - (iii) the termination of the appointment of the Issuer Cash Manager;
 - (iv) the appointment of a new or replacement Note Trustee or the appointment of any new or replacement Agents;
 - (v) any Note Event of Default; and
 - (vi) taking of any Enforcement Action. The Issuer shall also send, or procure the sending of, a copy of all notices, written information and reports that it provides to Noteholders to each of the Rating Agencies promptly after such information is provided to the Noteholders;
- (l) to observe and comply with its obligations, and use all reasonable endeavours to procure that the Agents observe and comply with all their obligations under the Agency Agreement and, if any Registered Notes are outstanding, to procure that the Registrar maintains the Register and to notify the Note Trustee immediately if it becomes aware of any material breach or failure by an Agent in relation to the Notes;
- (m) to give not fewer than 30 days' prior notice to the Noteholders of any future appointment or any resignation or removal of any Agent or of any change by any Agent of its specified office;
- (n) if, before a Payment Date for any Note, it becomes subject generally to the taxing jurisdiction of any territory or any political sub division thereof or any authority therein or thereof having power to tax other than or in addition to the UK, to notify (immediately upon becoming aware thereof) the Note Trustee of such event and (unless the Note Trustee otherwise agrees) to enter into a deed supplemental to the Note Trust Deed, so that the relevant Condition shall make reference to that other or additional territory;
- (o) to notify the Note Trustee of any amendment to the Dealership Agreement; and
- (p) not to engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business with the United States as determined under United States income tax principles.

Noteholders Voting Arrangements

In relation to a STID Voting Request in respect of Ordinary Voting Matters or Extraordinary Voting Matters, voting in respect of the Notes may be made by holders of the Notes in accordance with the following electronic voting procedures:

- (a) the Note Trustee will upon receipt of a STID Voting Request distribute a copy of the STID Voting Request and proposed resolution to the Qualifying Noteholders;
- (b) Qualifying Noteholders may vote on the proposed resolution within the Decision Period through the clearing systems;
- (c) the Principal Paying Agent, in the case of the Bearer Notes, and the Registrar, in the case of Registered Notes, will complete Block Voting Instructions (which shall be the only method of voting in respect of such matters) in respect of the votes cast by Qualifying Noteholders and will notify the ABPA Security Trustee and the Issuer accordingly;

- (d) only the Principal Amount Outstanding of Notes then owed to Noteholders that vote on a proposed resolution within the Decision Period will be counted towards the Quorum Requirement and the Qualifying ABPA Senior Debt of the Participating Qualifying ABPA Secured Creditors with such tranche being divided on a pound for pound basis between votes cast in favour and votes cast against; and
- (e) votes cast in favour and votes cast against will then be aggregated by the ABPA Security Trustee with the votes cast by the other Participating Qualifying ABPA Secured Creditors.

For a description of Noteholder voting mechanics in other circumstances, see “*Terms and Condition of the Notes — Condition 15 (Meetings of Noteholders, Modification, Waiver and Subscription)*”.

Indemnification of the Note Trustee

The Note Trust Deed contains provisions for indemnification of the Note Trustee, and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Issuer and/or any other person unless indemnified and/or secured to its satisfaction. The Note Trustee or any of its affiliates is entitled to enter into business transactions with the Issuer, the other Issuer Secured Creditors or any of their respective subsidiaries or associated companies without accounting for any profit resulting therefrom. Save as otherwise provided in the Conditions or any Issuer Transaction Document, the Note Trustee is only required to take any action under or in relation to, or to enforce or protect the Issuer Security, or a document referred to therein, if so directed by an Extraordinary Resolution of the holders of the then outstanding Notes or if so requested in writing by holders of at least 25 per cent. in nominal amount of the holders of any Series of the then outstanding Notes and in all cases if indemnified and/or secured to its satisfaction provided that the Note Trustee has agreed that it is indemnified to its satisfaction in respect of the AFCA Floating Security as described in the ABPA Floating Charge Agreement.

Directions, Duties and Liabilities

The Note Trustee, in the absence of its own wilful default, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the Noteholders shall not in any way be responsible for any loss, costs, damages or expenses or other liability, which may result from the exercise or non exercise of any consent, waiver, power, trust, authority or discretion vested in the Note Trustee pursuant to the Note Trust Deed or any ancillary document.

The Note Trust Deed and all non-contractual or other obligations arising out of or in connection with it are governed by English law.

CONDITIONS PRECEDENT AGREEMENT

The conditions precedent to, *inter alia*, the issue of Notes on the Initial Issue Date are set out in a conditions precedent agreement dated the Initial Issue Date (the “**CP Agreement**”) between, among others, the Note Trustee, the ABPA Security Trustee, the Covenantors and the Issuer.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which (subject to completion and amendment and as varied in accordance with the provisions of the relevant Final Terms or relevant Drawdown Prospectus (as defined below) and, save for the italicised paragraphs) will be incorporated by reference into each Global Note representing Notes in bearer form, Notes in definitive form (if any) issued in exchange for the Global Note(s) representing Notes in bearer form, each Global Note Certificate representing Notes in registered form and each Individual Note Certificate representing Notes in registered form (only if such incorporation by reference is permitted by the rules of the relevant stock exchange and agreed by the Issuer). If such incorporation by reference is not so permitted and agreed, each Note in bearer form and each Individual Note Certificate representing Notes in registered form will have endorsed thereon or attached thereto such text (as so completed, amended or varied). Further information with respect to each Tranche (as defined below) of Notes will be given in the relevant Final Terms or relevant Drawdown Prospectus which will provide for those aspects of these Conditions which are applicable to such Tranche (as defined below) of Notes.

ABP Finance Plc (the “**Issuer**”) has established a note programme (the “**Programme**”) for the issuance of notes (the “**Notes**”). Notes issued under the Programme on a particular Issue Date comprise a series (each, a “**Series**”), and each Series may comprise one or more tranches (each a “**Tranche**”) in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit.

Each Tranche of Notes may be denominated in different currencies or have different interest rates, maturity dates or other terms. Notes of any Series may be zero coupon (“**Zero Coupon Notes**”), fixed rate (“**Fixed Rate Notes**”), floating rate (“**Floating Rate Notes**”), index linked (“**Indexed Notes**”), or instalment notes (“**Instalment Notes**”) depending on the method of calculating interest payable in respect of such Notes and may be denominated in sterling, euro, U.S. dollars or in other currencies subject to compliance with applicable law or regulation.

The terms and conditions applicable to the Notes are these terms and conditions (“**Conditions**”) as may be (a) completed by a set of final terms in relation to each Series (“**Final Terms**”) or (b) amended, supplemented or varied by a standalone prospectus relating to a Tranche of Notes (a “**Drawdown Prospectus**”).

The Notes will be subject to and have the benefit of an amended and restated note trust deed dated 22 May 2013 as the same may be amended, supplemented, restated and/or novated from time to time, (the “**Note Trust Deed**”) between the Issuer and Deutsche Trustee Company Limited as trustee (the “**Note Trustee**”, which expression includes the trustee or trustees for the time being of the Note Trust Deed).

The Notes have the benefit (to the extent applicable) of an amended and restated agency agreement (as amended, supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 22 May 2013 (to which, among others, the Issuer, the Note Trustee, the Principal Paying Agent and the other Paying Agents or the Transfer Agents and the Registrar are party). As used herein, each of “**Principal Paying Agent**”, “**Paying Agents**”, “**Agent Bank**”, “**Transfer Agent**” and/or “**Registrar**” means, in relation to the Notes, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Agent Bank, Transfer Agents and/or Registrar, respectively, and, in each case, any successor to such person in such capacity. The Notes may also have the benefit (to the extent applicable) of a calculation agency agreement (in the form or substantially in the form of schedule 1 to the Agency Agreement, the “**Calculation Agency Agreement**”) between, *inter alia*, the Issuer and any calculation agent appointed by the Issuer as calculation agent (the “**Calculation Agent**”).

On or about 14 December 2011 (the “**Initial Issue Date**”), the Issuer and ABPAH entered into a deed of charge (the “**Issuer Deed of Charge**”) with the Issuer Security Trustee as security trustee, pursuant to which the Issuer granted certain fixed and floating charge security and ABPAH granted certain fixed security (the “**Issuer Security**”) to the Issuer Security Trustee for itself and the other Issuer Secured Creditors, the Note Trustee for itself and on behalf of the Noteholder, the Noteholders, each Issuer Hedge Counterparty, each Issuer Liquidity Facility Provider, the Issuer Liquidity Facility Agent, the Principal Paying Agent, each Paying Agent, the Calculation Agent (if any), the Transfer Agent, the Registrar, the Issuer Account Bank, the Agent Bank, the Issuer Cash Manager and the Issuer Corporation Administration Providers (together, the “**Issuer Secured Creditors**”).

On 22 May 2013, the Issuer entered into an amended and restated dealership agreement (the “**Dealership Agreement**”) with the dealers named therein (the “**Dealers**”) in respect of the Programme, pursuant to which any of the Dealers may enter into subscription agreements (each a “**Subscription Agreement**”) for the issue by the Issuer and the subscription by such Dealer(s) as principal (or on such other basis as may be agreed between the Issuer, the Covenantors and the relevant Dealer(s) at the relevant time) of any Notes being issued on the relevant Issue Date.

The Issuer may enter into liquidity facility agreements (together, the “**Issuer Liquidity Facility Agreements**”) with certain liquidity facility providers (together, the “**Issuer Liquidity Facility Providers**”) pursuant to which the Issuer Liquidity Facility Providers agree to make certain facilities available to meet liquidity shortfalls.

The Issuer may enter into certain currency, inflation linked and interest rate hedging agreements (together, the “**Issuer Hedging Agreements**”) with certain hedge counterparties (together, the “**Issuer Hedge Counterparties**”) in respect of the Notes, pursuant to which the Issuer hedges certain of its currency and interest rate obligations.

On the Initial Issue Date, the Issuer entered into a common terms agreement with, amongst others, ABPA (the “**Common Terms Agreement**”) and a security trust and intercreditor deed between amongst others, the Security Providers, the ABPA Security Trustee and the other ABPA Secured Creditors (the “**STID**”).

On the Initial Issue Date, the Issuer entered into an ABPA floating charge agreement (the “**ABPA Floating Charge Agreement**”) pursuant to which the Security Providers will grant a floating charge over all or substantially all of their assets in favour of the Issuer.

The Note Trust Deed, the Notes (including the applicable Final Terms or applicable Drawdown Prospectus), the Issuer Deed of Charge, the Agency Agreement, the Issuer Liquidity Facility Agreements, each Issuer Hedging Agreement, each Issuer Borrower Loan Agreement, the Common Terms Agreement, the Security Agreement, the ABPA Floating Charge Agreement, the STID, the CP Agreement, the Dealership Agreement, each Relevant Subscription Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Administration Agreement, the master definitions agreement between, among others, the Issuer and the Note Trustee to be dated the Initial Issue Date (the “**Master Definitions Agreement**”), the account bank agreement between, among others, the Issuer Account Bank, the Issuer and the Note Trustee (the “**Issuer Account Bank Agreement**”), the Tax Deed of Covenant and any related document (each, if not defined above, as defined below or in the Master Definitions Agreement) are, in relation to the Notes, together referred to as the “**Issuer Transaction Documents**”).

Terms not defined in these Conditions have the meanings set out in the Master Definitions Agreement.

Certain statements in these Conditions are summaries of the detailed provisions appearing on the face of the Notes (which expression shall include the body thereof), in the relevant Final Terms or relevant Drawdown Prospectus or in the Note Trust Deed or the Issuer Deed of Charge. Copies of the Note Trust Deed are available for inspection during normal business hours at the specified offices of the Principal Paying Agent (in the case of Bearer Notes) or the specified offices of the Transfer Agents and the Registrar (in the case of Registered Notes), save that, if this Note is an unlisted Note of any Series, the applicable Final Terms or applicable Drawdown Prospectus will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must provide evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed, the Issuer Deed of Charge and the relevant Final Terms or relevant Drawdown Prospectus and to have notice of those provisions of the Agency Agreement and the other Issuer Transaction Documents applicable to them.

Any reference in these conditions to a matter being “specified” means as the same may be specified in the relevant Final Terms or relevant Drawdown Prospectus.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Notes are in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) as specified in the applicable Final Terms or applicable Drawdown Prospectus and serially numbered in the Specified Denomination(s) provided that in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be, €100,000 or not less than the equivalent of €100,000 in any other currency as at the date of issue of the relevant Notes (or such other amount required by applicable law from time to time as stated in the applicable Final Terms or applicable Drawdown Prospectus) and in the case of Notes in respect of which the publication of a Prospectus is not required under the Prospectus Directive the minimum Specified Denomination shall be not less than that required by applicable law as stated in the applicable

Final Terms or applicable Drawdown Prospectus. Notes may be issued in such denomination and higher integral multiples of a smaller amount if specified in the applicable Final Terms or applicable Drawdown Prospectus. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Registered Notes may not be exchanged for Bearer Notes. References in these Conditions to “**Notes**” include Bearer Notes and Registered Notes and all Tranches and Series.

So long as the Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

The Notes may be Zero Coupon Notes, Fixed Rate Notes, Floating Rate Notes, Indexed Notes or Instalment Notes, as specified in the applicable Final Terms or applicable Drawdown Prospectus.

Interest bearing Bearer Notes are issued with Coupons (as defined below) (and, where appropriate, a Talon, (as defined below)) attached. After all the Coupons attached to, or issued in respect of, any Bearer Note which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and (if necessary) one further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent. Any Bearer Note the principal amount of which is redeemable in instalments may be issued with one or more Receipts (as defined below) (and, where appropriate, a Talon) attached thereto. After all the Receipts attached to, or issued in respect of, any Instalment Note which was issued with a Talon have matured, a receipt sheet comprising further Receipts (other than Receipts which would be void) and (if necessary) a further Talon will be issued against presentation of the relevant Talon at the specified office of any Paying Agent.

(b) ***Title***

Title to Bearer Notes, Coupons, Receipts and Talons (if any) passes by delivery. Title to Registered Notes passes by registration in the register (the “**Register**”), which the Issuer shall procure to be kept by the Registrar.

In these Conditions, subject as provided below, each reference to “**Noteholder**” (in relation to a Note, Coupon, Receipt or Talon), “**holder**” and “**Holder**” means (i) in relation to a Bearer Note, the bearer of any Bearer Note, Coupon, Receipt or Talon (as the case may be) and (ii) in relation to a Registered Note, the person in whose name a Registered Note is registered, as the case may be. The expressions “**Noteholder**”, “**holder**” and “**Holder**” include the holders of instalment receipts (“**Receipts**”) appertaining to the payment of principal by instalments (if any attached to such Notes in bearer form (the “**Receiptholders**”), the holders of the coupons (“**Coupons**”) (if any) appertaining to interest bearing Notes in bearer form (the “**Couponholders**”), and the expression Couponholders or Receiptholders includes the holders of talons in relation to Coupons or Receipts as applicable, (“**Talonholders**”).

The bearer of any Bearer Note, Coupon, Receipt or Talon and the registered holder of any Registered Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the relevant Note, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Note, a duly executed transfer of such Note in the form endorsed on the Note Certificate in respect thereof) and no person will be liable for so treating the holder.

Notes which are represented by a Global Note or Global Note Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or applicable Drawdown Prospectus or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Note Trustee.

The Issuer may, from time to time, without the consent of the Noteholders, Receiptholders or Couponholders, create and issue further Notes having the same terms and conditions as the Notes

of a Series in all respects (or in all respects except for the first payment of interest). Accordingly, a Series of Notes may comprise a number of issues in addition to the initial Tranche of such Series. Such further issues of the same Series will be consolidated and form a Series with the prior issues of that Series.

2. EXCHANGES OF BEARER NOTES FOR REGISTERED NOTES AND TRANSFERS OF REGISTERED NOTES

(a) *Exchange of Notes*

Subject to Condition 2(e) (*Closed Periods*), Bearer Notes may, if so specified in the relevant Final Terms or relevant Drawdown Prospectus, be exchanged at the expense of the transferor Noteholder for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of the Bearer Note to be exchanged together with all unmatured Coupons, Receipts and Talons (if any) relating to it at the specified office of the Registrar or any Transfer Agent or Paying Agent. Where, however, a Bearer Note is surrendered for exchange after the Record Date (as defined below) for any payment of interest or Interest Amount (as defined below), the Coupon in respect of that payment of interest or Interest Amount need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes.

(b) *Transfer of Registered Notes*

A Registered Note may be transferred upon the surrender of the relevant Individual Note Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of any Transfer Agent or the Registrar. However, a Registered Note may not be transferred unless (i) the principal amount of Registered Notes proposed to be transferred and (ii) the principal amount of the balance of Registered Notes to be retained by the relevant transferor are, in each case, Specified Denominations. In the case of a transfer of part only of a holding of Registered Notes represented by an Individual Note Certificate, a new Individual Note Certificate in respect of the balance not transferred will be issued to the transferor within three Business Days (in the place of the specified office of the Transfer Agent or the Registrar) of receipt of such form of transfer.

(c) *Delivery of New Individual Note Certificates*

Each new Individual Note Certificate to be issued upon exchange of Bearer Notes or transfer of Registered Notes will, within three Business Days (in the place of the specified office of the Transfer Agent or the Registrar) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or the Registrar stipulated in the request for exchange or form of transfer, or be mailed at the risk of the Noteholder entitled to the Individual Note Certificate to such address as may be specified in such request for exchange or form of transfer. For these purposes, a form of transfer or request for exchange received by the Registrar after the Record Date (as defined below) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar until the Business Day (as defined below) following the due date for such payment.

(d) *Exchange at the Expense of Transferor Noteholder*

Registration of Notes on exchange or transfer will be effected at the expense of the transferor Noteholder by or on behalf of the Issuer, the Transfer Agent or the Registrar, and upon payment of (or the giving of such indemnity as the Transfer Agent or the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

(e) *Closed Periods*

No transfer of a Registered Note may be registered, nor may any exchange of a Bearer Note for a Registered Note occur during the period of 15 days ending on the due date for any payment of principal, interest, Interest Amount (as defined below) or Redemption Amount (as defined below) on that Note.

(f) *Regulations Concerning the Transfer of Registered Notes*

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Principal Paying Agent, the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3. STATUS OF NOTES

(a) *Status of the Notes*

The Notes, Coupons, Talons and Receipts (if any) are direct and unconditional obligations of the Issuer, are secured in the manner described in Condition 4 (*Security, Priority and Relationship with Issuer Secured Creditors*) and rank *pari passu* without any preference among themselves.

(b) *Note Trustee not responsible for monitoring compliance*

The Note Trustee shall not be responsible for monitoring compliance by the Issuer with any of its obligations under the Issuer Transaction Documents except by means of receipt of a certificate from the Issuer which will state, among other things, that no Note Event of Default is outstanding. The Note Trustee shall be entitled to rely on such certificates absolutely. The Note Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under the Issuer Transaction Documents. The Note Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any one director of the Issuer, the Covenantors (or any of them) or any other party to any Issuer Transaction Document to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Note Trustee may require to be satisfied. The Note Trustee is in no way bound to call for further evidence or be responsible to any person for any loss that may be occasioned by acting on any such certificate although the same may contain some error or is not authentic. The Note Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

4. SECURITY, PRIORITY AND RELATIONSHIP WITH ISSUER SECURED CREDITORS

(a) *Security*

As continuing security for the payment or discharge of the Issuer Secured Liabilities (including all moneys payable in respect of the Notes, Coupons and Receipts and otherwise under the Note Trust Deed, the Issuer Deed of Charge and any deed or other document executed in accordance with the Note Trust Deed or the Issuer Deed of Charge and expressed to be supplemental to the Note Trust Deed or the Issuer Deed of Charge (as applicable) (the “**Trust Documents**”) (including the remuneration, expenses and other claims of the Issuer Security Trustee and any Receiver appointed under the Issuer Deed of Charge), the Issuer has entered in to the Issuer Deed of Charge to create as far as permitted by and subject to compliance with any applicable law, the following security (together with the Parent Note Security (as defined below), the “**Issuer Security**”) in favour of the Issuer Security Trustee for itself and on trust for the other Issuer Secured Creditors:

- (i) an assignment by way of first fixed security of the Benefit of the Issuer under the Finance Documents to which it is a party;
- (ii) an assignment by way of first fixed security of the Benefit of the Issuer under each Issuer Transaction Document (other than the Trust Documents);
- (iii) a first fixed charge of the Benefit of the bank accounts of the Issuer (including any non-sterling account and for the benefit of the holders of the Note issued at the Initial Issue Date only, the Prefunding Account) pursuant to or in accordance with any Issuer Transaction Document including any sub-account or sub-accounts relating to that account and any replacement account from time to time (together, the “**Issuer Accounts**”) and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit;

- (iv) a first fixed charge of the Benefit of each Authorised Investment of the Issuer; and
- (v) a floating charge over the whole of the Issuer's undertaking, assets, property and rights whatsoever and wheresoever situated, present and future, including the Issuer's uncalled capital.

In addition ABPAH has entered into the Issuer Deed of Charge to create a first fixed charge over all of the shares in the Issuer and related rights (the "**Parent Note Security**") as continuing security for the payment or discharge of the Issuer Secured Liabilities.

All Notes issued by the Issuer under the Programme will share in the Issuer Security and Parent Note Security constituted by the Issuer Deed of Charge, upon and subject to the terms thereof.

(b) ***Relationship among Noteholders and with other Issuer Secured Creditors***

The Note Trust Deed contains provisions detailing the Note Trustee's obligations to consider the interests of Noteholders as regards all discretions of the Note Trustee (except where expressly provided or otherwise referred to in Condition 16 (*Note Trustee Protections*)).

(c) ***Enforceable Security***

In the event of the Issuer Security becoming enforceable as provided in the Issuer Deed of Charge, the Issuer Security Trustee shall, if instructed by the Note Trustee (acting on the instructions of the holders of the Notes then outstanding in accordance with the terms of the Note Trust Deed), enforce its rights with respect to the Issuer Security but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any particular Noteholder, provided that the Issuer Security Trustee shall not be obliged to take any action unless it is indemnified and/or secured to its satisfaction.

(d) ***Application After Enforcement***

After enforcement of the Issuer Security, the Issuer Security Trustee shall (to the extent that such funds are available) use funds standing to the credit of the Issuer Accounts to make payments in accordance with the Issuer Post-Enforcement Priority of Payments (as set out in the Issuer Deed of Charge).

(e) ***Issuer Security Trustee not liable for security***

The Issuer Security Trustee will not be liable for any failure to make the usual investigations or any investigations which might be made by a security holder in relation to the property which is the subject of the Issuer Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Issuer or ABPAH to the Issuer Security, whether such defect or failure was known to the Issuer Security Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the enforceability of the Issuer Security created under the Issuer Deed of Charge whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Issuer Security or otherwise. The Issuer Security Trustee shall have no responsibility for the value of any such Issuer Security.

5. **ISSUER COVENANTS**

So long as any of the Notes remains outstanding, the Issuer has agreed to comply with the covenants as set out in schedule 2 (*Issuer Covenants*) of the Note Trust Deed.

The Note Trustee shall be entitled to rely absolutely on a certificate of any director of the Issuer in relation to any matter relating to such covenants and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter stated in such certificate.

6. INTEREST AND OTHER CALCULATIONS

(a) *Interest Rate and Accrual*

Each Note (unless specified in the relevant Final Terms or relevant Drawdown Prospectus to be a Zero Coupon Note) bears interest on its Principal Amount Outstanding as defined below (or as otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus) from the Interest Commencement Date (as defined below) at the Interest Rate (as defined below), such interest being payable in arrear (unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus) on each Interest Payment Date (as defined below).

Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Interest Rate that would otherwise apply in respect of unpaid amounts on such Notes at such time to the Note Relevant Date (as defined in Condition 6(i) (*Definitions*)).

If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Final Terms or relevant Drawdown Prospectus, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified, as the case may be.

(b) *Business Day Convention*

If any date referred to in these Conditions or the relevant Final Terms or relevant Drawdown Prospectus is specified to be subject to adjustment in accordance with a Business Day Convention and would otherwise fall on a day which is not a Business Day (as defined below), then if the Business Day Convention specified in the relevant Final Terms or relevant Drawdown Prospectus is:

- (i) the “**Following Business Day Convention**”, such date shall be postponed to the next day which is a Business Day;
- (ii) the “**Modified Following Business Day Convention**”, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (iii) the “**Preceding Business Day Convention**”, such date shall be brought forward to the immediately preceding Business Day.

(c) *Floating Rate Notes*

This Condition 6(c) is applicable only if the relevant Final Terms or relevant Drawdown Prospectus specify the Notes as Floating Rate Notes.

If “**Screen Rate Determination**” is specified in the relevant Final Terms or relevant Drawdown Prospectus as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be determined by the Agent Bank (or the Calculation Agent, if applicable) on the following basis:

- (i) if the Page (as defined below) displays a rate which is a composite quotation or customarily supplied by one entity, the Agent Bank (or the Calculation Agent, if applicable) will determine the Relevant Rate (as defined in Condition 6(i) (*Definitions*));
- (ii) in any other case, the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the Relevant Rates (as defined below) which appear on the Page as of the Relevant Time (as defined below) on the relevant Interest Determination Date;

- (iii) if, in the case of (i) above, such rate does not appear on that Page or, in the case of (ii) above, fewer than two such rates appear on that Page or if, in either case, the Page is unavailable, the Agent Bank (or the Calculation Agent, if applicable) will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks (as defined in Condition 6(i) (*Definitions*)) to provide a quotation of the Relevant Rate at approximately the Relevant Time on the relevant Interest Determination Date to prime banks in the Relevant Financial Centre (as defined below) interbank market (or, if appropriate, money market) in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested in Condition 6(c)(iii), the Agent Bank (or the Calculation Agent, if applicable) will determine the arithmetic mean of the rates (being the rates nearest to the Relevant Rate as determined by the Agent Bank (or the Calculation Agent, if applicable)) quoted by the Reference Banks at approximately 11.00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the relevant Interest Determination Date (as defined in Condition 6(i) (*Definitions*)) for loans in the Relevant Currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount (as defined in Condition 6(i) (*Definitions*)),

and the Interest Rate for such Interest Period shall be the sum of the rate or (as the case may be) the arithmetic mean so determined and (a) for any Interest Period that ends on or before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate. However, if the Agent Bank or the Calculation Agent (as applicable) is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

If “**ISDA Determination**” is specified in the relevant Final Terms or relevant Drawdown Prospectus as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Notes for each Interest Period will be the sum of the ISDA Rate and (a) for any Interest Period that ends on or before the Scheduled Redemption Date, the Margin and (b) for any Interest Period that ends after the Scheduled Redemption Date, the Margin and the Step-Up Floating Fee Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Agent Bank (or the Calculation Agent, if applicable) under an interest rate swap transaction if the Agent Bank (or the Calculation Agent, if applicable) were acting as calculation agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms or relevant Drawdown Prospectus;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is the Specified Duration (as defined in Condition 6(i) (*Definitions*)); and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period, (2) if the relevant Floating Rate Option is based on EURIBOR, the first day of that Interest Period or (3) in any other case, as specified in the relevant Final Terms or relevant Drawdown Prospectus.

(d) **Fixed Rate Notes**

This Condition 6(d) is applicable only if the relevant Final Terms or relevant Drawdown Prospectus specify the Notes as Fixed Rate Notes.

Subject to the next paragraph, the Interest Rate applicable to the Notes for each Interest Period will be the rate specified in the relevant Final Terms or relevant Drawdown Prospectus.

The Interest Rate applicable to the Notes for each Interest Period from (and including) the Scheduled Redemption Date will be a floating rate equal to the sum of (a) the rate determined in accordance with Condition 6(c) (*Floating Rate Notes*) if that Condition otherwise applied and (b) the Step-Up Fixed Fee Rate.

(e) ***Indexed Notes***

This Condition 6(e) is applicable only if the relevant Final Terms or relevant Drawdown Prospectus specify the Notes as Indexed Notes.

Payments of principal on, and the interest payable in respect of, the Notes will be subject to adjustment for indexation and to the extent set out in Condition 7(b) (*Application of the Index Ratio*).

Subject to the next paragraph, the Interest Rate applicable to the Notes for each Interest Period will be the rate specified in the relevant Final Terms or relevant Drawdown Prospectus.

The Interest Rate applicable to the Notes for each Interest Period from (and including) the Scheduled Redemption Date will be a floating rate equal to the sum of (a) the arithmetic mean rate determined in accordance with Condition 6(c) (*Floating Rate Notes*) if that Condition otherwise applied and (b) the Step-Up Fixed Fee Rate.

(f) ***Rounding***

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, “unit” means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(g) ***Calculations***

The amount of interest payable in respect of any Note for each Interest Period shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount (as defined in Condition 6(i) (*Definitions*)) and, in the case of Indexed Notes only, adjusted according to the indexation set out in Condition 7(b) (*Application of the Index Ratio*), unless an Interest Amount is specified in respect of such period in the relevant Final Terms or relevant Drawdown Prospectus, in which case the amount of interest payable in respect of such Note for such Interest Period will equal such Interest Amount.

(h) ***Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts***

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Agent Bank (or the Calculation Agent, if applicable) may be required to calculate any Redemption Amount or the amount of an instalment of scheduled principal (an

“**Instalment Amount**”), obtain any quote or make any determination or calculation, the Agent Bank (or the Calculation Agent, if applicable) will determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Specified Denomination of Notes for the relevant Interest Period (including, for the avoidance of doubt any applicable Index Ratio to be calculated in accordance with Condition 7(b) (*Application of the Index Ratio*), calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount, Principal Amount Outstanding or any Instalment Amount to be notified to, in the case of Bearer Notes, the Paying Agents or in the case of Registered Notes, the Registrar, and, in each case, the Note Trustee, the Issuer, the Noteholders and the Stock Exchange and each other listing authority, stock exchange and/or quotation system by which the relevant Notes have then been admitted to listing, trading and/or quotation as soon as possible after its determination but in no event later than (i) (in case of notification to the Stock Exchange and each other listing authority, stock exchange and/or quotation system by which the relevant Notes have then been admitted to listing, trading and/or quotation) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Notes are for the time being listed or by which they have been admitted to listing, to the Principal Paying Agent, the Note Trustee and to the Noteholders in accordance with Condition 17 (*Notices*). If the Notes become due and payable under Condition 11 (*Note Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously provided in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless otherwise required by the Note Trustee. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Agent Bank (or the Calculation Agent, if applicable) or, as the case may be, the Note Trustee pursuant to this Condition 6 or Condition 7 (*Indexation*), shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

“**Business Day**” means:

- (i) 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 each (if any) additional city or cities specified in the relevant Final Terms or relevant Drawdown Prospectus; and
- (ii) 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, in the principal financial centre of the Relevant Currency (which in the case of a payment in U.S. Dollars shall be New York) and in each (if any) additional city or cities specified in the relevant Final Terms or relevant Drawdown Prospectus;

“**Note Relevant Date**” means, in respect of any Tranche of the Notes, the earlier of (a) the date on which all amounts in respect of the Notes have been paid, and (b) five days after the date on which all of the Principal Amount Outstanding (adjusted in the case of Indexed Notes in accordance with Condition 7(b) (*Application of Index Ratio*)) 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 Noteholders in accordance with Condition 17 (*Notice*);

“**Calculation Amount**” means the amount specified as such in the relevant Final Terms or relevant Drawdown Prospectus;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual (ICMA)**” is specified:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (a) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (b) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date;

- (ii) if “**Actual/365**” or “**Actual/Actual**” is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366, and (2) the actual number of days in that portion of the Calculation Period falling in a non leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is specified, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Note Basis**” is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months (unless (1) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30 day month, or (2) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month)); and
- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month);

“**euro**” means the single currency introduced at the start of the third stage of the European Economic Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended;

“Final Maturity Date” means the date specified in the relevant Final Terms or relevant Drawdown Prospectus as the final date on which the principal amount of the Note is due and payable;

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Final Terms or relevant Drawdown Prospectus;

“Interest Determination Date” means, with respect to an Interest Rate and an Interest Period, the date specified as such in the relevant Final Terms or relevant Drawdown Prospectus or, if none is so specified, the day falling two Business Days in London prior to the first day of such Interest Period (or if the specified currency is sterling the first day of such Interest Period) as adjusted in accordance with any Business Day Convention (as defined above) specified in the relevant Final Terms or relevant Drawdown Prospectus;

“Interest Payment Date” means the date(s) specified as such in the relevant Final Terms or relevant Drawdown Prospectus;

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“Interest Rate” means the rate of interest payable from time to time in respect of the Notes and which is either specified as such in, or calculated in accordance with the provisions of, these Conditions and/or the relevant Final Terms or relevant Drawdown Prospectus;

“ISDA Definitions” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Notes as published by the International Swaps and Derivatives Association, Inc.);

“Issue Date” means the date specified as such in the relevant Final Terms or relevant Drawdown Prospectus;

“Margin” means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or relevant Drawdown Prospectus;

“Page” means such page, section, caption, column or other part of a particular information service (including the Reuters Money 3000 Service (“**Reuters**”)) as may be specified in the relevant Final Terms or relevant Drawdown Prospectus, or such other page, section, caption, column or other part as may replace the same on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying comparable rates or prices;

“Participating Member State” means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty establishing the European Communities (as amended), and **“Participating Member States”** means all of them;

“Principal Amount Outstanding” means, in relation to a Note, the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Note;

“Redemption Amount” means the amount provided under Condition 8(d) (*Optional Redemption*), unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus;

“Reference Banks” means the institutions specified as such or, if none, four major banks selected by the Agent Bank (or the Calculation Agent, if applicable) in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate as determined by the Agent Bank (or the Calculation Agent, if applicable), on behalf of the Issuer, in its sole and absolute discretion;

“Relevant Currency” means the currency specified as such or, if none is specified, the currency in which the Notes are denominated;

“Relevant Financial Centre” means, with respect to any Note, the financial centre specified as such in the relevant Final Terms or relevant Drawdown Prospectus or, if none is so specified, the financial centre

with which the Relevant Rate is most closely connected as determined by the Agent Bank (or the Calculation Agent, if applicable);

“**Relevant Rate**” means the offered rate for a Representative Amount of the Relevant Currency for a period (if applicable) equal to the Specified Duration (or such other rate as shall be specified in the relevant Final Terms or relevant Drawdown Prospectus);

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or relevant Drawdown Prospectus or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“**Representative Amount**” means, with respect to any rate to be determined on an Interest Determination Date, the amount specified in the relevant Final Terms or relevant Drawdown Prospectus as such or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

“**Scheduled Redemption Date**” has the meaning given to it in the applicable Final Terms or applicable Drawdown Prospectus;

“**Specified Duration**” means, with respect to any Floating Rate (as defined in the ISDA Definitions) to be determined on an Interest Determination Date, the period or duration specified as such in the relevant Final Terms or relevant Drawdown Prospectus or, if none is specified, a period of time equal to the relative Interest Period;

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

“**Stock Exchange**” means the Irish Stock Exchange Limited;

“**sub-unit**” means in the case of any currency, the lowest amount of such currency that was available as legal tender in the country of such currency;

“**TARGET Settlement Day**” means any day on which the TARGET system is open; and

“**TARGET system**” means the Trans European Automated Real Time Gross Settlement Express Transfer system (TARGET2).

(j) ***Agent Bank, Calculation Agent and Reference Banks***

The Issuer will procure that there shall at all times be an Agent Bank (and a Calculation Agent, if applicable) and four Reference Banks selected by the Issuer acting through the Agent Bank (or the Calculation Agent, if applicable) with offices in the Relevant Financial Centre if provision is made for them in these Conditions applicable to this Note and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer acting through the Agent Bank (or the Calculation Agent, if applicable) will select another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Agent Bank (or the Calculation Agent, if applicable) is unable or unwilling to act as such or if the Agent Bank (or the Calculation Agent, if applicable) fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint (with the prior written consent of the Note Trustee) a successor to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

(k) ***Determination or Calculation by Note Trustee***

If the Agent Bank (or the Calculation Agent, if applicable) does not at any time for any reason determine any Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or any other amount to be determined or calculated by it, the Note Trustee shall (without liability to any person for so doing) determine such Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Note Trust Deed) it shall deem fair and reasonable in all the circumstances or, subject as aforesaid, apply the foregoing provisions of this Condition, with any consequential amendments, to the extent that, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Agent Bank (or the Calculation Agent, if applicable).

(l) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 6 (*Interest and Other Calculations*) whether by the Principal Paying Agent or the Agent Bank (or the Calculation Agent, if applicable) shall (in the absence of wilful default, gross negligence, bad faith or manifest error) be binding on the Issuer, each Covenantor, the Agent Bank, the Note Trustee, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covenantors, the Note Trustee, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Agent Bank or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

7. **INDEXATION**

This Condition 7 is applicable only if the relevant Final Terms or relevant Drawdown Prospectus specify the Notes as Indexed Notes.

(a) ***Definitions***

“**affiliate**” means in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls directly or indirectly, that person or any entity, directly or indirectly under common control with that person and, for this purpose, “control” means control as defined in the Companies Act 2006;

“**Base Index Figure**” means (subject to Condition 7(c)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms or relevant Drawdown Prospectus;

“**Index**” or “**Index Figure**” means, subject as provided in Condition 7(c)(i) (*Change in base*), the UK Retail Price Index (RPI) (for all items) published by the Central Statistical Office and available to view at www.statistics.gov.uk (January 1987 = 100) or any comparable index which may replace the UK Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Any reference to the Index Figure:

- (i) applicable to a particular month shall, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and (e) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication;
- (ii) applicable to the first calendar day of any month shall, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and (e) (*Cessation of or Fundamental Changes to the Index*), be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (iii) applicable to any other day in any month shall, subject as provided in Condition 7(c) (*Changes in Circumstances Affecting the Index*) and (e) (*Cessation of or Fundamental Changes to the Index*), be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar

day of the month in which the day falls, calculated as specified in sub-paragraph (ii) above, and (y) the Index Figure applicable to the first calendar day of the following month, calculated as specified in sub-paragraph (ii) above, and rounded in accordance with Condition 6(f) (*Rounding*).

If the Index is replaced, the Issuer will describe the replacement Index in a supplementary Base Prospectus;

“**Index Ratio**” applicable to any month means the Index Figure applicable to such month divided by the Base Index Figure;

“**Limited Index Ratio**” means (a) in respect of any month prior to the relevant Issue Date, the Index Ratio for that month; (b) in respect of any Limited Indexation Month after the relevant Issue Date, the product of the Limited Indexation Factor for that month and the Limited Index Ratio as previously calculated in respect of the month twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

“**Limited Indexation Factor**” means, in respect of a Limited Indexation Month, the ratio of the Index Figure applicable to that month divided by the Index Figure applicable to the month twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms or relevant Drawdown Prospectus, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms or relevant Drawdown Prospectus, it shall be deemed to be equal to such Minimum Indexation Factor;

“**Limited Indexation Month**” means any month specified in the relevant Final Terms or relevant Drawdown Prospectus for which a Limited Indexation Factor is to be calculated;

“**Limited Indexed Notes**” means Indexed Notes to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms or relevant Drawdown Prospectus) applies; and

“**Reference Gilt**” means the United Kingdom Treasury Stock specified as such in the relevant Final Terms or relevant Drawdown Prospectus, for so long as such stock is in issue, as the benchmark gilt the maturity of which most closely matches the average life of the relevant Indexed Notes, and thereafter such issue of index linked United Kingdom Treasury Stock determined to be appropriate by a gilt edged market maker or other adviser selected by the Issuer and approved by the Note Trustee (an “**Indexation Adviser**”).

(b) ***Application of the Index Ratio***

Each payment of interest and principal in respect of the Notes shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Indexed Notes applicable to the month in which such payment falls to be made and rounded in accordance with Condition (f) (*Rounding*).

(c) ***Changes in Circumstances Affecting the Index***

(i) ***Change in base:*** If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the calendar month from and including that in which such substitution takes effect (1) the definition of “**Index**” and “**Index Figure**” in Condition 7(a) (*Definitions*) shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the then existing Base Index Figure and the Index Figure immediately following such substitution, divided by the Index Figure immediately prior to such substitution.

(ii) ***Delay in publication of Index:*** If the Index Figure relating to any month (the “**relevant month**”) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth Business Day before the date on which such payment is due (the “**date for payment**”) (otherwise than because the Index has ceased to be published), the Index Figure applicable to the

relevant month shall be (1) such substitute index figure (if any) as the Note Trustee considers to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK government for such purpose) for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index linked United Kingdom Treasury Stock selected by an Indexation Adviser (and approved by the Note Trustee); or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7(c)(ii) (1)) before the date for payment.

(d) ***Application of Changes***

Where the provisions of Condition 7(c)(ii) (*Delay in publication of Index*) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7(c)(ii)(2), the Index Figure relating to the relevant month is subsequently published while a Note is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Note other than upon final redemption of such Note, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced by an amount equal to (respectively) the shortfall or excess of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7(c)(ii)(2), below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth Business Day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

(e) ***Cessation of or Fundamental Changes to the Index***

- (i) If (1) the Note Trustee has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the Index has ceased to be published or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change which would, in the opinion of the Note Trustee acting solely on the advice of an Indexation Adviser, be materially prejudicial to the interests of the Noteholders, the Note Trustee will give written notice of such occurrence to the Issuer, and the Issuer and the Note Trustee together shall seek to agree for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Noteholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
- (ii) If the Issuer and the Note Trustee fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in paragraph (i), a bank or other person in London shall be appointed by the Issuer and the Note Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 Business Day period referred to above, by the Note Trustee (in each case, such bank or other person so appointed being referred to as the “**Expert**”), to determine for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Noteholders in no better and no worse position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Note Trustee in connection with such appointment shall be borne by the Issuer.
- (iii) If any payment in respect of the Notes is due to be made after the cessation or changes referred to in Condition 7(e)(i) but before any such adjustment to, or replacement of, the

Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the relevant month is not available in accordance with the provisions of Condition 7(c)(i) (*Change in base*) above) make a provisional payment on the basis that the Index Figure applicable to the month in which such payment is due to be made is the Index Figure last published. In that event, or in the event of any payment (also referred to below as a “**provisional payment**”) on the Notes having been made on the basis of an Index applicable under Condition 7(c)(ii) (1) and the Note Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 7(e) (*Cessation of or Fundamental Changes to the Index*), then:

- (A) in relation to a payment of principal or interest in respect of the Notes other than upon final redemption of such Note, if the sum which would have been payable if such adjustment of substitute index had been in effect on the due date for such payment is greater or less than the amount of such provisional payment, the Interest Amount payable on the Notes on the Interest Payment Date next succeeding the date on which such adjustment or substitute index becomes effective shall be increased or reduced to reflect the amount by which such provisional payment fell short of, or (as the case may be) exceeded, the sum which would have been paid on the Notes if such adjustment or substituted index had been in effect on that date; or
 - (B) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.
- (iv) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Note Trustee or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Note Trustee and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the other Issuer Secured Creditors, the Note Trustee and the Noteholders, and the Issuer shall give notice to the Noteholders in accordance with Condition 17 (*Notices*) of such amendments as promptly as practicable following such notification.

8. REDEMPTION, PURCHASE AND CANCELLATION

(a) *Scheduled Redemption*

Unless previously redeemed in full, or purchased and cancelled as provided below, or unless such Note is stated in the relevant Final Terms or relevant Drawdown Prospectus as having no fixed maturity date, the Notes will be redeemed on the Scheduled Redemption Date as follows and to the following extent:

- (i) if, by the Scheduled Redemption Date, the Issuer has received repayment of the related advance (in accordance with the provisions of the relevant Issuer Borrower Loan Agreement) of a principal amount equal to the Principal Amount Outstanding (in the case of Indexed Notes as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)), then the Notes will be redeemed in full (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross-Currency Hedging Agreement, if such a Cross-Currency Hedging Agreement has been entered into); and
- (ii) if, by the Scheduled Redemption Date, the Issuer has received repayment of the related advance (in accordance with the provisions of the relevant Issuer Borrower Loan Agreement) of a principal amount less than the Principal Amount Outstanding (in the case of Indexed Notes as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)), then the Notes will be redeemed pro rata in part to the extent of the amount which is so deposited (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross-Currency Hedging Agreement, if such a Cross-Currency Hedging Agreement has been entered into).

If the Notes are not redeemed in full by the Scheduled Redemption Date, then on each Interest Payment Date which thereafter occurs, the Notes will be redeemed in full or, as the case may be, pro rata in part to the extent of the principal amount (after exchange of such principal amount to the relevant currency pursuant to the relevant Cross-Currency Hedging Agreement, if such a Cross-Currency Hedging Agreement has been entered into or, if there is no longer a Cross-Currency Hedging Agreement in place and the Notes are denominated in a currency other than the currency of the related advance, at a spot rate of exchange) which, if any, is received by the Issuer in repayment of the related advance(s) (in accordance with the provisions of the relevant Issuer Borrower Loan Agreements) until the earlier of (a) such time as the Notes are redeemed in full or (b) the Final Maturity Date specified in the relevant Final Terms or relevant Drawdown Prospectus for the Notes.

(b) ***Final Redemption***

If the Notes have not previously been redeemed in full, or purchased and cancelled, the Notes will be finally redeemed at the then Principal Amount Outstanding (in the case of Indexed Notes as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)) plus accrued but unpaid interest on the Final Maturity Date specified in the relevant Final Terms or relevant Drawdown Prospectus.

(c) ***Redemption of Zero Coupon Notes after Scheduled Redemption Date***

If the relevant Final Terms or relevant Drawdown Prospectus specifies that there is a Scheduled Redemption Date for the Notes, the Redemption Amount payable upon redemption of a Zero Coupon Note at any time after the Scheduled Redemption Date shall be an amount equal to the sum of:

- (i) the Redemption Amount that would have been payable if the Note had been redeemed on the Scheduled Redemption Date; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to such amount from (and including) the Scheduled Redemption Date to (but excluding) the date of redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms or Drawdown Prospectus for the purposes of Condition 8(k) (*Cancellation*) or, if none is so specified, a Day Count Fraction of 30/360.

In these Conditions, “**Accrual Yield**” has the meaning given to it in the relevant Final Terms or relevant Drawdown Prospectus.

(d) ***Optional Redemption***

Subject as provided below, upon giving not more than 15 nor less than 5 Business Days’ prior written notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders, the Issuer may (prior to the Final Maturity Date) redeem the Notes in whole or in part (but on a pro rata basis only) at their Redemption Amount, provided that the Notes may be redeemed only on an Interest Payment Date, as follows:

- (i) In respect of Fixed Rate Notes denominated in Sterling, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus, be an amount equal to the higher of (i) their Principal Amount Outstanding and (ii) the price determined to be appropriate by a financial adviser in London (selected by the Issuer and approved by the Note Trustee) as being the price at which the Gross Redemption Yield (as defined below) on such Notes on the Reference Date (as defined below) is equal to the Gross Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt (as defined below) while that stock is in issue, and thereafter such UK government stock as the Issuer may, with the advice of three persons operating in the gilt edged market (selected by the Issuer and approved by the Note

Trustee) determine to be appropriate, plus accrued but unpaid interest on the Principal Amount Outstanding.

For the purposes of this Condition 8(d)(i), “**Gross Redemption Yield**” means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the UK Debt Management Office publication “Formulae for Calculating Gilt Prices from Yields” published on 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002, page 5 or any replacement therefor and, for the purposes of such calculation, the date of redemption of the relevant Fixed Rate Notes shall be assumed to be the Scheduled Redemption Date and not Final Maturity Date; “**Reference Date**” means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(d)(i); and “**Reference Gilt**” means the Treasury Stock specified in the relevant Final Terms or relevant Drawdown Prospectus.

- (ii) In respect of Floating Rate Notes, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus, be the Principal Amount Outstanding plus any premium for early redemption in certain years (as specified in the relevant Final Terms or relevant Drawdown Prospectus) plus any accrued but unpaid interest on the Principal Amount Outstanding.
- (iii) In respect of Indexed Notes denominated in Sterling, the Redemption Amount will (unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus) be the higher of (i) the Principal Amount Outstanding and (ii) the price determined to be appropriate (without any additional indexation beyond the implicit indexation in such determined price) by a financial adviser in London (selected by the Issuer and approved by the Note Trustee) as being the price at which the Gross Real Redemption Yield (as defined below) on the Notes on the Reference Date (as defined below) is equal to the Gross Real Redemption Yield at 3:00 p.m. (London time) on the Reference Date on the Reference Gilt while that stock is in issue, and thereafter such UK government stock as the Issuer may, with the advice of three persons operating in the gilt edged market, (selected by the Issuer and approved by the Note Trustee), determine to be appropriate, plus accrued but unpaid interest (as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)) on the Principal Amount Outstanding.

For the purposes of this Condition 8(d)(iii), “**Gross Real Redemption Yield**” means a yield expressed as a percentage and calculated on a basis consistent with the basis indicated by the United Kingdom Debt Management Office publication “Formulae for Calculating Gilt Prices from Yields” published on 8 June 1998 with effect from 1 November 1998 and updated on 15 January 2002, page 4 or any replacement therefor, and, for the purposes of such calculation, the date of redemption of the relevant Indexed Notes shall be assumed to be Scheduled Redemption Date and not the Final Maturity Date; “**Reference Date**” means the date which is two Business Days prior to the despatch of the notice of redemption under this Condition 8(d)(iii); and “**Reference Gilt**” means the Treasury Stock specified in the relevant Final Terms or relevant Drawdown Prospectus.

- (iv) In respect of Fixed Rate Notes denominated in euro, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus, be an amount equal to the sum of accrued interest and the higher of (i) the Par Amount and (ii) the present value at the Reference Date (as defined below) of (A) their Principal Amount Outstanding plus (B) all required interest payments due on the Notes (excluding accrued but unpaid interest to the date on which the Notes are to be redeemed (the “**Redemption Date**”)), computed using a discount rate equal to the Bund Rate as of the Reference Date and assuming the relevant Fixed Rate Notes would otherwise have been redeemed on the Scheduled Redemption Date, plus, in either case, accrued but unpaid interest to the Redemption Date.

“**Par Amount**” means the Principal Amount Outstanding (in respect of Condition 8(g) (*Early Redemption following a Default*)) or the amount by which the Principal Amount Outstanding is to be reduced (in respect of any other redemption).

For the purposes of this Condition 8(d)(iv), “**Bund Rate**” means, with respect to any Reference Date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price on such date of determination; “**Comparable German Bund Issue**” means the German Bundesanleihe security specified in the relevant Final Terms or relevant Drawdown Prospectus or, if no such security is specified or the specified security is no longer in issue, the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such Reference Date to the Scheduled Redemption Date and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then Principal Amount Outstanding of the Notes and of a maturity most nearly equal to the Scheduled Redemption Date provided, however, that if the period from such Redemption Date to the Scheduled Redemption Date is less than one year, a fixed maturity of one year shall be used; “**Comparable German Bund Price**” means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations or, if the Financial Adviser obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; “**Financial Adviser**” means a financial adviser in Frankfurt (selected by the Issuer and approved by the Note Trustee); “**Reference Date**” means the date which is three Business Days prior to the dispatch of the notice of redemption under this Condition 8(d)(iv); “**Reference German Bund Dealer**” means any dealer of German Bundesanleihe securities appointed by the Financial Adviser; and “**Reference German Bund Dealer Quotations**” means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Financial Adviser of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference German Bund Dealer at or about 3:30 p.m. (Frankfurt, Germany time) on the Reference Date.

(v) In respect of Fixed Rate Notes denominated in U.S. dollars, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus, be an amount equal to, the sum of the Principal Amount Outstanding, the accrued but unpaid interest on the Principal Amount Outstanding, plus the greater of (a) one per cent. of the Principal Amount Outstanding and (b) the excess of: (i) the present value at such Optional Redemption Date (as defined in the Final Terms or Drawdown Prospectus) of the redemption price of the Notes at the Scheduled Redemption Date, plus all required interest payments, that would otherwise be due to be paid on the Notes during the period between such Optional Redemption Date and the Scheduled Redemption Date, excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury Rate (as defined below) at such Optional Redemption Date plus 50 basis points, over (ii) the Principal Amount Outstanding on such Optional Redemption Date.

“**Treasury Rate**” means, with respect to any Optional Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Scheduled Redemption Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a

percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date, where:

“**Comparable Treasury Issue**” means the United States Treasury security specified in the relevant Final Terms or relevant Drawdown Prospectus or, if no such security is specified the United States Treasury security selected by any Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes from the Optional Redemption Date to the Scheduled Redemption Date, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the Scheduled Redemption Date;

“**Comparable Treasury Price**” means, with respect to any redemption date, if clause (ii) of the definition of “Treasury Rate” is applicable, the average of all Reference Treasury Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference Treasury Dealer Quotations, or if the Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations;

“**Federal Reserve System**” means the central banking system of the United States;

“**Reference Treasury Dealer**” means any primary U.S. government securities dealer appointed by the Issuer; and

“**Reference Treasury Dealer Quotations**” means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such redemption date.

In any such case, prior to giving any such notice, the Issuer must certify (as further specified in the Finance Documents) to the Note Trustee that it will have the funds, not subject to any interest (other than under the Issuer Security) of any other person, required to redeem the Notes as aforesaid and the Note Trustee shall be entitled to rely on such certificate without liability to any person.

In the case of a partial redemption of a Tranche of Notes represented by a Global Note (as defined in the Note Trust Deed) pursuant to this Condition, the Notes to be redeemed (the “**Redeemed Notes**”) will be selected in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Notes in definitive form, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 days (or such shorter period as is specified in the applicable Final Terms or applicable Drawdown Prospectus) prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8(d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least five days (or such shorter period as is specified in the applicable Final Terms or applicable Drawdown Prospectus) prior to the Selection Date.

(e) ***Redemption for Index Event, Taxation or Other Reasons***

- (i) ***Redemption for Index Events:*** Upon the occurrence of any Index Event (as defined below), the Issuer may, upon giving not more than 15 nor less than 5 Business Days’ prior written notice to the Note Trustee, the Issuer Secured Creditors and the holders of the Indexed Notes in accordance with Condition 17 (*Notices*), redeem all (but not some

only) of the Indexed Notes of all Series of Notes on any Interest Payment Date at the Principal Amount Outstanding (adjusted in accordance with Condition 7(b) (*Application of Index Ratio*)) plus accrued but unpaid interest. No single Series of Indexed Notes may be redeemed in these circumstances unless all the other Series of Indexed Notes linked to the same underlying Index are also redeemed at the same time. Before giving any such notice, the Issuer shall provide to the Note Trustee and the Issuer Secured Creditors a certificate signed by an authorised signatory (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption.

“**Index Event**” means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7(c)(ii) (*Delay in publication of Index*) and the Note Trustee has been notified by the Principal Paying Agent that publication of the Index has ceased or (ii) notice is published by Her Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to the Issuer and such circumstances are continuing.

- (ii) *Redemption for Taxation Reasons:* In addition, if at any time the Issuer satisfies the Note Trustee, (a) that the Issuer would become obliged to deduct or withhold from any payment of interest or principal in respect of the Notes (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the laws or regulations of the UK or any political subdivision thereof, or any other authority thereof by reason of any change in or amendment to such laws or regulations or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) (“**Taxes**”), (b) that the Issuer or ABPA would on the next Interest Payment Date be required to make any withholding or deduction for or on account of any Taxes from payments in respect of an Issuer Borrower Loan Agreement; (c) that the Issuer or an Issuer Hedge Counterparty would be required to make any withholding or deduction for or on account of any Taxes from payments in respect of an Issuer Hedging Agreement; or (d) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Initial Issue Date that it has or will become unlawful for the Issuer to perform any of its obligations under the Issuer Borrower Loan Agreements or to fund or to maintain its participation in the IBLA Loans, then the Issuer may, in order to avoid the relevant deductions, withholding or illegality but is not obliged to, (i) use its reasonable endeavours to arrange the substitution of a company incorporated under the laws of another jurisdiction approved by the Note Trustee as principal debtor under the Notes and as lender under the Issuer Borrower Loan Agreements upon satisfying the conditions for substitution of the Issuer as set out in Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*) or (ii) convert any Bearer Notes into Registered Notes in accordance with Condition 2(a) (*Exchange of Notes*) if such conversion will be effective to avoid the relevant deduction or withholding. If the Issuer is unable to arrange a substitution as described above having used reasonable endeavours to do so and a conversion of Bearer Notes to Registered Notes would not prevent any withholding or deduction and, as a result, the relevant deduction or withholding is continuing then the Issuer may, upon giving not more than 15 nor less than 5 Business Days’ prior written notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders in accordance with Condition 17 (*Notices*), redeem all (but not some only) of the affected Series of Notes on any Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Notes, in accordance with Condition 7(b) (*Application of the Index Ratio*)). Before giving any such notice of redemption, the Issuer shall provide to the Note Trustee and the Issuer Secured Creditors a certificate signed by a director of the Issuer (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have been satisfied and (b) confirming that the

Issuer will have sufficient funds on such Interest Payment Date to discharge all its liabilities in respect of the Notes and any amounts under the Issuer Deed of Charge to be paid in priority to, or *pari passu* with, such Notes under the Issuer Payment Priorities. Upon the expiry of any such notice as is referred to in this Condition 8(e)(ii), the Issuer shall be bound to redeem the Notes in accordance with this Condition 8(e)(ii).

The Note Trustee and the Issuer Secured Creditors shall be entitled to accept and rely on any certificate referred to in this Condition 8(e) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event they shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

(f) ***Early Redemption on Prepayment of IBLAs***

If:

- (i) ABPA gives notice to the Issuer under an IBLA that it intends to prepay all or part of any advance made under such IBLA or ABPA is required to prepay all or part of any advance made under an IBLA; and
- (ii) in each case, such advance was funded by the Issuer from the proceeds of a Series of Notes,

the Issuer shall, upon giving not more than 10 nor less than 5 Business Days' notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders in accordance with Condition 17 (*Notices*), (where such advance is being prepaid in whole) redeem all of the relevant Series of Notes or (where part only of such advance is being prepaid) the proportion of the relevant Series of Notes which the proposed prepayment amount bears to the amount of the relevant advance.

Subject to Condition 8(g) (*Early redemption following Default*) below, in the case of a voluntary prepayment or a prepayment pursuant to paragraph (a) of the definition of Mandatory Debt Discharge made when a Default is not outstanding, the relevant Series of Notes will be redeemed at its Redemption Amount determined in accordance with Condition 8(d) (*Optional Redemption*) except that, in the case of Fixed Rate Notes and Indexed Notes, for the purposes of this Condition 8(f), "**Reference Date**" means the date two Business Days prior to the despatch of the notice of redemption given under this Condition 8(f), plus accrued but unpaid interest and, in the case of a Post-Trigger Debt Discharge made when a Default is not outstanding, the relevant Notes will be redeemed at their Principal Amount Outstanding plus accrued but unpaid interest.

(g) ***Early redemption following a Default***

If the Issuer receives (or is to receive) any moneys from ABPA when a Default is outstanding in repayment of all or any part of an IBLA Loan, the Issuer shall, upon giving not more than 10 nor less than 5 Business Days' notice to the Note Trustee, the Issuer Secured Creditors and the Noteholders in accordance with Condition 17 (*Notices*) apply such moneys to redeem the then outstanding Notes (corresponding to the advance under an IBLA which is prepaid at their Principal Amount Outstanding plus accrued but unpaid interest on the next Interest Payment Date (or, if sooner, Final Maturity Date)). In the event that there are insufficient moneys to redeem all of the Notes outstanding of a particular Series, the Notes of such Series shall be redeemed in part in the proportion which the Principal Amount Outstanding of such Series to be redeemed bears to the Principal Amount Outstanding of such Series.

(h) ***Early redemption of Zero Coupon Notes***

Unless otherwise specified in the relevant Final Terms or relevant Drawdown Prospectus, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Final Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for

redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms or Drawdown Prospectus for the purposes of this Condition 8(h) or, if none is so specified, a Day Count Fraction of 30/360.

In these Conditions, “**Accrual Yield**” and “**Reference Price**” have the meanings given to them in the relevant Final Terms or relevant Drawdown Prospectus.

(i) ***Purchase of Notes***

Each of the Issuer and any other Connected Creditor may, provided that no Loan Event of Default or Note Event of Default has occurred and is continuing, purchase Notes (together with all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto) in the open market or otherwise at any price (without any obligation to surrender such Notes for cancellation other than as set out in Condition 8(k) (*Cancellation*)) and, to the extent that such Notes have not been cancelled, may resell them in the open market or otherwise at any price. Any purchase by tender shall be made available to all Noteholders alike.

Any Note purchased by the Issuer or any other Connected Creditor shall, for so long as it is held by it (or on its behalf), cease to have voting rights and be excluded from any quorum or voting calculations set out in the Conditions.

While the Notes are represented by a Global Note or Global Note Certificate, the relevant Global Note or Global Note Certificate will be endorsed to reflect the Principal Amount Outstanding of Notes to be so redeemed or purchased.

(j) ***Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Note which provides for Instalment Dates (as specified in the relevant Final Terms or relevant Drawdown Prospectus) and Instalment Amounts (as specified in the relevant Final Terms or relevant Drawdown Prospectus) will be partially redeemed on each Instalment Date at the Instalment Amount.

(k) ***Cancellation***

Any Bearer Notes or Registered Notes which are: (i) redeemed by the Issuer; (ii) purchased or held by or on behalf of the Issuer or any other Connected Creditor following a Loan Event of Default; or (iii) purchased by or on behalf of the Issuer or a Covenantor pursuant to paragraph (b) of the definition of Mandatory Debt Discharge or otherwise pursuant to the Common Terms Agreement where it is specified that Notes purchased by the Issuer or Connected Creditor are to be cancelled shall, in each case, be surrendered to or to the order of the Principal Paying Agent or the Registrar, as the case may be, for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

9. PAYMENTS

(a) ***Bearer Notes***

Payments to the Noteholders of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts other than on

the due date for final redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 9(f) (*Unmatured Coupons and Receipts and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States of America by transfer to an account denominated in the currency in which such payment is due with, or (in the case of Notes in definitive form only) a cheque payable in that currency drawn on, a bank in (i) the principal financial centre of that currency provided that such currency is not euro, or (ii) the principal financial centre of any Participating Member State if that currency is euro.

No payment of principal and/or interest in respect of a Bearer Note with an original maturity of more than 365 days will be made by a transfer of funds into an account maintained by the payee in the United States or by mailing a cheque to an address in the United States, except as provided in Condition 9(c) (*Payments in the United States of America*).

(b) ***Registered Notes***

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Notes will be made to the holder (or the first named of joint holders) of such Note against presentation and surrender of the relevant Registered Note at the specified office of the Registrar and in the manner provided in Condition 9(a) (*Bearer Notes*).

Payments of instalments in respect of Registered Notes will be made to the holder (or the first named of joint holders) of such Note against presentation of the relevant Registered Note at the specified office of the Registrar in the manner provided in Condition 9(a) (*Bearer Notes*) above and annotation of such payment on the Register and the relevant Note Certificate.

Interest (or, as the case may be, Interest Amounts) on Registered Notes payable on any Interest Payment Date will be paid to the holder (or the first named if joint holders) on the Business Day before the due date for payment thereof (the “**Record Date**”). Payment of interest or Interest Amounts on each Registered Note will be made in the currency in which such payment is due by cheque drawn on a bank in (a) the principal financial centre of the country of the currency concerned, provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Registrar before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency provided that such currency is not euro, or (b) the principal financial centre of any Participating Member State if that currency is euro.

A record of each payment so made will be endorsed on the schedule to the Global Note or the Global Note Certificate by or on behalf of the Principal Paying Agent or the Registrar, as the case may be, which endorsement shall be prima facie evidence that such payment has been made.

(c) ***Payments in the United States of America***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

- (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due;
- (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and

(iii) such payment is then permitted by the law of the United States of America, without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(d) ***Payments subject to fiscal laws; payments on Global Notes and Registered Notes***

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of this Condition 9. No commission or expenses shall be charged to the Noteholders, Couponholders or Receiptholders (if any) in respect of such payments.

The holder of a Global Note or Global Note Certificate shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Global Note or Global Note Certificate (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or Global Note Certificate in respect of each amount paid.

(e) ***Appointment of the Agents***

The Paying Agents, the Agent Bank, the Transfer Agents and the Registrar (the “**Agents**”) appointed by the Issuer (and their respective specified offices) are listed in the Agency Agreement. Any Calculation Agent will be listed in the relevant Final Terms or relevant Drawdown Prospectus and will be appointed pursuant to a Calculation Agency Agreement. The Agents act solely as agents of the Issuer (and, in the circumstances set out in the Agency Agreement, the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right, with the prior written consent of the Note Trustee at any time to vary or terminate the appointment of any Agent, and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent (in the case of Bearer Notes), (ii) a Registrar (in the case of Registered Notes), (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms or relevant Drawdown Prospectus) (in the case of Floating Rate Notes or Indexed Notes), (iv) 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 (v) if and for so long as the Notes 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, which, while any Notes are admitted to the Stock Exchange shall be in Dublin. Notice of any such variation, termination or appointment will be given in accordance with Condition 17 (*Notices*).

(f) ***Unmatured Coupons and Receipts and Unexchanged Talons***

(i) Subject to the provisions of the relevant Final Terms or relevant Drawdown Prospectus, upon the due date for redemption of any Note which is a Bearer Note (other than a Fixed Rate Note, unless it has all unmatured Coupons attached), unmatured Coupons and Receipts relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(ii) Upon the date for redemption of any Note, any unmatured Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iii) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(iv) Where any Note, which is a Bearer Note and is a Fixed Rate Note, is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, a sum equal to the aggregate amount of the missing unmatured Coupons will be deducted

from the amount of principal due for payment and, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (v) If the due date for redemption of any Note is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, or the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Note and Coupon.

(g) ***Non Business Days***

Subject as provided in the relevant Final Terms or relevant Drawdown Prospectus, if any date for payment in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “Business Day” means a day (other than a Saturday or a Sunday) on which banks are open for presentation and payment of debt securities and for dealings in foreign currency in London and in the relevant place of presentation and in the cities referred to in the definition of Business Days and (in the case of a payment in a currency other than euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which dealings may be carried on in the relevant currency in the principal financial centre of the country of such currency and, in relation to any sum payable in euro, a day on which the TARGET system is open.

(h) ***Talons***

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further coupon sheet (and if necessary another Talon for a further coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 13 (*Prescription*)).

10. TAXATION

All payments in respect of the Notes, Receipts or Coupons will be made (whether by the Issuer, any Paying Agent, the Registrar or the Note Trustee) free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature unless the Issuer, any Paying Agent or the Registrar or, where applicable, the Note Trustee is required by applicable law to make any payment in respect of the Notes, Receipts or Coupons subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature. In that event, the Issuer, such Paying Agent, the Registrar or the Note Trustee, as the case may be, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. None of the Issuer, any Paying Agent, the Registrar or the Note Trustee will be obliged to make any additional payments to the Noteholders, Receiptholders or the Couponholders in respect of such withholding or deduction. The Issuer, any Paying Agent, the Registrar or the Note Trustee may require holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

11. NOTE EVENTS OF DEFAULT

(a) ***Note Event of Default***

Each and any of the following events shall be treated as a “Note Event of Default”:

- (i) *Non payment:* default is made by the Issuer for a period of 5 Business Days in the payment of interest or principal on any Tranche of the Notes when due in accordance with these Conditions;
- (ii) *Breach of other obligations:* default is made by the Issuer in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under the Notes or the Issuer Transaction Documents (other

than any obligation whose breach would give rise to the Note Event of Default provided for in Condition 11(a)(i) and, except where in the opinion of the Note Trustee such default is not capable of remedy, such default continues for a period of 30 Business Days following the service of notice of default, provided that such default has been certified in writing to the Issuer by the Note Trustee (or the Issuer Security Trustee, as the case may be) to be materially prejudicial to the interests of the holders of the Notes;

- (iii) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer;
- (iv) *Cashflow insolvency*: the Issuer is unable to pay its debts as they fall due within the meaning of section 123(1) of the Insolvency Act 1986 or is otherwise cashflow insolvent after taking into account amounts available to it under the Issuer Liquidity Facilities at the relevant time; or
- (v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Documents.

(b) ***Delivery of Note Enforcement Notice***

If any Note Event of Default occurs and is continuing, the Note Trustee (i) may, at any time, at its discretion and (ii) shall, upon being so directed in writing by the Issuer Qualifying Creditors together holding or representing 25 per cent. or more of the Issuer Qualifying Debt or if directed by an Extraordinary Resolution, deliver a Note Enforcement Notice to the Issuer provided that, in either case, it is indemnified and/or secured to its satisfaction.

(c) ***Confirmation of no Note Event of Default***

The Issuer, pursuant to the terms of the Note Trust Deed, shall provide written confirmation to the Note Trustee, on an annual basis (and at any other time on request of the Note Trustee), that no Note Event of Default has occurred.

(d) ***Consequences of the delivery of a Note Enforcement Notice***

Upon delivery of a Note Enforcement Notice in accordance with Condition 11(b) (*Delivery of Note Enforcement Notice*): (i) all Series of the Notes then outstanding shall immediately become due and repayable at their respective Principal Amount Outstanding (in the case of Indexed Notes, as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*)) plus accrued but unpaid interest (other than in the case of Zero Coupon Notes) and, in the case of Indexed Notes, as adjusted in accordance with Condition 7(b) (*Application of the Index Ratio*) and (ii) the Issuer Security shall become enforceable by the Note Trustee in accordance with the Issuer Deed of Charge provided that the AFCA Floating Security shall only become enforceable in accordance with the ABPA Floating Charge Agreement.

(e) ***“Issuer Qualifying Creditors” means:***

in respect of the Issuer Qualifying Debt, for so long as any Notes remain outstanding, the holders of the Notes, and each Pari Passu Hedge Counterparty that is party to a Hedging Agreement in respect of the Notes.

(f) ***“Issuer Qualifying Debt” means:***

for so long as any Notes remain outstanding, the sum of (i) the Principal Amount Outstanding of the Notes and (ii) the mark to market value of all transactions arising under Hedging Agreements in respect of the Notes to the extent that such value represents an amount which would be payable to the relevant Pari Passu Hedge Counterparties if an early termination date was designated at the date of the STID Proposal in respect of such transactions as determined by the relevant Pari Passu Hedge Counterparty in accordance with the Hedging Agreements.

12. ENFORCEMENT AGAINST ISSUER

No Noteholder, Receiptholder, Couponholder or other Issuer Secured Creditor is entitled to take any action against the Issuer or ABPAH or against any assets of the Issuer or ABPAH to enforce its rights in respect of the Notes or to enforce any of the Issuer Security unless the Issuer Security Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. The Issuer Security Trustee shall, subject to being indemnified and/or secured to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing, upon being so directed in writing by the Issuer Qualifying Creditors together holding or representing 25 per cent. or more of the Issuer Qualifying Debt, enforce the Issuer Security in accordance with the Issuer Deed of Charge.

None of the Note Trustee, the Noteholders, the Receiptholders, the Couponholders or the other Issuer Secured Creditors may institute against, or join any person in instituting against, the Issuer or ABPAH any bankruptcy, winding up, re organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a Receiver pursuant to the terms of the Issuer Deed of Charge) or other proceeding under any similar law for so long as any Notes are outstanding or for two years and a day after the latest Final Maturity Date on which any Note of any Series is due to mature.

13. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes, Receipts or Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Note Relevant Date (as defined in Condition 6(i) (*Definitions*)) in respect thereof.

14. REPLACEMENT OF NOTES, COUPONS, RECEIPTS AND TALONS

If any Bearer Note, Registered Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and requirements of the Stock Exchange (in the case of listed Notes) (and each other listing authority, stock exchange and or quotation system upon which the relevant Notes have then been admitted to listing, trading and/or quotation), at the specified office of the Principal Paying Agent or, as the case may be, the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) *Meetings of Noteholders, Modifications and Waiver*

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification of these Conditions, the Note Trust Deed and any other Issuer Transaction Document to which the Note Trustee is a party or in relation to the Issuer Security. Any modification may (except in relation to any Ordinary Voting Matter or Extraordinary Voting Matter or matter giving rise to an Entrenched Right (as described in further detail in Condition 15(b) (*Relationship with ABPA Secured Creditors*)) (below), Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice and subject to the provisions concerning ratification and/or meetings of Noteholders as set out in Condition 15(c) (*Modification, Waiver and Substitution*) and the Note Trust Deed), be made if sanctioned by a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the Note Trust Deed by a majority of not less than 75 per cent. of the votes cast (an “**Extraordinary Resolution**”) of such Noteholders. Such a meeting may be convened by the Note Trustee or the Issuer, or by the Issuer (failing which the Note Trustee) upon the request in writing of the Noteholders holding not less than one tenth of the aggregate Principal Amount Outstanding of the relevant outstanding Notes.

The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders (provided that where there is only one holder of the relevant

Notes, that person or a representative thereof shall form the quorum), whatever the Principal Amount Outstanding of the relevant outstanding Notes held or represented, provided however, that certain proposals (the “**Basic Terms Modifications**”) in respect of the holders of the Notes being any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of a Series of the Notes, to reduce the amount of principal or the rate of interest payable on any date in respect of the Notes or (other than as specified in Conditions 7 (*Indexation*) and Condition 8 (*Redemption, Purchase and Calculation*)) to alter the method of calculating the amount of any payment in respect of any Notes on redemption or maturity;
- (ii) to effect the exchange, conversion or substitution of a Series of the Notes for, or their conversion into shares, notes or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (iii) to change the currency in which amounts due in respect of a Series of the Notes are payable other than pursuant to redenomination into euro pursuant to Condition 19 (*European Economic and Monetary Union*);
- (iv) to alter the Issuer Payment Priorities insofar as such alteration would affect the Notes;
- (v) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution; or
- (vi) to amend this definition or this Condition,

may be sanctioned only by an Extraordinary Resolution passed at a meeting of Noteholders of the Series of Notes at which two or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, 25 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the relevant Noteholders, Receiptholders and Couponholders whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of Noteholder meetings under the Note Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

A meeting of such Noteholders will also have the power (exercisable by Extraordinary Resolution) to advise or instruct the Note Trustee in connection with the exercise by the Note Trustee of any of its rights, powers and discretions under the Issuer Transaction Documents including, to appoint any persons (whether Noteholders or not) as a committee to represent the interests of such Noteholders and to confer upon such committee any powers which such Noteholders could themselves exercise by Extraordinary Resolution and, where requested by the Note Trustee, in relation to voting or providing directions under or in connection with the STID.

(b) ***Relationship with ABPA Secured Creditors***

STID Proposals: The STID provides that in respect of, among other things, Ordinary Voting Matters and Extraordinary Voting Matters, SC Instruction Notices, Direction Notices, Enforcement Instruction Notices and Further Enforcement Instruction Notices (each as defined in the STID) the holders of the Notes shall be entitled to instruct the Note Trustee to vote on their behalf as their Secured Creditor Representative (as defined in the STID).

For the purpose of voting in connection with a STID Proposal, SC Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice, the ABPAH Group Agent (in the case of a STID Proposal) or, as the case may be, the ABPA Security Trustee shall send a copy of such proposal or request for instructions to the Secured Creditor Representatives of the Issuer. The Note Trustee shall as soon as reasonably practicable forward a copy of such notice to the Noteholders in accordance with Condition 17 (*Notices*) requesting

them to instruct the Note Trustee how to vote. After obtaining the instruction of the Noteholders, the Note Trustee will vote in relation to the relevant STID Voting Request in accordance with such instructions. Votes in respect of the relevant Series will be divided between votes cast in favour and votes cast against, on a pound for pound basis in respect of the Principal Amount Outstanding of Notes then owned to Noteholders that vote on a proposed resolution within the Decision Period. Votes by the Noteholders through the Note Trustee cast in favour and against the relevant STID Proposal will then be aggregated by the ABPA Security Trustee with the votes by other ABPA Secured Creditors cast in favour and against the relevant STID Proposal.

Irrespective of the result of voting by Noteholders in relation to a STID Proposal in respect of an Ordinary Voting Matter or an Extraordinary Voting Matter or in relation to an SC Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice, any such STID Proposal or decision in respect of an SC Instruction Notice, Direction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice approved in accordance with the provisions of the STID shall be binding on all of the Noteholders, Receiptholders and Couponholders.

If a STID Proposal gives rise to an Entrenched Right whereby the Issuer is an Affected ABPA Secured Creditor, the Note Trustee shall forthwith, in accordance with the Note Trust Deed, convene a meeting of the holders of each Tranche of Notes then outstanding and affected by such Entrenched Right to consider the STID Proposal.

No STID Proposal that gives rise to an Entrenched Right whereby the Issuer is an Affected ABPA Secured Creditor can be approved, in accordance with the terms of the STID, unless it has previously been approved by an Extraordinary Resolution of the holders of the relevant Tranches of Notes affected by the Entrenched Right.

Conditions 15(a) and (b) in respect of meetings are subject to the further provisions of the Note Trust Deed.

(c) ***Modification, waiver and substitution***

As set out in the Note Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Note Trustee and the Issuer Security Trustee may, without the consent of the Noteholders or (subject as provided below) any other Issuer Secured Creditor, concur with the Issuer or any other relevant parties in making (i) any modification to the Conditions or the Issuer Transaction Documents (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which it holds security if in the opinion of the Note Trustee or the Issuer Security Trustee (as the case may be) such modification is made to correct a manifest error, or an error in respect of which an English court would reasonably be expected to make a rectification order, or is of a formal, minor, administrative or technical nature or (ii) any modification (other than in respect of a Basic Terms Modification) to the Conditions or any Issuer Transaction Document (subject as provided in the STID in relation to any Common Documents) or other document to which it is a party or in respect of which it holds security if the Note Trustee or the Issuer Security Trustee (as the case may be) is of the opinion that such modification is not materially prejudicial to the interests of the holders of the Notes then outstanding (where “materially prejudicial” means that such modification, consent or waiver would not have a material adverse effect on the ability of the Issuer to perform its payment obligations to the Noteholders (in the case of the Note Trustee) or to the Issuer Secured Creditors (in the case of the Issuer Security Trustee) under the Issuer Transaction Documents) provided that to the extent such modification under (ii) above relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent.

As more fully set out in the Note Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Note Trustee may, without the consent of the Noteholders (subject as provided below) or any other Issuer Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Note Event of Default, from time to time and at any time but only if and in so far as in its opinion such waiver would not be materially prejudicial (as defined above) to the interests of the holders of the Notes then outstanding, waive or authorise (or instruct the Issuer Security Trustee to waive or authorise) any

breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Conditions or any Issuer Transaction Document (other than a Common Document) to which it is a party or in respect of which it holds security or determine that any event which would otherwise constitute a Note Event of Default shall not be treated as such for the purposes of the Note Trust Deed provided that to the extent such event, matter or thing relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent and provided further that the Note Trustee shall not exercise such powers in contravention of any express direction given by an Extraordinary Resolution (or of a request in writing made by, holders of not less than 25 per cent. in aggregate of the principal amount of the Notes then outstanding) but no such direction or request shall affect any waiver or authorisation previously given or made or so as to authorise or waive any such proposed breach or breach relating to any Basic Terms Modification.

Any such modification, waiver or authorisation shall be binding on the Noteholders of each relevant Series and the holders of all relevant Receipts and Coupons and the other Issuer Secured Creditors and, unless the Note Trustee agrees otherwise, notice thereof shall be given by the Issuer to the Noteholders as soon as practicable thereafter.

Notwithstanding that none of the Note Trustee, the Noteholders or the other Issuer Secured Creditors may have any right of recourse against the Rating Agencies in respect of any Ratings Confirmation given by them and relied upon by the Note Trustee, the Note Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes or any Issuer Transaction Document, that such exercise will not be materially prejudicial to the interests of the Noteholders if any of the Rating Agencies has provided a Ratings Confirmation. Without prejudice to the foregoing, the Noteholders are deemed to agree for the benefit of the Rating Agencies only that a credit rating is, however, an assessment of credit and does not address other matters that may be of relevance to Noteholders. The Note Trustee and the Noteholders agree and acknowledge that being entitled to rely on the fact that any of the Rating Agencies has delivered a Ratings Confirmation does not impose or extend any actual or contingent liability for such Rating Agency to the Note Trustee, the Noteholders, any other Issuer Secured Creditor or any other person or create any legal relations between such Rating Agency and the Note Trustee, the Noteholders, any other Issuer Secured Creditor or any other person whether by way of contract or otherwise.

As more fully set forth in the Note Trust Deed (and subject to the conditions and qualifications therein), the Note Trustee may, without the consent of the Noteholders or any other Issuer Secured Creditor, also agree with the Issuer to the substitution of another corporation in place of the Issuer as principal debtor in respect of the Note Trust Deed and the Notes.

16. NOTE TRUSTEE PROTECTIONS

(a) *Trustee considerations*

Subject to Condition 16(b) (*Exercise of rights by Note Trustee*), in connection with the exercise, under these Conditions, the Note Trust Deed, any Issuer Transaction Document, of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Note Trustee shall have regard to the interests of the holders of the Notes then outstanding as a class provided that, if, in the Note Trustee's opinion, there is a conflict of interest between the holders of two or more Series or Tranches of Notes, it shall have regard to the interests of the holders of the Series or Tranche (as the case may be) then outstanding with the greatest Principal Amount Outstanding and will not have regard to the consequences of such exercise for the holders of other Series or Tranches of Notes or for individual Noteholders, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. The Note Trustee shall not be entitled to require from the Issuer, nor shall any Noteholders be entitled to claim from the Issuer, the Note Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Noteholders of any such exercise.

(b) *Exercise of rights by Note Trustee*

Subject as provided in these Conditions and the Note Trust Deed, the Note Trustee will exercise its rights under, or in relation to, the Note Trust Deed, the Conditions, and any Issuer Transaction Documents in accordance with the directions of the relevant Noteholders, but the Note Trustee shall not be bound as against the Noteholders to take any such action unless it has (i) (a) been so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes outstanding or (b) been so directed by an Extraordinary Resolution and (ii) been indemnified and/or furnished with security to its satisfaction.

17. NOTICES

Notices to holders of Registered Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper having general circulation in Ireland (which is expected to be the Irish Times). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the Stock Exchange and any other listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed. Any such notice (other than to holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders and Receiptholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 17.

So long as any Notes are represented by Global Notes or Global Note Certificates, notices in respect of those Notes may be given only by delivery of the relevant notice to Euroclear Bank SA/NV or Clearstream Banking, *société anonyme* or any other relevant clearing system as specified in the relevant Final Terms or relevant Drawdown Prospectus for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in Europe. Such notices shall be deemed to have been received by the Noteholders on the day of delivery to such clearing systems.

The Note Trustee will provide each Rating Agency, at its request, from time to time and provided that the Note Trustee will not contravene any law or regulation in so doing, with all notices, written information and reports that the Note Trustee makes available to the Noteholders except to the extent that such notices, information or reports, contain information confidential to third parties.

18. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE ISSUER SECURITY TRUSTEE

(a) *Indemnification of the Note Trustee and the Issuer Security Trustee*

The Note Trust Deed contains provisions for indemnification of the Note Trustee and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Issuer and/or any other person unless indemnified and/or secured to its satisfaction. The Issuer Deed of Charge contains provisions for indemnification of the Issuer Security Trustee and for its relief from responsibility, including provisions relieving it from enforcing the Issuer Security unless it has been indemnified and/or secured to its satisfaction.

Each of the Note Trustee and the Issuer Security Trustee or any of their affiliates (as defined in Condition 7 (*Indexation*)) are entitled to enter into business transactions with the Issuer, the other Issuer Secured Creditors or any of their respective subsidiaries or associated companies without accounting for any profit resulting therefrom. Save as otherwise provided in these Conditions or any Issuer Transaction Document the Issuer Security Trustee will only be required to take any action under or in relation to, or to enforce or protect the Issuer Security, or a document referred to therein, if so directed by an Extraordinary Resolution of the holders of the then outstanding Notes or if so requested in writing by holders of at least 25 per cent. in nominal amount of the holders of any Series of the then outstanding Notes and in all cases if indemnified and/or secured to its satisfaction provided that the Issuer Security Trustee has agreed that it is indemnified to its satisfaction in respect of the AFCA Floating Security as described in the ABPA Floating Charge Agreement.

(b) *Directions, Duties and Liabilities*

The Note Trustee, in the absence of its own wilful default, gross negligence or fraud, and in all cases when acting as directed by or subject to the agreement of the Noteholders shall not in any way be responsible for any loss, costs, damages or expenses or other liability, which may result

from the exercise or non exercise of any consent, waiver, power, trust, authority or discretion vested in the Note Trustee pursuant to these Conditions, any Issuer Transaction Document or any ancillary document.

19. EUROPEAN ECONOMIC AND MONETARY UNION

(a) ***Notice of redenomination***

The Issuer may, without the consent of the Noteholders, and on giving at least 30 days' prior notice to the Noteholders, the Note Trustee and the Principal Paying Agent, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which the UK becomes a Participating Member State.

(b) ***Redenomination***

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Notes denominated in sterling (the "**Sterling Notes**") shall be deemed to be redenominated into Euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in sterling, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty establishing the European Union, as amended, (including compliance with rules relating to rounding in accordance with European Community regulations), provided, however, that, if the Issuer determines, with the agreement of the Note Trustee, that the then current market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the Stock Exchange and any stock exchange (if any) on which the Notes are then listed and the Principal Paying Agent of such deemed amendments;
- (ii) if Notes have been issued in definitive form:
 - (A) all Notes denominated in sterling will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders and the Note Trustee that replacement Notes denominated in Euro are available for exchange (provided that such Notes are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Notes denominated in sterling will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 19) shall remain in full force and effect; and
 - (C) new Notes denominated in Euro will be issued in exchange for Sterling Notes in such manner as the Principal Paying Agent or the Registrar, as the case may be, may specify and as shall be notified to the Noteholders in the Euro Exchange Notice;
- (iii) all payments in respect of the Sterling Notes (other than, unless the Redenomination Date is on or after such date as sterling ceases to be a sub division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Participating Member State; and
- (iv) a Note may only be presented for payment on a day which is a Business Day in the place of presentation.

(c) ***Interest***

Following redenomination of the Notes pursuant to this Condition 19, where Sterling Notes have been issued in definitive form, the amount of interest due in respect of the Sterling Notes will be calculated by reference to the aggregate principal amount of the Sterling Notes presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest Euro 0.01.

20. LIMITED RECOURSE

Each of the Noteholders agrees with the Issuer that notwithstanding any other provision of the Issuer Transaction Documents, all obligations of the Issuer to the Noteholders, including its obligations under the Notes and the Issuer Transaction Documents, are limited in recourse as set out below:

- (a) it will have a claim only in respect of the Issuer Charged Property and will not have any claims by operation of law or otherwise, against or recourse to any of the other assets or the contributed capital of the Issuer or ABPAH;
- (b) the aggregate amount of all sums due and payable to the Noteholders in respect of the Issuer's obligations to such Noteholders shall reduce by the amount by which the aggregate amount of sums due and payable to the Noteholders exceeds the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer Charged Property (after payment of any sums which are payable in accordance with the Issuer Payment Priorities in priority to or *pari passu* with sums payable to such Noteholders), whether pursuant to enforcement of the Issuer Security or otherwise; and
- (c) upon the Note Trustee giving written notice to the Noteholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Property (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents and the Notes, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

21. MISCELLANEOUS

(a) ***Governing Law***

The Note Trust Deed, the Issuer Deed of Charge, the Notes, the Coupons, the Receipts, the Talons (if any) and the other Issuer Transaction Documents are, and all non-contractual or other obligations arising from or in connection with such documents shall be governed by and shall be construed in accordance with, English law.

(b) ***Jurisdiction***

The courts of England are to have exclusive jurisdiction to settle any dispute that may arise out of or in connection with the Note Trust Deed, the Issuer Deed of Charge, the Notes, the Coupons, the Receipts, the Talons and the other Issuer Transaction Documents and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Coupons, the Receipts, the Talons (if any) and/or the Finance Documents may be brought in such courts. The Issuer has in each of the Finance Documents to which it is a party irrevocably submitted to the jurisdiction of such courts.

(c) ***Third Party Rights***

No person shall have any right to enforce any term or condition of the Notes or the Note Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

(d) ***Rights Against Issuer***

Under the Note Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to interests in the Notes

will (subject to the terms of the Note Trust Deed) acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note or Global Note Certificate became void, they had been the registered Holders of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

(e) ***Clearing System Accountholders***

References in these Conditions to “**Noteholder**” are references to the bearer of the relevant Global Note or the person shown in the records of the relevant clearing system as the holder of the Global Note Certificate.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, as the case may be, as being entitled to an interest in a Global Note or a Global Note Certificate (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer, to such Accountholder and in relation to all other rights arising under the Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system (as the case may be) from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the Issuer.

FORMS OF THE NOTES

Notes may, subject to all applicable legal and regulatory requirements, be issued in Series comprising either Bearer Notes or Registered Notes, as specified in the relevant Final Terms or relevant Drawdown Prospectus. Each Series comprises a single class. The Notes may comprise one or more Tranches.

Bearer Notes

Each Tranche of Notes initially issued as Bearer Notes will be issued either as a Temporary Global Note, without Receipts, Coupons or Talons attached, or a Permanent Global Note, without Receipts, Coupons or Talons attached, in each case as specified in the relevant Final Terms or relevant Drawdown Prospectus. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms or relevant Drawdown Prospectus, will be delivered on or prior to the Issue Date of the relevant Tranche of the Notes to a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System on or about the Issue Date of the relevant Tranche. Each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms or relevant Drawdown Prospectus, will be delivered on or prior to the Issue Date of the relevant Tranche of the Notes to a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ECB credit operations” of the central bank system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes the relevant Final Terms or relevant Drawdown Prospectus will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms or relevant Drawdown Prospectus specify the form of Notes as being represented by “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Receipts, Coupons or Talons attached, not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, payments of interest in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- presentation and (in the case of final exchange) surrender of the Temporary Global Note at the specified office of the Principal Paying Agent; and
- receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall the principal amount of the Permanent Global Note exceed the aggregate initial principal amount of the Temporary

Global Note and any Temporary Global Note representing a fungible Tranche of Notes with the Tranche of Notes represented by the first Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form each, a Definitive Note:

- if Euroclear or Clearstream, Luxembourg or any other relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- any of the circumstances described in Condition 11(a) (*Note Event of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Receipts, Coupons and Talons attached (if so specified in the relevant Final Terms or relevant Drawdown Prospectus), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange but not earlier than 40 days after the Issue Date of such Notes.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms or relevant Drawdown Prospectus specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes.

If the relevant Final Terms or relevant Drawdown Prospectus specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Receipts, Coupons and Talons attached (if so specified in the relevant Final Terms or relevant Drawdown Prospectus), in an aggregate principal amount equal to the principal amount of the Temporary Global Note so exchanged to the bearer of the Temporary Global Note against the presentation (and in the case of final exchange, surrender) of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange but not earlier than 40 days after the issue of such Notes.

If the relevant Final Terms or relevant Drawdown Prospectus specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes”, such Definitive Notes may only be issued in denominations equal to the Specified Denomination and integral multiples thereof.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms or relevant Drawdown Prospectus specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that TEFRA does not apply, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- if Euroclear or Clearstream, Luxembourg or any other relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- any of the circumstances described in Condition 11(a) (*Note Event of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Receipts, Coupons and Talons attached (if so specified in the relevant Final Terms or relevant Drawdown Prospectus), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange but not earlier than 40 days after the Issue Date of such Notes.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denominations(s) only. Noteholders who hold Notes in the relevant Clearing System in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant date of exchange, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

Conditions applicable to the Notes

The Conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the Conditions set out under “*Terms and Conditions of the Notes*” above and the provisions of the relevant Final Terms or relevant Drawdown Prospectus which amend, vary and/or replace those Conditions.

The Conditions applicable to any Global Note will differ from those Conditions which would apply to the Definitive Note to the extent described under “*Provisions Relating to the Notes while in Global Form*”.

Legend concerning United States persons

Global Notes and Definitive Notes having a maturity of more than 365 days and any Receipts, Coupons and Talons appertaining thereto will bear a legend to the following effect unless the relevant Final Terms or relevant Drawdown Prospectus specifies that the TEFRA C Rules are applicable or that TEFRA does not apply:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Receipt, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Receipt, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Registered Notes

Any Registered Note will be represented on issue by one or more Global Note Certificates of each Tranche.

Each Global Note Certificate will be deposited on or about the Issue Date with either: (a) a common depository for Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, in the case of a Global Note Certificate which will not be held under the new safekeeping structure (“**New Safekeeping Structure**” or “**NSS**”), and registered in the name or a nominee of Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system; or (b) a common safekeeper for Euroclear and/or Clearstream Luxembourg, in the case of a Global Note Certificate to be held under the New Safekeeping Structure, and registered in the name of a nominee of the common safekeeper.

Beneficial interests in a Global Note Certificate may be held only through Euroclear or Clearstream, Luxembourg or their participants at any time. See “*Book-Entry Clearance Procedure*”.

Beneficial interests in Global Note Certificates will be subject to certain restrictions on transfer set out in this Base Prospectus, in the relevant Final Terms or relevant Drawdown Prospectus, and in the Agency Agreement, and such Global Note Certificates will bear the applicable legends regarding the restrictions set out in the relevant Final Terms or relevant Drawdown Prospectus.

Except in the limited circumstances described below, owners of beneficial interests in Global Note Certificates will not be entitled to receive physical delivery of certificated Notes.

Exchange for Individual Note Certificates

Each Global Note Certificate will be exchangeable, free of charge to the holder, on or after its Individual Exchange Date (as defined below), in whole but not in part, for individual note certificates in fully registered form (“**Individual Note Certificates**”):

- if a Global Note Certificate is held (directly or indirectly) on behalf of Euroclear and/or Clearstream, Luxembourg or an alternative Clearing System and any such Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays, statutory or otherwise) or announces that it is permanently to cease business or does in fact do so; or
- any of the circumstances described in Condition 11(a) (*Events of Default*) occurs.

The Registrar will not register the transfer of, or exchange of interests in, a Global Note Certificate for Individual Note Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the relevant Tranche of Notes.

If only one of the Global Note Certificates (the “**Exchanged Global Note Certificate**”) becomes exchangeable for Individual Note Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Individual Note Certificates issued in exchange for beneficial interests in the Exchanged Global Note Certificate and on the other hand, persons wishing to purchase beneficial interests in the other Global Note Certificate.

“**Individual Exchange Date**” means a day falling not fewer than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and any Transfer Agent is located.

In such circumstances, the relevant Global Note Certificate shall be exchanged in full for Individual Note Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Individual Note Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Note Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Note Certificates.

Legends and Transfers

The holder of an Individual Note Certificate may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of an Individual Note Certificate or upon specific request for removal of the legend on an Individual Note Certificate, the Issuer will deliver only Individual Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

Provisions Relating to the Notes while in Global Form

Global Notes and Global Note Certificates will contain provisions that apply to the Notes which they represent, some of which modify the effect of the Conditions of the Notes as set out in this Base Prospectus. The following is a summary of certain of those provisions:

- *Meetings*: The holder of a Global Note or Global Note Certificate shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note or Global Note Certificate shall be treated as having one vote in respect of each minimum denomination of Notes for which such Global Note or Global Note Certificate may be exchanged.

- *Cancellation:* Cancellation of any Note represented by a Global Note or Global Note Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Note or Global Note Certificate.
- *Notices:* So long as any Notes are represented by a Global Note or Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other relevant Clearing System, notices to the Noteholders may be given, subject always to listing requirements, by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or any other relevant Clearing System for communication by it to entitled Accountholders in substitution for publication as provided in the Conditions. Such notices shall be deemed to have been received by the Noteholders on the date of delivery to such clearing systems.
- *Redemption at the Option of the Issuer:* For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Notes to be redeemed will be required under Condition 8(d) (*Optional Redemption*) in the event that the Issuer exercises its option pursuant to Condition 8(d) (*Optional Redemption*) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the partial redemption will be effected *pro rata* in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg.

BOOK-ENTRY CLEARANCE PROCEDURE

The information set out below has been obtained from the Clearing Systems (as defined in this Base Prospectus) and the Issuer believes that such sources are reliable, but prospective investors are advised to make their own enquiries as to such procedures. The Issuer accepts responsibility for the accurate reproduction of such information from publicly available information and as far as the Issuer is aware and is able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of each Series of the Notes and cross-market transfers of the Notes associated with secondary market trading. Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Investors may hold their interests in Global Notes and Global Note Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders (“**Direct Participants**”) or indirectly (“**Indirect Participants**” and together with Direct Participants, “**Participants**”) through organisations which are accountholders therein.

Book-entry ownership

Each Global Note will have an ISIN and a common code and will be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. Each Global Note Certificate will have an ISIN and a common code and will be registered in the name of a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Payments and relationship of participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Note or a Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under the Global Note or Global Note Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note or a Global Note Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants’ or accountholders’ accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note or Global Note Certificate (as the case may be) as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Note or Global Note Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Note Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note or Global Note Certificate in respect of each amount so paid.

Settlement and transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System’s records. The ownership interest of each actual purchaser of each such Note (the “**Beneficial Owner**”) will in turn be recorded on the Direct Participant and Indirect Participant’s records. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note or Global Note Certificate held within a Clearing System are exchanged for Definitive Notes or Individual Note Certificates.

Redemption at the Option of the Issuer

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Notes to be redeemed will be required under Condition 8(d) (*Optional Redemption*) in the event that the Issuer exercises its option pursuant to Condition 8(d) (*Optional Redemption*) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the partial redemption will be effected *pro rata* in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg.

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme. Text appearing in italics in this section does not form part of the Form of Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [●]

ABP Finance Plc

Issue of [Tranche [–[●] (delete as appropriate)] [Aggregate Nominal Amount of Tranche]

[Title of Notes]

under the Programme

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. See “*Subscription and Sale*” in the accompanying Prospectus.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Base Prospectus dated [●] which constitute[s] a base prospectus for the purposes of EU Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the Relevant Member State) (the “**Prospectus Directive**”) and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base/drawdown Prospectus] [is] [are] available for viewing at www.abports.co.uk.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] [and the supplemental Base/drawdown Prospectus dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [current date], which constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplemental Base/drawdown Prospectus dated [●]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [original date] and [current date] [and the supplemental Base /drawdown Prospectuses dated [●] and [●]. [The Prospectuses [and the supplemental Base/drawdown Prospectuses] are available for viewing at [●]].

Arranger
Barclays

Dealers

Barclays	BofA Merrill Lynch
Lloyds Bank	Mitsubishi UFJ Securities
National Australia Bank Limited	Scotiabank
The Royal Bank of Scotland	

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

1	(i)	The Issuer:	ABP Finance Plc
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
		<i>(If fungible with an existing Tranche, details of that Tranche, including the date on which the Notes become fungible.)</i>	
3		Relevant Currency or Currencies:	[●]
4		Aggregate Nominal Amount of Notes admitted to trading:	
	(i)	Series:	[●]
	(ii)	Tranche:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] <i>(in the case of fungible issues only, if applicable)</i>]
5	(i)	Issue Price:	[●]
	(ii)	Net proceeds (required only for listed issues):	[●]
6	(i)	Specified Denominations:	[[●]/€/£100,000/U.S.\$200,000 and integral multiples of [[●]/€/£/U.S.\$1,000] in excess thereof up to and including [[●]/€/£199,000/U.S.\$399,000]. No Notes in definitive form will be issued with a denomination of integral multiples above [[●]/€/£199,000/U.S.\$399,000]. <i>[If the Notes are denominated in a currency other than the euro and the publication of a prospectus is required under the Prospectus Directive the minimum denomination may not be less than the equivalent of €100,000 in that currency].</i>
	(ii)	Calculation Amount:	[●/€/£/U.S.\$]1,000
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●]
8	(i)	Scheduled Redemption Date:	[Not Applicable]/[●]
	(ii)	Final Maturity Date:	[●]
9		Instalment Date:	[Not Applicable]/[●]
10		Interest Basis:	[●] per cent. Fixed Rate [[LIBOR][EURIBOR][USD-LIBOR] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index-Linked Interest]
11		Redemption/Payment Basis:	[Redemption at par] [Index-Linked Redemption] [Instalment]

12	Change of Interest or Redemption/Payment Basis	[●]/[Not Applicable]
13	Put/Call Options:	Issuer Optional Redemption Condition 8(d) [applies]
14	(i) Status and Ranking:	[if Notes] The Notes rank <i>pari passu</i> among each other in terms of interest and principal payments and rank.
	(ii) [Date [Board] approval for issuance of Notes obtained:	[●] [and [●] respectively]
15	Listing:	[Ireland] [and other exchanges as applicable]
16	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Rate:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]
	(ii) Manner in which the Rate of Interest is to be determined after the Scheduled Redemption Date:	[Screen Rate Determination/ISDA Determination]
	(iii) Screen Rate Determination: (as referred to under Condition 6(c))	
	– Relevant Rate:	[●] month [LIBOR][EURIBOR][USD-LIBOR]
	– Interest Determination Date(s):	[●]
	– Page:	[●]
	– Relevant Time:	[local time when Relevant Rate set]
	ISDA Determination: (as referred to under Condition 6(c))	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Specified Duration:	[if other than the relevant Interest Period]
	– Reset Date:	[●]
	(iv) Step-Up Fixed Fee Rate:	[●] per cent. per annum
	(v) Interest Determination Date:	[●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon – only relevant where day count fraction is Actual/Actual (ICMA))
	(vi) Interest Payment Date(s):	[●] in each year [adjusted in accordance with specify Business Day Convention and applicable Business Centre(s) for the definition of “Business Day”]/not adjusted]
	(vii) First Interest Payment Date:	[●]

	(viii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(ix)	Broken Amount(s):	<i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]</i>
	(x)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/Actual] [Actual/365 Fixed] [Actual/360] [30/360 or 360/360 or note basis] [30E/360 or Eurobond Basis]
	(xii)	Reference Gilt:	[[●]% Treasury Stock due [●]] [Not Applicable]
	(xiii)	Comparable German Bund Issue:	[[●]% German Bundesanleihe Security due [●]] [Not Applicable]
	(xiv)	Alternative Redemption Amount:	[Not Applicable/[●]]
		– Reuters Screen:	[●]
18		Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	First Interest Payment Date:	[●]
	(iv)	Business Day Convention	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(v)	Business Centre(s):	[●]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii)	Party responsible for calculating the Rate(s) of Interest, Interest Amount(s) and Redemption Amount (if not the Agent Bank):	[Not Applicable/ [●] as Calculation Agent]
	(viii)	Screen Rate Determination: (as referred to under Condition 6(c))	
		– Relevant Rate:	[●]
		– Interest Determination Date(s):	[●]
		– Page:	[●]
		– Relevant Time:	<i>[local time when Relevant Rate set]</i>
	(ix)	ISDA Determination: (as referred to under Condition 6(c))	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Specified Duration (if other than the relevant Interest Period):	[●]

	–	Reset Date:	[●]
	(x)	Margin(s):	[+/-][●] per cent. per annum
	(xi)	Step-Up Floating Fee Rate:	[●] per cent. per annum
	(xii)	Minimum Rate of Interest:	[[●] per cent. per annum] [Not Applicable]
	(xiii)	Maximum Rate of Interest:	[[●] per cent. per annum] [Not Applicable]
	(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/Actual] [Actual/365 Fixed] [Actual/360] [30/360 or 360/360 or Note Basis] [30E/360 or Eurobond Basis]
	(xv)	Additional Business Centre(s):	[●]
	(xvii)	Relevant Financial Centre:	[●]
	(xviii)	Representative Amount:	[●]
	(xix)	Reference Banks:	<i>[If none specified, four major banks selected by Agent Bank/Calculation Agent]</i>
19		Zero Coupon Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Condition 8(e)] <i>(Consider applicable day count fraction if not U.S. dollar denominated)</i>
20		Indexed Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(ii)	Interest Rate:	[●]
	(iii)	Manner in which the Rate of Interest is to be determined after the Scheduled Redemption Date:	[Screen Rate Determination/ISDA Determination]
	(iv)	Screen Rate Determination: (as referred to under Condition 6(c))	
	–	Relevant Rate:	[●] month [LIBOR][EURIBOR][USD-LIBOR]
	–	Interest Determination Date(s):	[●]
	–	Page:	[●]
	–	Relevant Time:	<i>[local time when Relevant Rate set]</i>
		ISDA Determination: (as referred to under Condition 6(c))	
	–	Floating Rate Option:	[●]
	–	Designated Maturity:	[●]
	–	Specified Duration:	<i>[if other than the relevant Interest Period]</i>
	–	Reset Date:	[●]

(v)	Step-Up Fixed Fee Rate:	[●] per cent. per annum
(vi)	Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Agent Bank):	[Not Applicable/Calculation Agent]
(vii)	Provisions for determining Coupon in the event of changes in circumstances, disruptions, cessation or fundamental changes to the Index:	Applicable – Condition 7(c) and 7(e)
(viii)	Interest or calculation period(s):	[●]
(ix)	Interest Payment Dates:	[●]
(x)	First Interest Payment Date:	[●]
(xi)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(xii)	Business Centre:	[●]
(xiii)	Minimum Indexation Factor:	[Not Applicable/specify]
(xiv)	Maximum Indexation Factor:	[Not Applicable/specify]
(xv)	Base Index Figure:	[●]
(xvi)	Limited Indexation Month(s):	[●]
(xvii)	Reference Gilt:	[●]
(xviii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/Actual] [Actual/365 Fixed] [Actual/360] [30/360 or 360/360 or Note Basis] [30E/360 or Eurobond Basis]
(xix)	Alternative Redemption Amount:	[Not Applicable/[●]]
	- Reuters Screen:	[●]
21	Interest Rate subject to adjustment in accordance with the Interest Ratchet:	[Not Applicable/Applicable with an Interest Ratchet Margin of [●] per cent.]

PROVISIONS RELATING TO REDEMPTION

22	Issuer Optional Redemption:	[Applicable in accordance with Condition 8(d)][Not Applicable]
(i)	Optional Redemption Date(s):	Any Interest Payment Date [falling on or after [●] and at a premium of [●] (<i>delete for non-Floating Rate Notes</i>)]
(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	If redeemable in part:	
(iv)	Minimum Redemption Amount:	[Not Applicable]
(v)	Maximum Redemption Amount:	[Not Applicable]
(vi)	Notice period (if other than as set out in the Conditions):	[Not Applicable]

- 23 Final Redemption Amount of each Note [●] per Calculation Amount
In cases where the Redemption Amount is Index-Linked:
- (i) Index/Formula/variable: [UK Retail Price Index]
 - (ii) Party responsible for calculating the Final Redemption Amount (if not the [Agent]): [Not Applicable] / [●] as Calculation Agent
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: The Final Redemption Amount of each Note shall be determined in accordance with Condition 8(d)
 - (iv) Determination Date(s): [●]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: Applicable – Condition 7(c) and 7(e)
 - (vi) Payment Date: [●]
 - (vii) Minimum Final Redemption Amount: [●] per Calculation Amount
 - (viii) Maximum Final Redemption Amount: [●] per Calculation Amount
- 24 **Early Redemption Amount:**
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption); [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 **Form of Notes:** [Bearer/Registered]
- (i) If issued in Bearer form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
[Temporary Global Notes are exchangeable for Definitive Notes *upon notice, then such Definitive Notes may only be issued in denominations equal to €100,000 and integral multiples thereof*
[Temporary Global Notes exchangeable for Definitive Notes on [●] days' notice (Neither TEFRA C Rules nor TEFRA D Rules apply).]
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 - (ii) If Registered Notes: [Registered Global Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common

		safekeeper for Euroclear and Clearstream, Luxembourg exchangeable for Individual Note Certificates on [●] days' notice in the circumstances specified in the Registered Note]
26	New Global Note:	[Yes][No]
27	Relevant Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable]/[●]
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes]/[No]
29	Details relating to Instalment Notes:	[Not Applicable]
	(i) Instalment Date:	[●]
	(ii) Instalment Amount:	[●]
30	Consolidation provisions:	[Not Applicable/The provisions annexed to this Final Terms apply]
31	TEFRA rules:	[TEFRA C/TEFRA D/Not Applicable]

DISTRIBUTION

32	(i) If syndicated, names of Managers:	[Not Applicable/ <i>give names</i>]
	(ii) Stabilising Manager (if any):	[Not Applicable/ <i>give name</i>]
33	If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i>]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the listing of the Programme for the issuance of up to £5,000,000,000 of Notes.

THIRD PARTY INFORMATION

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.*

Signed on behalf of the Issuer:

By:

Duly authorised

* Delete as applicable.

PART B – OTHER INFORMATION

1 LISTING

- | | | |
|-------|---|---|
| (i) | Listing | Ireland |
| (ii) | Admission to trading: | Application has been made to the Irish Stock Exchange for the Notes to be admitted to trading on the Main Securities Market with effect from [●] [Not Applicable] |
| (iii) | Estimate of total expenses related to admission to trading: | [●] |

2 RATINGS

Ratings: The Notes to be issued have been rated:
[Fitch Ratings Ltd.: [●]]
[Moody's Investors Services Limited [●]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

[Legends to be included in respect of European Credit Rating Agency Regulation]

To be completed as applicable.

Option 1- CRA established in the EEA and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under the CRA Regulation).

Option 2 -CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under the CRA Regulation although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

Option 3 -CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under the CRA Regulation.

Option 4 -CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by *[insert legal name of credit rating*

agency], which is established in the EEA and registered under the CRA Regulation.

Option 5 -CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under the CRA regulation.

Option 6 -CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under the CRA Regulation and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

[Include a brief explanation of the meaning of the ratings if published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 [NOTIFICATION]

The Central Bank [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“*Subscription and Sale*” in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [●]
[(See “*Use of Proceeds*” wording in the Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- (ii) Estimated net proceeds: [●]
- (iii) Estimated total expenses: [●] (Include breakdown of expenses.)

6 (Fixed Rate Notes only) – YIELD

Indication of yield: [●]

7 [PERFORMANCE OF INDEX]

- (i) Name of underlying index: U.K. Retail Price Index (RPI) (all items) published by the Office of National Statistics
- (ii) Information about the Index, its volatility and past and future performance can be obtained from: Information on RPI can be found at www.statistics.gov.uk

8 OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [Not Applicable]/[●]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

ISIN Code: [●]

Common Code: [●]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECN being satisfied that Eurosystem eligibility criteria have been met.][*include this text if “yes” selected, in which case bearer Notes must be issued in NGN form*]

DESCRIPTION OF THE INITIAL LIQUIDITY FACILITY PROVIDERS

Barclays Bank PLC

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.

Barclays Bank PLC and its subsidiary undertakings (taken together, the (“**Group**”)) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-1 by Standard & Poor’s Credit Market Services Europe Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated A+ by Standard & Poor’s Credit Market Services Europe Limited, A2 by Moody’s Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group’s audited financial information for the year ended 31 December 2012, the Group had total assets of £1,490,747 million (2011: £1,563,402 million), total net loans and advances¹ of £466,627 million (2011: £478,726 million), total deposits² of £462,806 million (2011: £457,161 million), and total shareholders’ equity of £62,894 million (2011: £65,170 million) (including non-controlling interests of £2,856 million (2011: £3,092 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2012 was £99 million (2011: £5,974 million) after credit impairment charges and other provisions of £3,596 million (2011: £3,802 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays Bank PLC for the year ended 31 December 2012.

.Bank of America, N.A,

Bank of America, N.A. is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. Bank of America, N.A. is a wholly-owned indirect subsidiary of Bank of America Corporation and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services.

Bank of America Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina.

Filings can be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission at 100 F Street, N.E., Washington, D.C. 20549, United States, at prescribed rates. In addition, the Securities and Exchange Commission maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the Securities and Exchange Commission.

The information concerning the Bank of America Corporation and Bank of America, N.A. is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

Bank of America, N.A. will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case as filed with the Securities and Exchange Commission pursuant to the Exchange Act), and the publicly available portions of the most recent quarterly Call Report of Bank of America, N.A. delivered to the Comptroller of the Currency,

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporate Communications
100 North Tryon Street, 18th Floor
Charlotte, North Carolina 28255
Attention: Corporate Communication

The delivery of this information shall not create any implication that there has been no change in the affairs of the Bank of America Corporation or Bank of America, N.A since the date of the most recent filings referenced herein, or that the information contained or referred to in this section is correct as of any time subsequent to the referenced date.

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. has its registered head office at 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8388, Japan, 101 and its telephone number is 81-3-3240-1111. The Bank of Tokyo-Mitsubishi UFJ, Ltd. is a joint stock company (kabushiki kaisha) incorporated in Japan under the Commercial Code (Law No. 48 of 1899), which is the predecessor of the Company Law of Japan (Law No. 86 of 2005, also known as the Companies Act or the Corporation Act). The Bank of Tokyo-Mitsubishi UFJ, Ltd.'s London Branch is located at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AN and its telephone number is +44 (0) 20 7577 1000. BTMU's London Branch registration number is FC004549/BR002013.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. was formed through the merger, on January 1, 2006, of Bank of Tokyo-Mitsubishi and UFJ Bank Limited after their respective parent companies, Mitsubishi Tokyo Financial Group, Inc. and UFJ Holdings, Inc., had merged to form Mitsubishi UFJ Financial Group, Inc. on October 1, 2005. The Bank of Tokyo-Mitsubishi Ltd. was formed through the merger, on April 1, 1996, of The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. is a major commercial banking organization in Japan that provides a broad range of domestic and international banking services from its offices in Japan and around the world. Our services include banking, trust banking, securities, investment trusts, credit cards and consumer finance, leasing, international banking and many more fields of financial services.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. is regulated in Japan by the Financial Services Agency of Japan and in the United Kingdom by the Financial Services Authority (FSA number 139189).

Lloyds TSB Bank plc

Lloyds TSB Bank plc, its registered address at 25 Gresham Street, London EC2V 7HN, will act as an Initial Issuer Liquidity Facility Provider under the Initial Issuer Liquidity Facility Agreement and as an Initial ABPA Liquidity Facility Provider under the Initial ABPA Liquidity Facility Agreement. Lloyds TSB Bank plc is regulated by the Financial Services Authority. The long term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc are, as at the date of this Base Prospectus, rated "A2" by Moody's and "A" by Fitch and the short term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc are rated "P-1" by Moody's and "F1" by Fitch.

National Australia Bank Limited

National Australia Bank Limited ("**NAB**") is registered in the State of Victoria with Australian Business Number 12 004 044 937. NAB was incorporated on 23 June 1893.

NAB is a public limited company incorporated in the Commonwealth of Australia and it operates under Australian legislation including the Corporations Act 2001 of Australia. Its registered office is Level 4 (UB4440), 800 Bourke Street, Docklands, Victoria 3008, Australia (telephone number +61 3 8634 2345).

NAB and its controlled entities ("**NAB Group**") is an international financial services group, providing a comprehensive and integrated range of financial products and services. The principal activities of the NAB Group are banking services, credit and access card facilities, leasing, housing and general finance, international banking,

investment banking, wealth management, funds management, life insurance, and custodian, trustee and nominee services.

.The Bank of Nova Scotia, London branch

The Bank of Nova Scotia was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, The Bank of Nova Scotia has been a chartered bank under the Bank Act (Canada). The Bank of Nova Scotia is a Schedule 1 bank under the Bank Act (Canada) and the Bank Act (Canada) is its charter. The head office of The Bank of Nova Scotia is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 3B7 and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario, M5H 1H1. A copy of The Bank of Nova Scotia's by-laws is available on www.sedar.com. The Bank of Nova Scotia's London branch was opened in 1920 and is currently located at 201 Bishopsgate, 6th Floor, London EC2M 3NS.

The Bank of Nova Scotia is one of North America's premier financial institutions and Canada's most international bank. Through its team of more than 81,000 employees, The Bank of Nova Scotia and its affiliates offer a broad range of products and services, including personal, commercial, corporate and investment banking to more than 19 million customers in more than 55 countries around the world.

Information on The Bank of Nova Scotia's business lines is available in the 2012 Management's Discussion and Analysis found on pages 44 to 54 inclusive of The Bank of Nova Scotia's Annual Report for the year ended October 31, 2012.

The Royal Bank of Scotland plc

The Royal Bank of Scotland plc's registered office is 36 St Andrew Square, Edinburgh EH2 2YB.

The Royal Bank of Scotland plc is a public limited company incorporated in Scotland with registration number SC090312 and was incorporated under Scots law on 31 October 1984. The Royal Bank of Scotland plc is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc, which is the holding company of a large global banking and financial services group (taken together, for the purposes of this section, the ("**Group**"). Headquartered in Edinburgh, the Group operates in the United Kingdom, the United States and internationally through its principal subsidiaries, The Royal Bank of Scotland plc and National Westminster Bank Plc. Both The Royal Bank of Scotland plc and National Westminster Bank Plc are major United Kingdom clearing banks. In the United States, the Group's subsidiary RBS Citizens Financial Group, Inc. is a large commercial banking organisation. Globally, the Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

Assets, owners' equity and capital ratios

The Group had total assets of £1,312 billion and owners' equity of £68 billion as at 31 December 2012. As at 31 December 2012, the Group's capital ratios were a total capital ratio of 14.5 per cent., a Core Tier 1 capital ratio of 10.3 per cent. and a Tier 1 capital ratio of 12.4 per cent.

The Royal Bank of Scotland plc and its subsidiaries consolidated in accordance with International Financial Reporting Standards (the "**Issuer Group**") had total assets of £1,284 billion and owners' equity of £59.4 billion as at 31 December 2012. As at 31 December 2012, the Issuer Group's capital ratios were a total capital ratio of 15.4 per cent., a Core Tier 1 capital ratio of 9.5 per cent. and a Tier 1 capital ratio of 11.0 per cent.

TAX CONSIDERATIONS

UNITED KINGDOM TAXATION

The following is a summary of the UK withholding taxation treatment in relation to payments of principal and interest in respect of the Notes as at the date of this Base Prospectus. The comments do not deal with other UK tax aspects of acquiring, holding or disposing of the Notes. The comments are based on current law and HM Revenue & Customs (“HMRC”), practice, which may be subject to change, sometimes with retrospective effect, and relate only to the position of persons who are absolute beneficial owners of the Notes. The summary set out below is a general guide and should be treated with appropriate caution. Prospective purchasers who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK should consult their professional advisers. In particular, Noteholders should be aware that they may be liable to taxation under the laws of the UK (by direct assessment) or other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.

UK Withholding Tax on UK source interest

The Notes issued by the Issuer will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish Stock Exchange. While the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

In all cases falling outside the exemption described above, payments in respect of interest on the Notes will be paid under deduction of UK income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or, in certain circumstances, where an exemption contained in section 930 of the Income Tax Act 2007 applies (including in particular an exemption for payments to certain UK companies and partnerships).

However, this obligation to withhold on account of UK income tax will not apply if the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

If UK withholding tax is imposed, then the Issuer will not pay additional amounts in respect of the Notes.

Provision of Information by UK Paying and Collecting Agents

Persons in the UK (i) paying interest to or receiving interest on behalf of another person who is an individual (whether resident in the UK or elsewhere), or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual (whether resident in the UK or elsewhere), may be required to provide certain information to HMRC regarding the payment and the identity of the payee or person entitled to the interest and, in certain circumstances such information may be exchanged with tax authorities in other countries. However, HMRC published practice indicates that they will not require information to be provided in respect of such redemption amounts paid or received on or before 5 April 2013.

Other Rules relating to UK Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not be subject to any UK withholding tax pursuant to the provisions mentioned in “*UK Withholding Tax on UK source interest*” above, but may be subject to reporting requirements as outlined in “*Provision of Information by UK Paying and Collecting Agents*” above.

Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any element of such premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of UK income tax, Noteholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” above mean “interest” as understood in UK tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the UK withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 15(c) (*Meetings of Noteholders, Modifications, Waiver and Substitution*) of the Notes and does not consider the tax consequences of any such substitution.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during such period they elect otherwise) operate a withholding tax in relation to such payments. The transitional period will end after an agreement on exchange of information is reached between the European Union and certain non-European Union states. A number of non-European Union states (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system, or through another country that has adopted similar measures, and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. However, the Issuer will endeavour to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive (if there is any such Member State).

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their tax position should consult their professional advisers.

SUBSCRIPTION AND SALE

Dealership Agreement

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, Merrill Lynch International, Lloyds TSB Bank plc, Mitsubishi UFJ Securities International plc, National Australia Bank Limited, Scotiabank Europe plc and The Royal Bank of Scotland plc and any other dealer appointed from time to time (the “Dealers”) in each case acting as principal or to subscribers from whom subscriptions have been procured by the Dealers, in each case pursuant to the dealership agreement made between, amongst others, the Issuer, the Arranger and the Dealers (the “Dealership Agreement”). The arrangements under which a particular Tranche of Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers or subscribers are set out in the Dealership Agreement and the Subscription Agreements relating to each Tranche of Notes. Any such agreement will, *inter alia*, make provision for the price at which such Notes will be purchased by the Dealers or subscribers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series or Tranche of Notes.

In the Dealership Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and maintenance of the Programme and the issue of Notes under the Dealership Agreement and each of ABPA, ABPH and ABPAH has agreed to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States of America

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (“US Persons”), except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and, in each case, in circumstances that will not require the Issuer to register under the Investment Company Act 1940. Terms used in this paragraph have the meaning given to them in Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Notes will be offered, sold and delivered only outside the United States, to persons who are not U.S. persons, in offshore transactions in reliance on Regulation S.

Each Dealer has agreed that it has offered and sold, and it will offer and sell, Notes of any Series (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying Agent by the relevant Dealer (or in the case of a sale of an identifiable tranche of Notes to or through more than one relevant Dealer, by each of such relevant Dealers as to the Notes of such identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify each such relevant Dealer when all such relevant Dealers have so certified), only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts in the United States with respect to Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer and its affiliates will also agree that, at or prior to confirmation of sale of Notes to a distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period it will send to such purchaser a confirmation or notice stating that such purchaser is subject to the foregoing restrictions on offers and sales. Terms used in this paragraph have the meanings given to them by Regulation S.

Until 40 days after the commencement of the offering of any series of Notes, any offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of index-linked notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms or applicable Drawdown Prospectus.

Due to the restrictions set forth above and in the relevant Final Terms, purchasers of the Notes are advised to consult legal counsel prior to making an offer to purchase or to re-sell, pledge or otherwise transfer the Notes.

European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) **Approved prospectus:** if the Final Terms or relevant Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, *provided that* any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms or relevant Drawdown Prospectus, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) **Fewer than 100 offerees:** at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other Exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the above, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means EU Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the Relevant Member State), and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

- (b) **Financial Promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General Compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Ireland

In relation to each Series or Tranche of Notes, each Relevant Dealer has represented and undertaken to the Issuer and each other Relevant Dealer (if any) that:

- (a) it has not and will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it has not and will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942-2010 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (c) it has not and will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank; and
- (d) it has not and will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

General

Each Dealer has represented, warranted and undertaken to the Issuer that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus or any Final Terms or relevant Drawdown Prospectus or any related offering material, in all cases at its own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific country or jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) in the official interpretation, after the date of the Dealership Agreement, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Drawdown Prospectus (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes thereunder have been duly authorised by resolutions of the board of directors of the Issuer passed at a meeting of the board held on 17 May 2013. Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market will be admitted separately as and when issued, subject only to the issue of Global Notes initially representing the Notes of such Tranche. The listing of the Programme in respect of such Notes is expected to be granted on or around 22 May 2013 the estimated aggregate cost of the foregoing applications for admission to the Official List of the Irish Stock Exchange and admission to trading on its regulated market is €2,000.

However, Notes may also be issued pursuant to the Programme which will not be admitted to the Official List or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

For so long as the Notes are admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market, the Issuer shall maintain a Paying Agent in the EEA.

Documents Available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents in physical form may (when published) be inspected during normal business hours (in the case of Bearer Notes) at the specified office of the Principal Paying Agent, (in the case of Registered Notes) at the specified office of the Registrar and the Transfer Agents and (in all cases) at the registered office of the Note Trustee and, for documents (b) to (f), in electronic form on the website www.abports.co.uk:

- (a) the Memorandum and Articles of Association of the Issuer, ABPAH, ABPH and ABPA;
- (b) a copy of this Base Prospectus;
- (c) the Financial Statements of the Issuer, ABPAH, ABPA, and ABPH;
- (d) each Final Terms or relevant Drawdown Prospectus relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms or relevant Drawdown Prospectus will only be available for inspection by the relevant Noteholders);
- (e) each Investor Report;
- (f) the Note Trust Deed;
- (g) the Agency Agreement;
- (h) the Common Terms Agreement;
- (i) the STID;
- (j) the IBLAs;
- (k) the Master Definitions Agreement;
- (l) the Issuer Deed of Charge;

- (m) the Security Agreement;
- (n) the Issuer Liquidity Facility Agreement;
- (o) the ABPA Liquidity Facility Agreement;
- (p) the ABPA Floating Charge Agreement;
- (q) the ABPA Account Bank Agreement;
- (r) the Issuer Account Bank Agreement; and
- (s) the Issuer Cash Management Agreement.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as specified in the relevant Final Terms or relevant Drawdown Prospectus. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms or relevant Drawdown Prospectus. If the Notes are to clear through an additional or alternative clearing system (including Sicovam) the appropriate information will be specified in the applicable Final Terms or relevant Drawdown Prospectus.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms or relevant Drawdown Prospectus.

No Material Change

There has been no material adverse change in the financial or trading position or prospects of the Issuer since 31 December 2012.

There has been no material adverse change in the financial or trading position or prospects of any of the Covenantors since the date of their last published audited financial statements. In the case of ABPAH, there has been no material adverse change in its financial or trading position or prospects since its date of incorporation.

Litigation

Save as described in the section entitled “*Risk Factors - Potential liabilities and costs from litigation could adversely affect the ABP Group’s business*”, none of the Issuer or any of the Covenantors is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any of the Covenantors is respectively is aware) since, in the case of the Issuer and ABPAH, 14 November 2011 (being the date of incorporation of both the Issuer and ABPAH) and 31 December 2010 (in the case of the Covenantors) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or any of the Covenantors (as the case may be).

Availability of Financial Statements

The audited annual financial statements of the Issuer will be prepared as of 31 December in each year. The Issuer and ABPAH have not published and do not intend to publish any interim financial information. All future audited annual financial statements (and any published interim financial information) of the Issuer and ABPAH will be available free of charge in accordance with “– *Documents Available*” above.

Auditors

The auditors of the Issuer, ABPAH and the Covenantors are Ernst & Young LLP, Registered Auditors, of 1 More London Place, London, SE1 2AF, who have audited the Issuer’s, ABPAH’s and the Covenantor’s accounts, without qualification, in accordance with International Standards on Auditing (UK and Ireland) for each of the financial years ended 31 December 2012 and 31 December 2011.

Ernst & Young LLP has given and not withdrawn its consent to the publication of this Base Prospectus and its accountant's reports incorporated by reference in this Base Prospectus and reference to its name in the form and context in which they are included and incorporated and has authorised the contents of those parts of the prospectus. Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

Legend

Bearer Notes, Receipts, Talons and Coupons appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Note, Coupon, Receipt or Talon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note, Coupon, Receipt or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Information in respect of the Notes

The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms or relevant Drawdown Prospectus of each Tranche, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Websites

Any website mentioned in this Base Prospectus does not form part of the Base Prospectus.

GLOSSARY OF DEFINED TERMS

“0-12 Month Calculation Period” means the period commencing on and including the day after the most recently occurring Accounting Date and ending on and including the date falling 12 months after that Accounting Date.

“12-24 Month Calculation Period” means the period commencing on and including the day after the date falling 12 months after the most recently occurring Accounting Date and ending on and including the date falling 24 months after that Accounting Date.

“24-36 Month Calculation Period” means the period commencing on and including the day after the date falling 24 months after the most recently occurring Accounting Date and ending on and including the date falling 36 months after that Accounting Date.

“ABP Ownership Rights” means all powers, rights, title and interest of ABPH in relation to ABP howsoever arising, including under the Transport Act 1981.

“ABPA Account Bank Agreement” means the account bank agreement dated the Initial Issue Date between ABPA, the ABPA Cash Manager, the ABPA Account Bank and the ABPA Security Trustee.

“ABPA Cash Manager” means ABPAH or any substitute cash manager.

“ABPA Debt Service Reserve Account” means the account opened and maintained by ABPA and entitled “ABPA Debt Service Reserve Account” which may be credited with a cash reserve for satisfying all or part of the minimum debt service funding requirements described in “*Summary of the Financing Agreements – Common Terms Agreement – Trigger Event Remedies – Debt Service Funding Trigger*” or such other account as may be opened, with the consent of the ABPA Security Trustee, at any branch of the ABPA Account Bank in replacement of such account.

“ABPA Defeasance Account” means each account opened by APBA with the ABPA Account Bank in accordance with the ABPA Account Bank Agreement in respect of ABPA Defeased Debt.

“ABPA Defeasance Amount” means amounts standing to the credit of the ABPA Defeasance Account or any amount representing proceeds of withdrawal from the ABPA Defeasance Account (other than amounts permitted to be withdrawn from the ABPA Defeasance Account in accordance with the Common Terms Agreement).

“ABPA Defeasance Creditor” means each ABPA Secured Creditor in respect of whom ABPA Defeased Debt is outstanding.

“ABPA Defeasance Liabilities” means the Liabilities of the Security Providers in respect of the ABPA Defeased Debt.

“ABPA Defeasance Security” means the Security created pursuant to the Security Agreement over each ABPA Defeasance Account in favour of the relevant ABPA Secured Creditor as ABPA Security for the ABPA Defeasance Liabilities.

“ABPA Defeased Debt” means any ABPA Senior Debt (including each IBLA) in respect of which (other than in the case of the Issuer) the relevant Secured Creditor Representative has consented in writing to the ABPA Security Trustee to the defeasance of the relevant Secured Liabilities in respect of such ABPA Senior Debt.

“ABPA Floating Charge Agreement” means the floating charge agreement dated the Initial Issue Date and entered into between the Issuer, the ABPA Security Trustee, the Issuer Security Trustee and the Security Providers.

“ABPA Forward-Looking Ratio Certificate” means a certificate delivered by the ABPAH Group Agent to the ABPA Security Trustee, the Note Trustee, the Issuer and each Rating Agency, stating that the forward-looking financial ratio calculations and projections made by the ABPAH Group Agent as set out in the Compliance Certificate are based on the projections forming the basis of the forward-looking ratio calculations in the immediately preceding Compliance Certificate and that there has been no material adverse change to such projections (taken as a whole) that would result in a material adverse change to the financial ratio calculations.

“ABPA Hedging Agreement” means each ISDA Master Agreement entered into by ABPA and an ABPA Hedge Counterparty in accordance with the Hedging Policy and which governs the ABPA Hedging Transactions between such parties.

“ABPA Hedge Counterparty” means the Initial ABPA Hedge Counterparties and any counterparty which is party to an ABPA Hedging Agreement and which accedes as an ABPA Hedge Counterparty to the STID and the Common Terms Agreement (together, the **“ABPA Hedge Counterparties”**).

“ABPA Hedging Transaction” means any Treasury Transaction with respect to the Relevant Debt entered into with ABPA in accordance with the Hedging Policy.

“ABPA LF Event of Default” means:

- (a) ABPA fails to pay any sum due from it under the relevant ABPA Liquidity Facility Agreement or any of the ABPA LF Fee Letters at the time, in the currency and in the manner specified therein unless payment is made within five (5) Business Days;
- (b) an Insolvency Event occurs in respect of ABPA (other than the appointment of an Administrative Receiver under the ABPA Security Documents);
- (c) the ABPA Security Trustee delivers a Loan Acceleration Notice or is instructed to deliver a Loan Acceleration Notice (and has been indemnified in accordance with the STID);
- (d) at any time it is or becomes unlawful for ABPA to perform or comply with any or all of its obligations under the relevant ABPA Liquidity Facility Agreement or any of the obligations of ABPA under the applicable ABPA Liquidity Facility Agreement are not or cease to be legal, valid, binding and enforceable;
- (e) ABPA breaches a representation given under the applicable ABPA Liquidity Facility Agreement which (a) if capable of remedy, is not remedied within twenty (20) Business Days and (b) is likely to materially and adversely affect the ability or obligation of ABPA to make payments to the ABPA Liquidity Facility Providers under the relevant ABPA Liquidity Facility Agreement;
- (f) ABPA breaches a covenant given by it under the relevant ABPA Liquidity Facility Agreement which (a) if capable of remedy, is not remedied within twenty (20) Business Days and (b) is likely to materially and adversely affect the ability or obligation of ABPA to make payments to the ABPA Liquidity Facility Providers under the relevant ABPA Liquidity Facility Agreement; or
- (g) a cross-default, being:
 - (i) any Financial indebtedness of APBA under an ABPA Liquidity Facility Agreement is not paid when due nor within any originally applicable grace period;
 - (ii) any Financial indebtedness of APBA under an ABPA Liquidity Facility Agreement is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) thereunder;
 - (iii) any commitment for any Financial Indebtedness of ABPA under an ABPA Liquidity Facility Agreement is cancelled or suspended by a creditor of ABPA as a result of an event of default (however described) thereunder; or
 - (iv) any creditor of ABPA becomes entitled to declare any Financial Indebtedness of ABPA under an ABPA Liquidity Facility Agreement due and payable prior to its specified maturity as a result of an event of default (however described) thereunder.

“ABPA LF Fee Letter” means (for so long as any amounts remain payable thereunder) any letter entered into in connection with the relevant ABPA Liquidity Facility Agreement between, amongst others, ABPA and one or more ABPA Liquidity Facility Providers setting out the amount of margin and/or certain fees payable by ABPA to the applicable ABPA Liquidity Facility Provider.

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

“**ABPA Liquidity Facility Agent**” means the Initial ABPA Liquidity Facility Agent as agent under the relevant ABPA Liquidity Facility Agreement, or any of its successors thereto.

“**ABPA Liquidity Facility Agreement**” means each liquidity facility agreement the terms of which shall require that the relevant liquidity facility provider has the Requisite Ratings and which shall be substantially in the form of the Initial ABPA Liquidity Facility Agreement having regard to customary market practice for such liquidity facilities and the requirements of the Rating Agencies then rating any Financial Indebtedness under any Authorised Credit Facility or the Notes.

“**ABPA Liquidity Facility Provider**” means the Initial ABPA Liquidity Facility Provider and any bank or financial institution which has become a Party to the ABPA Liquidity Facility Agreement in accordance with the terms of the relevant ABPA Liquidity Facility Agreement and which in each case has not ceased to be a party to such agreement in accordance with the terms of the relevant ABPA Liquidity Facility Agreement.

“**ABPA 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) of each Covenantor to any ABPA Secured Creditor under each Finance Document to which such Covenantor is a party, except for any obligation which, if it were secured under the ABPA Security Documents, would result in a contravention of sections 678 and 679 of the Companies Act 2006.

“**ABPA Security**” means the security constituted by the ABPA Security Documents including any guarantee or obligation to provide cash collateral or further assurance thereunder, including the following:

- (a) a first fixed charge over the Mortgaged Property (except for any Excluded Charged Property);
- (b) a first fixed charge over all shares and ABPH’s ownership interest in ABP;
- (c) assignments by way of security of its rights under the Finance Documents to which it is a party, including the ABPA Hedging Agreements, the Common Terms Agreement, each ABPA Liquidity Facility Agreement and the STID;
- (d) assignments by way of security of the Benefit of Assignable Insurances;
- (e) a fixed or floating charges over certain bank accounts and charges over investments; and
- (f) a first floating charges over all of the undertaking, property, assets and rights of each Security Provider to the extent not effectively charged or assigned by way of fixed security.

“**ABPA Security Documents**” means:

- (a) the Security Agreement;
- (b) the ABPA Floating Charge Agreement;
- (c) 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”;
- (d) any other document evidencing or creating security over any asset of a Covenantor to secure any obligation of any Covenantor to an ABPA Secured Creditor in respect of the ABPA Secured Liabilities.

“**ABPA Security Trustee**” means Deutsche Trustee Company Limited or any successor appointed pursuant to the STID.

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

- (a) each Senior Term Facility, each WC Facility, each Capex Facility, each IBLA, each ABPA Liquidity Facility and any and all liabilities under the ABPA Hedging Agreements (including the Pari Passu ABPA Hedging Agreements and the Super Senior ABPA Hedging Agreements); and
- (b) any further debt incurred which ranks *pari passu* with the debt specified in (a) above.

“**ABPA Standby Reserve Ledger**” means the sub-ledger in which all ABPA Standby Drawings which are deposited into the ABPA Debt Service Reserve Account are recorded prior to the satisfaction of certain conditions set out in the relevant ABPA Liquidity Facility Agreement.

“**ABPAH Group**” means ABPAH, ABPH, ABPA, ABP and any other Subsidiary of ABPAH other than the Issuer.

“**ABPAH Group Shares**” means all of the shares held by each Security Provider in each member of the ABPAH Group (other than the shares in the Issuer held by ABPAH or, in the case of ABPH, the ABP Ownership Rights) at any time, (being the shares which existed in each Security Provider as at the Initial Issue Date) or in the relevant schedule or appendix to any deed of accession when used in relation to a particular Security Provider.

“**ABPAH Group Defined Benefit Pension Schemes**” means the Associated British Ports Pension Scheme, the Merchant Navy Officers Pension Fund, the Pilots’ National Pension Fund, the Former Registered Dockworkers Pension Fund, S.C.T. Pension Scheme and the TCS Pension Scheme.

“**ABPAH Subordinated Creditor**” means any holder of Subordinated Debt, being an Investor, which becomes an ABPAH Subordinated Creditor pursuant to the provisions of the STID.

“**ABPAH Subsidiary**” means a Subsidiary of ABPAH (other than the Issuer) and “**ABPAH Subsidiaries**” means all of them.

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non-credit enhanced debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody’s or a comparable rating from a Rating Agency; or
- (b) any other bank or financial institution nominated by the ABPAH Group Agent and approved by the ABPA Security Trustee in accordance with the STID.

“**Accession Memorandum**” means a memorandum to be executed by a person in order for them to become a Covenantor pursuant to the Common Terms Agreement or an Additional ABPA Secured Creditor pursuant to the provisions of the STID.

“**Accounting Date**” means 30 June 2012 and each 31 December and 30 June thereafter, except as adjusted pursuant to the provisions of the Common Terms Agreement.

“**Accounting Standards**” means, in the case of any Financial Statement or information relating to a Covenantor, accounting standards which, as at the Closing Date, are generally accepted in the jurisdiction of incorporation of that Covenantor as approved from time to time, including International Financial Reporting Standards and approved by the relevant regulatory or other accounting bodies in that jurisdiction 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.

“**Additional ABPA Secured Creditors**” means any person not already an ABPA Secured Creditor which becomes an ABPA Secured Creditor pursuant the STID.

“**Additional Financial Indebtedness**” means (after the first date upon which security and guarantees are granted in accordance with the Finance Documents by any Security Provider) Financial Indebtedness incurred by ABPA (and any Guarantor in respect of its guarantee) or, subject to paragraph (b) below, by any other Covenantor and which is secured by the ABPA Security Documents (on a *pari passu* basis) **provided that:**

- (a) the secured creditors of such Financial Indebtedness (the “**Incoming Creditors**”) accede to the Common Terms Agreement and the STID;

- (b) ABP and its Material Subsidiaries shall only be entitled to be the borrower or, in the case of ABP and its Subsidiaries, a guarantor in respect of such Financial Indebtedness if it is a Covenantor and if it is both permitted, following a change to the Transport Act, to provide and it has provided (or will contemporaneously with incurring such Financial Indebtedness provide) Security Interests and guarantees in respect of the Financial Indebtedness incurred by the other Covenantors pursuant to the Finance Documents;
- (c) the Incoming Creditors do not, and may not at any time, benefit from any Security Interests, guarantees or other credit support, or recourse to, any Covenantor other than pursuant to the ABPA Security Documents, the Common Terms Agreement and the STID, except that an Incoming Creditor is permitted to have recourse to a Covenantor if such recourse is extended to the secured creditors to secure the obligations arising under the Finance Documents on an equal and rateable basis;
- (d) the Maximum Maturities Condition is satisfied at the date of incurrence of such Financial Indebtedness; and
- (e) any hedging in respect of the additional Financial Indebtedness complies with the Hedging Policy.

“Adjusted Consolidated EBITDA” means Consolidated EBITDA **after** deducting any amount of Tax (to the extent that it relates to an item taken into account in the calculation of Consolidated EBITDA) on profits, gains or income paid by the ABPAH Group during the Calculation Period net of the amount of any rebate or credit in respect of Tax on profits, gains or income (received or receivable by the ABPAH Group).

“Advance” has the meaning given to it in the relevant IBLA, as amended from time to time.

“Affiliate” means a Subsidiary or a Holding Company of a person or any other Subsidiary of that, Holding Company. Notwithstanding the foregoing, in relation to The Royal Bank of Scotland plc, the term “Affiliate” shall not include (i) the UK government or any member or instrumentality thereof, including Her Majesty’s Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty’s Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.

“Agency Agreement” means the agreement dated the Initial Issue Date between the Issuer and the Agents referred to therein under which, amongst other things, the Principal Paying Agent is appointed as issuing agent, principal paying agent and agent bank for the purposes of the Programme and any supplemental or additional agency agreement which the Issuer may be required to enter into with any agent in connection with the issue of a particular Series of Notes.

“Agent” means, as the context requires, the Agent Bank, the Principal Paying Agent, the Registrar, the Transfer Agent and any Paying Agent or any other agent appointed by the Issuer pursuant to the 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 Notes.

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

“Aggregate ABPA Debt Service Payments” means the aggregate estimated recurring fees and expenses, interest and equivalent finance charges payable in connection with the ABPA Senior Debt (excluding any amounts due under the IBLAs) for the 12 months following the most recently occurring Accounting Date (excluding any payments of principal, inflation, accretion or termination payments under any Treasury Transaction).

“Aggregate Available Liquidity” means the Aggregate ABPA Available Liquidity and the Aggregate Issuer Available Liquidity.

“Aggregate Debt Service Payments” means the Aggregate ABPA Debt Service Payments and the Aggregate Issuer Debt Service Payments.

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

“Aggregate Issuer Debt Service Payments” means the aggregate estimated recurring fees and expenses, interest and equivalent finance charges payable in connection with the Issuer Senior Debt for the 12 months following the most recently occurring Accounting Date (excluding any payments of principal, inflation, accretion or termination payments under any Treasury Transaction).

“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.

“Assigned Accounts” means the accounts (and any renewal or redesignation of such accounts) maintained by each Security Provider and any other account that may from time to time be identified in writing as an Assigned Account by the ABPA Security Trustee.

“Assignable Insurances” means all insurances except, and only, to the extent the insurances provide for third party liability cover.

“Auditors” means PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or such other independent public accountants of international standing which may be appointed by ABPA as its auditors with the prior approval of the ABPA Security Trustee.

“Authorised Credit Facility” means any facility agreement or other agreement entered into by ABPA (or, subject to satisfaction of the conditions specified in paragraph (b) of the definition of “Additional Financial Indebtedness”, ABP or its Subsidiaries) incurring or transacting ABPA Senior 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 IBLA, the Capex Facilities, the WC Facilities, the Initial Senior Term Facilities, the Senior Term Facilities, the ABPA Liquidity Facilities, the ABPA Hedging Agreements 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 Covenantor), together the **“Authorised Credit Facilities”**.

“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;
- (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 U.K. becomes a Participating Member State) euro or has been hedged in accordance with the Hedging Policy.

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 mortgage, 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, other than if such instrument is entered into in accordance with or as contemplated under the Finance Documents;

- (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.

“**Base Case Model**” means the base case financial model in the agreed form.

“**Base Prospectus**” means this base prospectus and, in relation to each Tranche of Notes, the applicable Final Terms or relevant Drawdown Prospectus shall be deemed to be included in the base prospectus and any additional standalone or drawdown prospectus that may be prepared by the Issuer from time to time in connection with the issuance of any Tranche of Notes.

“**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 moneys 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 moneys 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
- (e) 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.

“**Block Voting Instructions**” means an English language document issued by a Paying Agent and dated in which:

- (a) it is certified that Bearer Notes (whether in definitive form or represented by a Global Note and not being Bearer Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control or blocked in an account with a clearing system and that no such Bearer Notes will cease to be so deposited or held or blocked until the first to occur of:
 - (i) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
 - (ii) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Bearer Note which is to be released or (as the case may require) the Bearer Note or Bearer Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control or so blocked and the giving of notice by the Paying Agent to the Issuer

in accordance with Paragraph 17 of Part 1, Schedule 6 to the Note Trust Deed hereof of the necessary amendment to the block voting instruction;

- (b) it is certified that each holder of such Bearer Notes has instructed such Paying Agent that the vote(s) attributable to the Bearer Note or Bearer Notes so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Bearer Notes so deposited or held or blocked are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such document is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Bearer Notes so listed in accordance with the instructions referred to in (c) above as set out in such document.

“Borrower” means ABPA and any other borrower under an IBLA.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and Dublin.

“Calculation Agency Agreement” in relation to the Notes of any Tranche, means an agreement in or substantially in the form attached to the Agency Agreement.

“Calculation Agent” means Deutsche Bank AG, London Branch or, in relation to any Tranche of Notes, any other person appointed as calculation agent in relation to such Tranche of Notes 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 Notes.

“Calculation Period” means each period comprising 12 months ending on a relevant Accounting Date.

“Capex Facilities” means each facility, including the Initial Capex Facility pursuant to the Initial Senior Facilities Agreement, made available to ABPA to fund ABPA’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 Facility Provider” means a lender or provider of credit under a Capex Facility.

“Capital Expenditure” means any expenditure which is treated as capital expenditure in accordance with the Accounting Standards.

“Capital Raising Proceeds” means all cash proceeds derived from the issuance or incurrence by the Issuer or any other member of the ABPAH Group of debt securities or Authorised Credit Facilities other than any Liquidity Facility, Capex Facility, WC Facility or debt in respect of which another member of the ABPAH Group is the creditor after deducting:

- (a) any reasonable expenses which are incurred by any member of the ABPAH Group with respect to that issuance or incurrence; and
- (b) any Tax incurred and required to be paid or payable by the Issuer or the relevant member of the ABPAH Group the seller in connection with that issuance or incurrence.

“Cash” means cash in hand or credit balances or amounts on deposit with any Acceptable Bank which is:

- (a) accessible by a Covenantor within 30 days; and
- (b) not subject to any Security Interest (other than one existing under the ABPA Security Documents).

“Cash Equivalent” means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation, issued by an Acceptable Bank;
- (b) any investment in marketable obligations issued or guaranteed by the government of the United States of America, the U.K., France or Germany or by an instrumentality or agency of any of them having an equivalent credit rating which:
 - (i) matures within one year after the relevant date of calculation; and
 - (ii) is not convertible to any other security;
- (c) open market commercial paper not convertible to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued in the United States of America, the U.K., France or Germany;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P or Fitch or P-1 or higher by Moody’s, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an acceptable bank (or any dematerialised equivalent);
- (e) investments accessible within 30 days in money market funds which:
 - (i) have a credit rating of either A-1 or higher by S&P or F-1 or higher by Fitch or P-1 or higher by Moody’s; and
 - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above; or
- (f) any other debt security or investment approved by the ABPA Security Trustee,

in each case, to which any Covenantor is beneficially entitled at that time and which is not issued or guaranteed by any Covenantor or subject to any Security Interest (other than one arising under the ABPA Security Documents).

“Cash Manager” means ABPH or any substitute cash manager.

“Change of Control” means:

- (a) prior to an IPO, one or more of the Sponsors collectively do not or cease to control (directly or indirectly) and have the right to vote as they see fit at least 50 per cent. plus one vote of the issued share capital of ABPAH; or
- (b) following an IPO, one or more of the Sponsors collectively do not or cease to control (directly or indirectly) and have the right to vote as they see fit at least 30 per cent. of the issued share capital of ABPAH.

“Charged Property” means the property, assets, rights and undertaking of each Security Provider that are the subject of the Security Interests created in or pursuant to the ABPA Security Documents and includes, for the avoidance of doubt, each Security Provider’s rights to or interests in any chose in action and each Security Provider’s rights under the Finance Documents.

“Clean-Down” means any provision in the WC Facility Agreement which provides for the WC Facility to be cleaned down to zero for 5 consecutive Business Days within the period specified in the WC Facility.

“**Closing Date**” means 16 December 2011.

“**Common Terms Agreement**” means the common terms agreement entered into between, among others, the Covenantors, the Cash Manager, the Issuer, the Initial Senior Facilities Agent and the ABPA Security Trustee dated the Initial Issue Date.

“**Compliance Certificate**” means a certificate, substantially in the form set out in the Common Terms Agreement in which the Covenantors periodically provide certain financial information and statements to the ABPA Security Trustee as required by the Common Terms Agreement.

“**Conditions**” means the terms and conditions of the Notes set out in the Note Trust Deed, as may from time to time be amended, modified or varied in the manner permitted under the Note Trust Deed.

“**Connected Creditor**” means ABPJ and any direct or indirect Subsidiary of ABPJ, any trust of which ABPJ or any of its Subsidiaries is a trustee, any partnership of which ABPJ or any of its Subsidiaries is a partner and any trust, fund or other entity which is managed by, or is under the control of, ABPJ or any of its Subsidiaries.

“**Consolidated EBITDA**” for any Calculation Period means the operating profit of the ABPAH Group for such period:

- (a) **before** deducting any depreciation or amortisation whatsoever;
- (b) **before** taking into account all extraordinary items (whether positive or negative) but after taking into account all exceptional items (whether positive or negative);
- (c) **before** deducting any amount of Tax on profits, gains or income payable by the ABPAH Group or including any amount of any rebate or credit in respect of Tax on profits, gains or income (receivable by the ABPAH Group);
- (d) **before** deducting any costs and expenses in connection with the negotiation and implementation of the financing arrangements;
- (e) **before** taking into account (to the extent otherwise included) the capital contribution element of any pension items;
- (f) **before** taking into account interest or equivalent finance charge accrued as an obligation of or owed to any member of the ABPAH Group whether or not paid, deferred or capitalised during such period;
- (g) **before** taking into account (to the extent otherwise included) any unrealised gains or losses due to exchange rate movements;
- (h) **before** taking into account any unrealised or realised gains or losses on any financial instruments and any cash income relating to Hedging Agreements;
- (i) **after** adding back (to the extent otherwise deducted) any loss, and deducting (to the extent otherwise included) any gains, against book value incurred by the ABPAH Group on the disposal of any asset (other than the sale of trading stock) during such period;
- (j) **after** adding back the proceeds of any loss of profit or business interruption insurance receivable by the ABPAH Group;
- (k) **after** deducting (to the extent otherwise included) any gain over book value arising in favour of the ABPAH Group on the disposal of any asset (other than the sale of trading stock) during such period;
- (l) **after** deducting (to the extent otherwise included) any gain over book value arising on any revaluation of any asset during such period;
- (m) **after** deducting (to the extent otherwise included) any interest or equivalent finance charge received by the ABPAH Group in respect of ABPA Senior Debt, Issuer Senior Debt or other Financial Indebtedness of the ABPAH Group purchased and held by or on behalf of a member of the ABPAH Group (or its Affiliates);

- (n) **after** deducting (to the extent otherwise included) the amount of profit (or adding back the loss) of any member of the ABPAH Group which is attributable to any debt purchase of any ABPA Senior Debt or any other debt of the ABPAH Group by a member of the ABPAH Group or any Related Party or any transaction having an equivalent effect;
- (o) **after** deducting (to the extent otherwise included) a proportion of operating profit (or adding back the proportion of loss) attributable to a non wholly owned Subsidiary in the ABPAH Group equal to the proportion of the shareholding in the relevant Subsidiary that is not owned (directly or indirectly) by a member of the ABPAH Group;
- (p) **after** adding back (to the extent not otherwise included) the amount of permitted dividends or other distributions received by the ABPAH Group which are attributable to any member of the ABPAH Group's interest in any Permitted Joint Venture (but excluding, for the avoidance of doubt, any other operating profit of the ABPAH Group attributable to such Permitted Joint Venture);
- (q) **excluding** any costs of provisions relating to any share option or similar scheme;

provided that:

- (i) for the purposes of calculating the interest cover ratio, Consolidated EBITDA shall be adjusted (A) to include the operating profit (after making the equivalent deductions and additions referred to above) of any company, assets or business which is acquired by a member of the ABPAH Group during the Calculation Period (each, an "**Acquired Business**"), from the date of such acquisition and (B) to exclude the operating profit (after making the equivalent deductions and additions referred to above) of any company, assets or business disposed of by a member of the ABPAH Group during the Calculation Period (each, a "**Disposed Business**"), from the date of such disposal;
- (ii) for the purposes of calculating the leverage ratio, Consolidated EBITDA shall be adjusted on the basis (A) any Acquired Business shall be deemed to have been a member of the ABPAH Group for the whole Calculation Period and the Consolidated EBITDA shall be adjusted to include the relevant operating profit of an Acquired Business for such Calculation Period and (B) any Disposed Business shall be deemed not to have been a member of the ABPAH Group for the whole Calculation Period and the Consolidated EBITDA shall be adjusted to exclude the relevant operating profit of a Disposed Business, in each case after making the equivalent deductions and additions referred to above for the purposes of calculating the operating profit to be included or excluded as applicable,

so that no amount will be added (or deducted) more than once and in each case, to the extent added, deducted or taken into account as the case may be for the purpose of determining operating profit of the ABPAH Group before taxation.

"**Consolidated Net Borrowings**" in respect of the ABPAH Group at any time means the aggregate at that time of the Financial Indebtedness of the members of the ABPAH Group from sources external to the ABPAH Group which Financial Indebtedness is not subordinated to the ABPA Senior Debt pursuant to the terms of the STID (including Financial Indebtedness which is not ABPA Senior Debt or Issuer Senior Debt or any guarantee of any such Financial Indebtedness) calculated at its nominal or principal amount or, if greater, the maximum amount payable on repayment or redemption of the relevant liabilities:

- (a) **less** the aggregate amount at that time of all ABPA Senior Debt, Issuer Senior Debt or other Financial Indebtedness of the ABPAH Group purchased and held by any member of the ABPAH Group;
- (b) **less**, the aggregate amount at that time of all Cash and Cash Equivalents held by ABPAH Subsidiaries other than any Excluded Cash or Cash Equivalents;
- (c) **less** the proportion of the amount of any Financial Indebtedness of any non-wholly owned Subsidiary in the ABPAH Group equal to the proportion of the shareholding in the relevant Subsidiary that is not owned (directly or indirectly) by a member of the ABPAH Group and in respect of which no member of the ABPAH Group has provided a guarantee or other assurance against loss in respect thereof; and

- (d) **plus** the aggregate amount of any Financial Indebtedness of any Permitted Joint Venture but only in an amount up to the amount of that Financial Indebtedness guaranteed or in respect of which other assurance against loss has been provided by any member of the ABPAH Group.

“**Contribution Notice**” means a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004.

“**control**” means, with respect to an entity, the power to direct the management and policies of that entity whether by virtue of ownership, share capital, contract or otherwise.

“**Core Business**” means owning and/or operating and/or developing Port Assets and any other business complementary thereto, in each case in the United Kingdom and Ireland.

“**CP Agreement**” means the conditions precedent agreement entered into between, among others, the Issuer, the Note Trustee, the ABPA Security Trustee and the Covenantors on the Initial Issue Date.

“**CRA**” means credit rating agency.

“**Cross-Currency Hedging Agreement**” means any Hedging Agreement which governs, *inter alia*, any Treasury Transaction which is a currency swap or exchange transaction.

“**Dealers**” means Barclays Bank PLC, Lloyds TSB Bank plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, National Australia Bank Limited, Scotiabank Europe plc and The Royal Bank of Scotland plc and any other entity which Issuer and the Covenantors may appoint as a Dealer and notice of whose appointment has been given to the Principal Paying Agent and the Note 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 Note 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 Notes, the Dealer or Dealers with whom the Issuer has agreed the issue of the Notes of such Tranche and “**Dealer**” means any one of them.

“**Dealership Agreement**” means the agreement dated 25 November 2011 between the Issuer, the Covenantors, ABPA and the Dealers named therein (or deemed named therein) concerning the purchase of Notes 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 name of ABPA and maintained with the ABPA Account Bank pursuant to the terms of the ABPA Account Bank Agreement and the Common Terms Agreement, or such other account as may be opened, with the consent of the ABPA Security Trustee, at any branch of the ABPA Account Bank.

“**Debt Purchase Transaction**” means, in relation to a person, a transaction where such member of the ABPAH Group or any Related Party:

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

any commitment or amount outstanding under an Authorised Credit Facility, or in the case of the Notes, any such Notes held by a member of the ABPAH Group or any Related Party or any equivalent transaction having a similar economic effect.

“**Default**” means

- (a) a Loan Event of Default; or

- (b) an event which would be (with the expiry of a grace period, the giving of notice, the making of any determination) a Loan Event of Default.

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

“Disposal” means a sale, transfer or other disposal by a person of any Port Asset (whether by a voluntary or involuntary single transaction or series of transactions).

“Disposal Proceeds” means the consideration received by any member of the ABPAH Group (including any amount receivable in repayment of intercompany debt) for any Disposal made by any member of the ABPAH Group except for Excluded Disposal Proceeds and after deducting:

- (i) any reasonable expenses, (including legal fees, agents’ commission, auditors’ fees, out-of-pocket redundancy costs, out-of-pocket closure costs, out-of-pocket restructuring costs and out-of-pocket reorganisation costs both preparatory to and/or in consequence of the relevant Disposal) which are incurred by any member of the ABPAH Group with respect to that Disposal to persons who are not members of the ABPAH Group;
- (ii) any Tax incurred and required to be paid or reserved for (so long as the Tax liability has actually been incurred) by the seller in connection with that Disposal (as reasonably determined by the seller on the basis of existing rates and taking into account any available credit);
- (iii) any deferred consideration (but only until received, at which point such consideration shall constitute Disposal Proceeds);
- (iv) any amounts held in escrow or held in an account for warranty claims (but only until released from escrow or such accounts, at which point such amounts shall constitute Disposal Proceeds);
- (v) the amount of any contribution which is payable towards an ABPAH Group Defined Pension Scheme in connection with that Disposal;
- (vi) any amount of reserve or any provisions made on account of any indemnity claim or other purchase price adjustment until such amount is released from such reserve or provision or the relevant indemnity claim is discharged or no longer applicable or the relevant purchase price adjustment is no longer applicable, at which point the amount of such reserve or provision or purchase price adjustment shall constitute Disposal Proceeds; and
- (vii) other provisions for liabilities in connection with such Disposal until such time as such provision for the relevant liability is no longer required, at which point the amount of such provision shall constitute Disposal Proceeds.

“Dormant Subsidiary” means Amports Holdings Ltd, American Port Services Holdings Ltd, Grosvenor Waterside Developments Ltd, Amports Cargo Services Ltd, Auto Shipping Ltd, Grosvenor Waterside (Cardiff Bay) Ltd, Humber Pilotage (CHA) Ltd, Ipswich Port Ltd, Northern Cargo Services Ltd, Slater’s Transport Ltd, Southampton Free Trade Zone Ltd, Whitby Port Services Ltd, Grosvenor Buchanan Properties Ltd, ABP (No.1) Ltd, ABP Southampton Properties Ltd, ABP Connect Cargoflow Ltd, Colchester Dock Transit Company Ltd, ABP Connect Ltd, Marine Environmental Research Ltd, ABP Quest Trustees Limited, ABP (Pension Trustees) Limited, Amports Contract Personnel Ltd, Amports Vehicle Terminals Ltd and Exxtor Shipping Services Ltd.

“EEA” means the European Economic Area

“Enforcement Action” means:

- (a) demanding payment of any Liabilities;
- (b) accelerating any of the Liabilities or otherwise declaring any Liabilities prematurely due and payable or payable on demand or the premature termination or close-out of any Hedging Liabilities (other than such a

close out on a voluntary basis which would not result in a breach of the relevant transaction, Hedging Agreement, the Common Terms Agreement or the STID);

- (c) enforcing any Liabilities by attachment, set-off, execution, diligence, arrestment or otherwise;
- (d) crystallising, or requiring a Security Trustee to crystallise, any floating charge in a Security Documents;
- (e) enforcing, or requiring a Security Trustee to enforce, any Security Interests;
- (f) initiating or supporting or taking any action or step with a view to:
 - (i) any insolvency, bankruptcy, liquidation, reorganisation, administration, receivership, administrative receivership, winding up, judicial composition or dissolution proceedings or any analogous proceedings in relation to any Covenantor in any jurisdiction;
 - (ii) any voluntary arrangement, scheme of arrangement or assignment for the benefit of creditors; or
 - (iii) any similar proceedings involving any Covenantor whether by petition, convening a meeting, voting for a resolution or otherwise;
- (g) bringing or joining any legal proceedings against any Covenantor (or any of its Subsidiaries) to recover any Liabilities;
- (h) exercising any right to require any insurance proceeds to be applied in reinstatement of any asset subject to any Security Interests; or
- (i) otherwise exercising any other remedy for the recovery of any Liabilities,

provided that none of the following actions shall constitute Enforcement Action (A) payment netting in the ordinary course in respect of any Hedging Liabilities as permitted by the relevant Hedging Agreements, (B) any Permitted Hedge Termination, (C) (i) proceedings for injunctive relief (or analogous proceedings in any jurisdiction outside England and Wales) to restrain any actual or putative breach of the relevant Finance Documents or for specific performance without damages or (ii) for the purpose of preserving any claim which would otherwise be lost as a result of a statutory limitation period being exceeded, if to do so would not conflict with any other term of the Common Terms Agreement or the STID, (D) voting or the giving of instructions by any ABPA Secured Creditors in accordance with the enforcement of Security or the provision of a Loan Acceleration Notice, or (E) any set-off in connection with a Revolving Loan, to the extent that participations in a new Revolving Loan are treated under the relevant Finance Document as having been made available and applied by the borrower in or toward repayment of a Revolving Loan maturing on the same day.

“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 ABPA Secured Liabilities have been discharged in full and the date on which the ABPA Security Trustee, acting in accordance with the instructions of the relevant ABPA Secured Creditors pursuant to the STID, notifies the Covenantors that the Enforcement Period has ended.

“English Law” means the Law of England and Wales.

“Environmental Claim” means any claim by any person in connection with:

- (a) a breach, or alleged breach, of Environmental Law;
- (b) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment; or
- (c) any other environmental contamination.

“Environmental Law” means any law or regulation concerning:

- (a) the protection of health;
- (b) the environment;

- (c) the conditions of the workplace; or
- (d) any emission or substance which is capable of causing harm to any living organism or the environment.

“**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 ABPAH Group.

“**Equity Cure**” means an equity cure as described in “*Summary of the Financing Agreements - CTA - Loan Event of Default – (q) Equity Cure*”.

“**Equity Cure Limitations**” means the Initial Equity Cure Limitations and any other limitations on exercise of Equity Cure Rights specified in an Authorised Credit Facility.

“**Euroclear**” means Euroclear Bank SA/NV.

“**Excess Cash**” means, in relation to any six month period ending on an Accounting Date, the aggregate cash balance of each member of the ABPAH Group on such Accounting Date, after taking into account (for the avoidance of doubt), all interest payments (or equivalent finance charge), scheduled principal repayments, voluntary and mandatory principal prepayments, hedging payments, payments in respect of operating expenses, payments in respect of capital expenditure and payments in respect of extraordinary items and exceptional items made or to be made by the ABPAH Group in respect of the most recent six month period ending on such Accounting Date less:

- (a) amounts held in the ABPA Defeasance Accounts, the Debt Collateralisation Account and the ABPA Debt Service Reserve Account (if any) on such Accounting Date;
- (b) the proceeds of a Permitted Disposal, Report Recovery Proceeds or Insurance Proceeds, in each case, that the ABPAH Group has contractually committed to spend, or is entitled to commit to spend under the Finance Documents, in respect of the 12 month period occurring following the most recently occurring Accounting Date or that the ABPAH Group is required to apply towards a prepayment or defeasance of debt in respect of the most recent six month period ending on such Accounting Date;
- (c) the amount of any Capital Expenditure, or Permitted Acquisition (including any acquisition costs related to it) that the ABPAH Group is contractually committed to make in respect of the 12 month period occurring following the most recently occurring Accounting Date, and which, in the reasonable opinion of the ABPAH Group Agent and taking into account its projected net cashflow in respect of the 12 month period occurring following the most recently occurring Accounting Date, will in whole or part be funded from the cash on hand as at the end of the most recent six month period ending on such Accounting Date (for which purposes only the amount that is actually required or projected to be funded from the cash balance as at the end of the most recent six month period ending on such Accounting Date shall be deducted); or
- (d) any other amount of the cash balance as at the end of the most recent six month period ending on such Accounting Date that the ABPAH Group Agent, acting reasonably and after taking into account projected net cashflow in respect of the 12 month period occurring following the most recently occurring Accounting Date, determines will be required to fund the business of any member of the ABPAH Group in future in respect of the 12 month period occurring following the most recently occurring Accounting Date,

and so that no amount shall be added or deducted more than once.

“**Excluded Cash**” or “**Excluded Cash Equivalents**” means any Cash or Cash Equivalents representing (a) the proceeds of any drawing on the ABPA Liquidity Facility, the Issuer Liquidity Facility, the ABPA Debt Service Reserve Account, the Issuer Debt Service Reserve Account or any liquidity facility or debt service reserve account of the Issuer or any member of the ABPAH Group from time to time or (b) the proceeds of any Additional Equity or Subordinated Debt received by a member of the ABPAH Group within 30 days of the relevant Accounting Date and which has not been spent by such member of the ABPAH Group prior to such Accounting Date or is otherwise not forecast to be spent in the most recent management forecasts (disregarding any forecast of making a Restricted Payment of such amount) within 12 months following such Accounting Date.

“Excluded Charged Property” means any freehold or leasehold property or properties or any material licence or other right to occupy or use the same in respect of which the creation of any security by ABPA by or pursuant to any Finance Document is prohibited either absolutely or without consent (until such time as consent is obtained).

“Excluded Disposal” means the list of disposals agreed by ABPA and the ABPA Security Trustee prior to the Closing Date.

“Excluded Disposal Proceeds” means the proceeds of any Disposal to another member of the ABPAH Group.

“Excluded Insurance Proceeds” means any proceeds of an insurance claim which the Borrower notifies the Facility Agent are, or are to be, applied:

- (i) to meet a third party claim;
- (ii) in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made; and
- (iii) to cover operating losses in respect of which the relevant insurance claim was made,

in each case, if those proceeds are so applied, as soon as possible (but in any event within 6 months, or such longer period as may be agreed by the applicable majority lenders under the applicable Authorised Credit Facility may agree) after receipt.

“Excluded Loans” means certain loans which have been excluded by agreement of the transaction parties.

“Excluded Report Recovery Proceeds” means any proceeds of a Recovery Claim which are, or are to be, applied:

- (i) to satisfy (or reimburse a member of the ABPAH Group which has discharged) any liability, charge or claim upon a member of the ABPAH Group by a person which is not a member of the ABPAH Group as a result of the events or circumstances giving rise to that Recovery Claim; and
- (ii) in the replacement, reinstatement and/or repair of assets of members of the ABPAH Group which have been lost, destroyed or damaged as a result of the events or circumstances giving rise to that Recovery Claim;

in each case, if those proceeds are so applied, as soon as possible (but in any event within 6 months, or such longer period as the majority lenders under the applicable Authorised Credit Facility may agree) after receipt.

“Excluded Security Interests” means certain security existing at the Initial Issue Date.

“Existing Joint Venture” means Southampton Container Terminals Ltd.

“Existing Port Asset” means the land, buildings, business and undertakings and all related rights and associated assets which together comprise:

- (a) Ayr;
- (b) Barrow;
- (c) Barry;
- (d) Cardiff;
- (e) Fleetwood;
- (f) Garston;
- (g) Goole;
- (h) Grimsby;

- (i) Hull;
- (j) Immingham;
- (k) Ipswich;
- (l) King's Lynn;
- (m) Lowestoft;
- (n) Newport;
- (o) Plymouth;
- (p) Port Talbot;
- (q) Silloth;
- (r) Southampton;
- (s) Swansea;
- (t) Teignmouth; and
- (u) Troon.

“Facility Agent” means any facility agent (or equivalent) under any Authorised Credit Facility.

“Final Maturity Date” means, in relation to a Note, the final date on which that Note 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).

“Finance Document” means:

- (a) each Hedging Agreement;
- (b) each IBLA;
- (c) the Initial Senior Facilities Agreement;
- (d) each ABPA Security Document;
- (e) the Common Terms Agreement;
- (f) the Master Definitions Agreement;
- (g) the ABPA Account Bank Agreement;
- (h) each ABPA Liquidity Facility Agreement;
- (i) each Issuer Liquidity Facility Agreement;
- (j) (i) any fee letter, commitment letter or request entered into in connection with (i) the facilities referred to in paragraph (c) above or the transactions contemplated in such facilities and (ii) 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 Covenantor);
- (k) any other Authorised Credit Facilities;

- (l) the CP Agreement;
- (m) the Tax Deed of Covenant;
- (n) each agreement or other instrument between ABPA or the Issuer (as applicable) and an Additional ABPA Secured Creditor designated as a Finance Document by ABPA or the Issuer (as applicable), the ABPA Security Trustee and such Additional ABPA Secured Creditor in the Accession Memorandum for such Additional ABPA Secured Creditor; and
- (o) any amendment and/or restatement agreement relating to any of the above documents.

“Finance Party” means any person providing credit or acting as a counterparty to a finance transaction, in each case pursuant to an Authorised Credit Facility including all arrangers, agents, representatives, account banks, service providers, cash managers (in each case that are not members of the ABPAH Group) and trustees appointed in connection with any such Authorised Credit Facilities.

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

- (a) moneys borrowed and debit balances at financial institutions;
- (b) any acceptance credit or bill discounting facility (including any dematerialised equivalent);
- (c) any bond, note, debenture, loan stock or other similar instrument;
- (d) any share in any Covenantor which is not held by another Covenantor and which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case at the option of the holder of that security) is capable of maturing or being mandatorily redeemable or redeemable at the option of its holder in whole or in part on or before the Final Maturity Date;
- (e) any agreement treated as a finance or capital lease in accordance with the Accounting Standards;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non recourse basis);
- (g) the acquisition cost of any asset or service to the extent payable before or after its acquisition or possession by the party liable where the advance or deferred payment:
 - (i) is arranged primarily as a method of raising finance or financing the acquisition or construction of that asset or the acquisition of that service (but excluding trade credit on customary commercial terms); or
 - (ii) involves a period of more than twelve months before or after the date of acquisition or supply;
- (h) any Treasury Transaction (excluding the mark to market value of any Hedging Agreement (to the extent not crystallised) but including accretions by indexation on the notional amount of inflation-linked Hedging Agreements);
- (i) any other transaction (including any forward sale or purchase agreement and any sale and sale back, sale and lease back or deferred purchase arrangement) which has the commercial effect of a borrowing;
- (j) any counter indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or other instrument issued by a bank or financial institution save to the extent the same is issued in respect of obligations other than Financial Indebtedness;
- (k) including (without double-counting) any amount of indexation which has accreted on a liability which is of the nature referred to in the above paragraphs; or
- (l) any guarantee in respect of an underlying liability of any person which is of the nature referred to in the above paragraphs,

but excluding, for the avoidance of doubt, any non-consolidated non-recourse indebtedness incurred by associates or equity accounted Permitted Joint Ventures.

“Financial Statements” means, at any time, the financial statements of a Covenantor and, in the case of ABPAH, additionally consolidated financial statements of itself and its subsidiaries, most recently delivered to the ABPA Security Trustee.

“Financial Year” means the annual accounting period of the ABPAH Group ending on or about 31 December in each year subject to adjustment in certain limited circumstances set out in the Common Terms Agreement.

“Fitch” means Fitch Ratings Ltd. or any successor to its rating business.

“Five Year Period” means each consecutive period of five calendar years (the first of which shall commence on 1 January 2012 and end on 31 December 2016).

“Fixtures” means, in relation to any freehold or leasehold property charged by or pursuant to the Security Agreement and each Legal Charge, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by any Security Provider or in respect of which any Security Provider has an interest.

“FSMA” means the Financial Services and Markets Act 2000, as amended.

“GLN Guarantor” means The Royal Bank of Scotland plc.

“Guarantee” means the guarantees given by the Security Providers pursuant to the terms of the ABPA Security Agreement and, where the context requires, “Guarantee” shall be construed accordingly.

“Guaranteed Loan Note Charge” means the deed dated 22 August 2006, between ABPA and the GLN Guarantor pursuant to which ABPA created a Security Interest over the Loan Note Guarantee Security Account and the cash deposit from time to time standing to the credit thereof to secure its obligations under the Guaranteed Loan Note Counter Indemnity Deed.

“Guaranteed Loan Note Counter Indemnity Deed” means the deed dated 22 August 2006, between ABPA and the GLN Guarantor pursuant to which (among other things) ABPA indemnified the GLN Guarantor in respect of its exposure to loss under its guarantee of the Guaranteed Loan Notes.

“Guaranteed Loan Note Instruments” means the instruments, each dated 22 August 2006, pursuant to which ABPA has constituted, and the Guaranteed Loan Note Guarantor has guaranteed, the principal repayment of, the Guaranteed Loan Notes.

“Guaranteed Loan Notes” means the guaranteed unsecured floating rate notes constituted by ABPA pursuant to the terms of the Guaranteed Loan Note Instruments.

“Hedging Agreement” means an ABPA Hedging Agreement, an Issuer Hedging Agreement or, where the context requires, both.

“Hedging Liabilities” means the Liabilities owed to any Hedge Counterparty pursuant to a Hedging Agreement and the related Hedging Transaction.

“Hedging Transaction” means an ABPA Hedging Transaction, an Issuer Hedging Transaction or, where the context requires, both.

“Historic Adjusted Consolidated EBITDA” means, in respect of an Accounting Date, the Adjusted Consolidated EBITDA for the Calculation Period ending on that Accounting Date.

“Historic Consolidated EBITDA” means, in respect of an Accounting Date, the Consolidated EBITDA for the Calculation Period ending on that Accounting Date.

“Historic Consolidated Net Borrowings” means the Consolidated Net Borrowings on the relevant Accounting Date.

“Historic Net Interest Payable” means, in respect of an Accounting Date, the Net Interest Payable for the Calculation Period ending on that Accounting Date, **provided that** in respect of the first Accounting Date, Historic Net Interest Payable shall be the amount equal to the Net Interest Payable for the same period starting on 1 January 2012 and ending on the first Accounting Date multiplied by two.

“Holding Account” means an account:

- (a) to which ABPA may deposit amounts that are required to be applied in mandatory prepayment of an Authorised Credit Facility at the end of the relevant Interest Period pursuant to the terms of the relevant Authorised Credit Facility;
- (b) held in England by ABPA with the Initial Senior Facilities Agent, any Authorised Credit Provider(s) or the ABPA Security Trustee;
- (c) identified in a letter between the ABPAH Group Agent and the Initial Senior Facilities Agent or any Authorised Credit Provider (as the case may be) as a Holding Account; and
- (d) subject to a Security interest in favour of the ABPA Security Trustee which is in form and substance satisfactory to the ABPA Security Trustee,

as the same may be redesignated, substituted or replaced from time to time.

“Holding Amount” means amount standing to the credit of the Holding Account or any amount representing proceeds of withdrawal from the Holding Account.

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

“Independent Technical Adviser” means:

- (a) Scott Wilson;
- (b) Halcrow;
- (c) EC Harris;
- (d) Arup;
- (e) Drewry;
- (f) MDS;
- (g) Atkins,

(or any successors to the persons listed above or any other technical adviser agreed between ABPA and the ABPA Security Trustee).

“Index Event” means (i) if the Index Figure for three consecutive months falls to be determined on the basis of an Index Figure previously published as provided in Condition 7(c)(ii) (Delay in publication of Index) and the Note Trustee has been notified by the Principal Paying Agent that publication of the Index has ceased or (ii) notice is published by Her Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index has been advised by the Indexation Adviser to Issuer and such circumstances are continuing.

“Indexed” means, in respect of any reference to that amount, an amount to that amount (as previously indexed) as such amount may be adjusted up or down at the beginning of each calendar year by a percentage equal to the amount of percentage increase or, as the case may be, decrease in the Retail Price Index for such year or as is otherwise specified in the relevant Finance Document.

“Indexed Note” means a Note 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 or relevant Drawdown Prospectus).

“Inherent Liabilities” means, in respect of any company, entity, person (or the shares or ownership in any such company, entity or person), the aggregate of its liabilities as set out in, or calculated using the methodology used to prepare, its most recent audited Financial Statements (or in the case of a company, entity or person that has not produced audited Financial Statements, using the methodology used for the preparation of the ABPAH Group’s Financial Statements).

“Initial ABPA Liquidity Facility Agent” means The Royal Bank of Scotland plc as agent under the Initial ABPA Liquidity Facility Agreement.

“Initial ABPA Liquidity Facility Agreement” means the liquidity facility agreement dated the Initial Issue Date entered into between, among others, ABPA and the Initial ABPA Liquidity Facility Providers.

“Initial Equity Cure Limitations” means the ABPAH Group shall not exercise the Equity Cure Right:

- (a) in respect of consecutive Accounting Dates; or
- (b) more than three times during any rolling five-year period.

“Initial IBLA” means the loan agreement entered into between the Issuer and ABPA on the Initial Issue Date.

“Initial Issue Date” means 14 December 2011.

“Initial Issuer Liquidity Facility Agent” means The Royal Bank of Scotland plc as agent under the Initial Issuer Liquidity Facility Agreement.

“Initial Issuer Liquidity Facility Agreement” means the liquidity facility agreement dated the Initial Issue Date entered into between, among others, the Issuer and the Initial Issuer Liquidity Facility Providers.

“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 ABPA 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);
- (c) an encumbrance (excluding, in relation to the Issuer, the Note 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 Note 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 a Permitted Reorganisation, or, 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 Note 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;
- (i) save as provided in the STID, a moratorium is declared in respect of any indebtedness of such company; or
- (j) in relation to ABP any equivalent or analogous event to (a) to (i) above and whether by legislation or otherwise.

“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 (i) 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 or (ii) in relation to ABP, any proceedings or process which is analogous or has an equivalent effect to those specified in (i) above.

“Insurance Proceeds Account” means an account titled “Insurance Proceeds Account” opened by ABPA and held at the ABPA Account Bank and includes any sub-account relating to that account and any replacement account from time to time.

“Intellectual Property Rights” 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.

“Interest Commencement Date” means, in the case of interest bearing Notes, the date specified in the applicable Final Terms or relevant Drawdown Prospectus from (and including) which such Notes bear interest, which may or may not be the Issue Date.

“Interest Payment Date” (i) in respect of the Notes, has the meaning given thereto in Condition 6(i) (*Interest and Other Calculations Definitions*), (ii) in respect of the IBLA Loans, means in the case of an Advance, each date which is an Interest Payment Date (as defined in the Conditions) applicable to the Notes funding such Advance or, if any amount is payable by the Issuer under a Treasury Transaction in respect of such Notes, each date which is a payment date under such Treasury Transaction on which such an amount is payable which corresponds to such Interest Payment Date for such Notes and (iii) in respect of a Liquidity Facility Agreement means the date specified as such in the relevant Liquidity Facility Agreement.

“Interest Period” means (i) in respect of the Notes, has the meaning given thereto in Condition 6(i) (*Interest and Other Calculations - Definitions*), (ii) in respect of the IBLA Loans, the corresponding Interest Period (as defined in the Conditions) for the relevant Notes or in respect of amounts payable by the Issuer under a Treasury Transaction in respect of the Notes, each period beginning on (and including) an Interest Payment Date (or in the case of the first Interest Period, the effective date of the relevant Treasury Transaction) and ending on (but excluding) the next succeeding Interest Payment Date and (iii) in respect of an Issuer Liquidity Facility Agreement or an ABPA Liquidity Facility Agreement, with respect to any Drawing, a period of one, two, three or six months;

provided that each such period shall end on or prior to (but exclude) the Payment Date next following the start date of such period, notwithstanding that such period may be less than one or more completed months.

“Investor” means each of ABPAH’s direct or indirect Holding Companies and any other Affiliate of such person and any other person.

“Investor Report” means each report produced by the ABPAH Group Agent to be delivered by each Reporting Date in each year, substantially in the form set out in the Common Terms Agreement.

“IPO” means a listing of all or any part of the share capital of any of the Holding Companies of ABPAH on any recognised investment exchange (as that term is defined in FSMA) or other exchange or market in any jurisdiction or country.

“ISDA Master Agreement” means an agreement in the form of the 1992 ISDA Master Agreement (Multi-Currency – Cross Border) (including the schedule and credit support annex thereto) or any successor thereto published by ISDA unless otherwise agreed by the Note Trustee.

“Issue Date” means the date of issue of any Tranche of Notes 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 or relevant Drawdown Prospectus, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued.

“Issuer Account Bank Agreement” means the account bank agreement dated the Initial Issue Date between Issuer, the Issuer Account Bank and the Note Trustee.

“Issuer Accounts” means any account of the Issuer that may be opened from time to time (including any non-sterling accounts, any Issuer Debt Service Reserve Account and the Prefunding 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 a **“Issuer Account”**).

“Issuer Cash Manager” means ABPH or any substitute cash manager.

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

“Issuer Corporate Administration Agreement” means the corporate administration agreement dated the Initial Issue Date between the Issuer and the Issuer Corporate Administration Provider for the provision of an independent, U.K.-resident director to the Issuer.

“Issuer Corporate Administration Provider” means Wilmington Trust SP Services (London) Limited and any successor thereto.

“Issuer Debt Service Reserve Account” means the account opened and maintained by the Issuer and entitled “Issuer Debt Service Reserve Account” which may be credited with a cash reserve for satisfying all or part of the minimum debt service funding requirements set out in the Common Terms Agreement or such other account as may be opened, with the consent of the Issuer Security Trustee, at any branch of the Issuer Account Bank in replacement of such account.

“Issuer Deed of Charge” means the deed of charge entered into between, among others, the Issuer, the Note Trustee and the Issuer Security Trustee on the Initial Issue Date.

“Issuer Hedge Counterparty” means any counterparty which is party to an Issuer Hedging Agreement and which accedes as an Issuer Hedge Counterparty to the STID, the Common Terms Agreement and the Issuer Deed of Charge (together, the **“Issuer Hedge Counterparties”**).

“Issuer Hedging Agreement” means each ISDA Master Agreement entered into by the Issuer and an Issuer Hedge Counterparty in accordance with the Hedging Policy and which governs the Issuer Hedging Transactions between such parties.

“Issuer Hedging Transaction” means any Treasury Transaction with respect to the Relevant Debt entered into with the Issuer in accordance with the Hedging Policy.

“Issuer LF Event of Default” means:

- (a) the Issuer fails to pay any sum due from it under the relevant Issuer Liquidity Facility Agreement or any of the Issuer LF Fee Letters at the time, in the currency and in the manner specified therein unless payment is made within five (5) Business Days;
- (b) the Issuer is unable to pay its debts as they fall due within the meaning of section 123(1) of the Insolvency Act 1986 (after taking into account any amounts available to be drawn under the relevant Issuer Liquidity Facility Agreement and amounts standing to the credit of the Issuer Debt Service Reserve Account and the Issuer Standby Reserve Ledger);
- (c) an Insolvency Event occurs in respect of the Issuer;
- (d) the Note Trustee delivers a Note Enforcement Notice or is instructed to deliver a Note Enforcement Notice (and has been indemnified in accordance with the Trust Documents);
- (e) at any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under the relevant Issuer Liquidity Facility Agreement or any of the obligations of the Issuer under the relevant Issuer Liquidity Facility Agreement are not or cease to be legal, valid, binding and enforceable;
- (f) the Issuer breaches a representation given to the relevant Issuer Liquidity Facility Providers which (a) if capable of remedy, is not remedied within twenty (20) Business Days and (b) is likely to materially and adversely affect the ability or obligation of the Issuer to make payments to the Issuer Liquidity Facility Providers under the relevant Issuer Liquidity Facility Agreement;
- (g) the Issuer breaches a covenant given by it under the relevant Issuer Liquidity Facility Agreement which (a) if capable of remedy, is not remedied within twenty (20) Business Days and (b) is likely to materially and adversely affect the ability or obligation of the Issuer to make payments to the relevant Issuer Liquidity Facility Providers under the relevant Issuer Liquidity Facility Agreement; or
- (h) a cross-default, being:
 - (i) any Financial indebtedness of the Issuer under an Issuer Liquidity Facility Agreement is not paid when due nor within any originally applicable grace period;
 - (ii) any Financial indebtedness of the Issuer under an Issuer Liquidity Facility Agreement is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) thereunder;
 - (iii) any commitment for any Financial Indebtedness of the Issuer under an Issuer Liquidity Facility Agreement is cancelled or suspended by a creditor of the Issuer as a result of an event of default (however described) thereunder; or
 - (iv) any creditor of the Issuer becomes entitled to declare any Financial Indebtedness of the Issuer under an Issuer Liquidity Facility Agreement due and payable prior to its specified maturity as a result of an event of default (however described) thereunder.

“Issuer LF Fee Letter” means (for so long as any amounts remain payable thereunder) any letter entered into in connection with the Initial Issuer Liquidity Facility Agreement between, amongst others, the Issuer and one or more Issuer Liquidity Facility Providers setting out the amount of margin and/or certain fees payable by the Issuer under the Initial Issuer Liquidity Facility Agreement or any equivalent letter in respect of any other Issuer Liquidity Facility Agreement.

“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 the Initial Issuer Liquidity Facility Agent and any other appointed as liquidity facility agent under the relevant Issuer Liquidity Facility Agreement, or any of its successors thereto.

“Issuer Liquidity Facility Agreement” means each liquidity facility agreement the terms of which shall require that the relevant liquidity facility provider has the Requisite Ratings and which shall be substantially in the form of the Initial Issuer Liquidity Facility Agreement having regard to customary market practice for such liquidity facilities and the requirements of the Rating Agencies then rating the Notes.

“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 Secured Creditor Entrenched Right” means, any modification, consent, direction or waiver in respect of an Issuer Transaction Document that would:

- (a) in respect of an Issuer Secured Creditor:
 - (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 Payment Priorities or application thereof in respect of such 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;
- (b) in respect of an Issuer Hedge Counterparty, constitute an Entrenched Right pursuant to the definition of Entrenched Right; or
- (c) 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

- (a) the fixed and floating security granted by the Issuer to the Issuer Security Trustee pursuant to the Issuer ` Deed of Charge; and
- (b) the fixed security granted by ABPAH to the Issuer Security Trustee pursuant to the Issuer Deed of Charge.

“Issuer Security Document” means the Issuer Deed of Charge and any other security document or agreement entered into by the Issuer and ABPAH pursuant to the Issuer Deed of Charge.

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

- (a) the Notes;
- (b) the liabilities under the Issuer Hedging Agreements; and
- (c) any further debt incurred in due course which ranks *pari passu* with the debt specified in (a) and (b) above.

“Issuer Standby Reserve Ledger” means the sub-ledger in which all Standby Drawings which are deposited into the Issuer Debt Service Reserve Account are recorded prior to the satisfaction of certain conditions set out in the relevant Issuer Liquidity Facility Agreement.

“Issuer Transaction Document” means the Notes and any Final Terms or relevant Drawdown Prospectus relating to the Notes, the Note Trust Deed, the Dealership Agreement, each Relevant Subscription Agreement, the Agency

Agreement, the Issuer Deed of Charge, the ABPA Floating Charge Agreement, the Issuer Cash Management Agreement, the Issuer Account Bank Agreement, the Common Terms Agreement, the STID, the Master Definitions Agreement, each IBLA, each Issuer Liquidity Facility Agreement, any Issuer Hedging Agreement, the Issuer Corporate Administration Agreement, the Tax Deed of Covenant and any other agreement, instrument or deed designated as such by the Issuer and the Issuer Security Trustee.

“ITA Forward-Looking Ratio Certificate” means a forward-looking ratio certificate prepared by the Independent Technical Adviser confirming that, based on the most recent ITA Information provided to the Independent Technical Adviser, all forward-looking financial ratio calculations and projections made by such Covenantor as set out in the Compliance Certificate have been properly calculated and the projections used to make the forward-looking ratio calculations are based on not unreasonable assumptions.

“ITA Information” all of the written information and reports supplied to the Independent Technical Adviser on or after the Initial Issue Date by or on behalf of any member of the ABPAH Group in connection with the Finance Documents.

“Joint Venture” means any joint venture entity, partnership or similar person, the ownership of or other interest in which does not require any Covenantor or Non-Material Subsidiary to consolidate the results of that person with its own as a Subsidiary.

“Legal Charge” means a mortgage or legal charge in respect of all or any part of the Mortgaged Property between any of the Security Providers and the ABPA Security Trustee substantially in the form set out in the Security 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.

“Liquidity Facility” means an Issuer Liquidity Facility or an ABPA Liquidity Facility, as the context requires, and **“Liquidity Facilities”** means all of them.

“Liquidity Facility Agreement” means an Issuer Liquidity Facility Agreement or an ABPA Liquidity Facility Agreement, as the context requires, and **“Liquidity Facility Agreements”** means all of them.

“Liquidity Facility Provider” means an Issuer Liquidity Facility or an ABPA Liquidity Facility, as the context requires, and **“Liquidity Facility Providers”** means all of them.

“Loan Acceleration Notice” means a notice delivered by the ABPA Security Trustee pursuant to the STID by which the ABPA Security Trustee declares that some or all ABPA Secured Liabilities shall be accelerated.

“Loan Enforcement Notice” means a notice delivered by the APBA Security Trustee to the ABPAH Group Agent on behalf of all Covenantors if:

- (a) a Loan Event of Default has occurred and is continuing; and
- (b) the ABPA Security Trustee is (a) instructed to do so by the Participating Qualifying ABPA Secured Creditors following delivery of an Enforcement Instruction Notice or a Further Enforcement Instruction Notice or (b) has received notice from the Issuer Security Trustee of its appointment of an administrative receiver to a Covenantor in accordance with the ABPA Floating Charge Agreement; and
- (c) the indemnity requirements set out in the STID have been satisfied,

and unless and until so (i) instructed or notified and (ii) indemnified, the ABPA Security Trustee shall be under no obligation to and shall not deliver a Loan Enforcement Notice and/or take any Enforcement Action.

“Loan Note Guarantee Security Account” has the meaning given to it in the Guaranteed Loan Note Charge. **“Mandatory Debt Discharge”** means:

- (a) prepayment or purchase (but not defeasance) and in each case cancellation of the ABPA Senior Debt (other than outstanding amounts under or in respect of any ABPA Liquidity Facility Agreements and ABPA Hedging Transactions); or

- (b) the market purchase (but not defeasance) of Notes (subject to cancellation and surrender of any such purchased Notes and deemed prepayment of the corresponding IBLA advances and reduction of future scheduled principal repayments in accordance with the corresponding provision in the related IBLA),

and in each case, towards paying the related amount payable to Hedge Counterparties arising as a result of termination (in whole or in part) of a Treasury Transaction under a Hedging Agreement following such prepayment or market purchase, as applicable to the extent that such termination is necessary in order to remain in compliance with the Hedging Policy and **provided that** if a Loan Event of Default is outstanding all amounts must be applied in accordance with the ABPA Post-Default Priority of Payments including (in respect of any termination of a Treasury Transaction under a Hedging Agreement) pursuant to the Hedging Policy and the STID.

“**Master Definitions Agreement**” means the master definitions and framework agreement executed by, among others, the Issuer and the Finance Parties dated the Initial Issue Date.

“**Material Adverse Effect**” means any effect which is materially adverse to:

- (a) the business, assets or financial condition of the ABPAH Group (taken as a whole);
- (b) the ability of the ABPAH Group to perform its payment obligations under the Finance Documents;
- (c) the ability of the ABPAH Group to comply with the financial covenants specified in the Common Terms Agreement where failure to comply would result in a Loan Event of Default; or
- (d) (subject to the Reservations) the legality, validity or enforceability of, or effectiveness or ranking of any security granted or purported to be granted pursuant to, any Finance Document and the related rights and remedies available to the ABPA Secured Creditors.

“**Minimum Long Term Rating**” means A-/A3 or any equivalent long term rating by any Rating Agency.

“**Minimum Short Term Rating**” means P1/A1/F1 or any equivalent short term rating by any Rating Agency.

“**Moody’s**” means Moody’s Investors Services Limited or any successor to its rating business.

“**Mortgaged Property**” means any freehold or leasehold property (not including Excluded Charged Property) listed in the Security Agreement and any other freehold or leasehold property included in “Charged Property” including the freehold and leasehold property specified in the schedule to each Legal Charge.

“**Net Interest Payable**” for the ABPAH Group for any Calculation Period means the interest or equivalent finance charge accrued during such period as an obligation of any member of the ABPAH Group including in relation to ABPA Senior Debt, Issuer Senior Debt (without double-counting) or other Financial Indebtedness which is not subordinated to the ABPA Senior Debt pursuant to the terms of the STID (whether or not paid during or deferred for payment after such period), but:

- (a) **excluding** any upfront fees or costs;
- (b) **excluding** any interest or equivalent finance charge accrued in respect of Financial Indebtedness between members of the ABPAH Group;
- (c) **deducting** any interest or equivalent finance charge receivable by any member of the ABPAH Group (after deducting applicable withholding tax) in such period in respect of cash deposits at banks or Cash Equivalents held by ABPAH Subsidiaries;
- (d) **excluding** any interest or equivalent finance charge which is capitalised, rolled up or deferred during the Calculation Period; and
- (e) **taking into account** any net payment or net receipt which is payable or receivable under any Hedging Agreement (including, for the avoidance of doubt, any net payment and net receipt under index-linked swaps (but excluding, for the avoidance of doubt, any termination sum payable in respect of a Hedging Agreement or any inflation accretions payable whether payable as a result of a Hedging Agreement break or otherwise)).

“Non-Material Subsidiary” means each ABPAH Subsidiary that is not a Covenantor or a Dormant Subsidiary.

“Note Enforcement Notice” means a notice delivered by the Note Trustee to the Issuer in accordance with the Conditions which declares the notes to be immediately due and payable.

“Note Trust Deed” means the note trust deed dated the Initial Issue Date between the Issuer and the Note Trustee under which Notes will, on issue, be constituted and any note trust deed supplemental thereto.

“Ongoing Facility Fees” means each ongoing facility fee payable by ABPA to the Issuer in respect of and limited to those matters set out in the Initial IBLA as at the Closing Date and, in the case of any other IBLA, such fees as correspond in terms of scope and type to the fees contemplated to be payable pursuant to the terms of the Initial IBLA as at the Closing Date, as modified to the extent required to reflect the terms of Notes and any related Issuer Hedging Transaction.

“Option Schemes” means the Associated British Ports Savings-Related Share Option Schemes under which certain employees of ABPH hold options or awards which can be exercised, or entitle the holders, to acquire new shares in ABPH pursuant to which such new shares are compulsorily acquired by ABPA in accordance with the terms therein.

“outstanding” means in relation to the Notes, all of the Notes issued other than:

- (a) those Notes which have been redeemed in full or purchased, and cancelled, in accordance with Condition 8 (*Redemption, Purchase and Cancellation*) or otherwise under the Note Trust Deed;
- (b) those Notes in respect of which the date for redemption in full in accordance with the Conditions has occurred and the redemption moneys for which (including all interest payable thereon) have been duly paid to the Note 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 Note and/or Coupons and/or Receipts;
- (c) those Notes 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 Notes, those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes, Coupons, Receipts and Talons*);
- (e) in the case of Bearer Notes, for the purpose only of ascertaining the Principal Amount Outstanding of the Notes and without prejudice to the status, for any other purpose, of the relevant Notes, those Notes 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 Notes, Coupons, Receipts and Talons*);
- (f) the Temporary Global Notes to the extent that they have been exchanged for Permanent Global Notes or Definitive Notes pursuant to the provisions contained therein and in the Note Trust Deed;
- (g) the Permanent Global Notes that remain in escrow pending exchange of the Temporary Global Notes therefore, pursuant to the provisions contained therein and in the Note Trust Deed;
- (h) the Permanent Global Notes to the extent that they have been exchanged for Definitive Notes, pursuant to the provisions contained therein and in the Note Trust Deed; and
- (i) the Bearer Notes to the extent that they have been exchanged for Registered Notes pursuant to the provisions contained therein and in the Note Trust Deed.

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of the Note Trust Deed and the STID, and Conditions 11 (*Note Events of Default*), 12

(*Enforcement Against Issuer*), 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*), 16 (*Note Trustee Protections*) and 18 (*Indemnification of the Note Trustee and the Issuer Security Trustee*);

- (iii) any discretion, power or authority contained in the Note Trust Deed which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Note holders;
- (iv) the determination by the Note Trustee whether any of the events specified in Condition 11 (*Note Events of Default*) is materially prejudicial to the interests of the holders of the Notes then outstanding;

those Notes (if any) which, for the time being, are held by a Connected Creditor shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

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

- (a) in respect of any Authorised Credit Facilities that are loans, the principal amount (or the Equivalent Amount) of any drawn amounts that are outstanding under such Authorised Credit Facility;
- (b) in respect of each Hedging Agreement, (i) in relation to any Hedging Transaction arising under the Hedging Agreement in respect of which an early termination date has been designated, the amount (if any) outstanding to the relevant Hedge Counterparty following such termination as calculated in accordance with the terms of the Hedging Agreement, and/or (ii) otherwise, the Equivalent Amount of the amount (if any) that would be or is payable to the relevant Hedge Counterparty if an early termination date were or has been designated (assuming the relevant Hedge Counterparty is the non-defaulting party and not an affected party) at 3pm 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 the Common Terms Agreement; and
- (c) in respect of any other ABPA 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 ABPA Security Trustee.

“Pari Passu ABPA Hedge Counterparties” means an ABPA Hedge Counterparty in its capacity as party to a Pari Passu ABPA Hedging Agreement.

“Pari Passu ABPA Hedging Agreement” means an ABPA Hedging Agreement that ranks *pari passu* with ABPA’s obligations under any Senior Term Facilities, any WC Facility, any Capex Facility and the IBLAs.

“Pari Passu ABPA Hedging Transaction” means an ABPA Hedging Transaction that ranks *pari passu* under a Pari Passu ABPA Hedging Agreement.

“Pari Passu Hedge Counterparties” means the Pari Passu Issuer Hedge Counterparties and the Pari Passu ABPA Hedge Counterparties, and **“Pari Passu Hedge Counterparty”** means any of such parties.

“Pari Passu Issuer Hedging Agreement” means a Issuer Hedging Agreement that ranks *pari passu* with the Issuer’s obligations under the Notes.

“Pari Passu Issuer Hedge Counterparties” means an Issuer Hedge Counterparty in its capacity as party to a Pari Passu Issuer Hedging Agreement.

“Pari Passu Issuer Hedging Transaction” means a Issuer Hedging Transaction that ranks *pari passu* under a Pari Passu Issuer Hedging Agreement.

“Party” means, in relation to a Finance Document, a party to such Finance Document.

“Paying Agents” means, in relation to the Notes, 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 Notes by the Issuer and the Covenantors pursuant to the Agency Agreement and/or, if applicable, any successor paying agents at their respective specified offices in relation to the Notes.

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

“**Pensions Regulator**” means the body corporate called the Pensions Regulator established under Part 1 of the Pensions Act 2004.

“**Permitted Acquisition**” means each of the following:

- (a) any acquisition of an interest in a Permitted Joint Venture on arms’ length terms;
- (b) the acquisition of Cash Equivalents;
- (c) the subscription for or acquisition of shares in its existing direct Subsidiary (including, without limitation, shares acquired in accordance with the requirements of the Option Schemes provided that, for the avoidance of doubt, the consideration paid for such acquisition does not exceed in aggregate £600,000), or the acquisition of the assets or business of an existing Covenantor or Non-Material Subsidiary, (on arm’s length terms, if such Subsidiary is not wholly owned by a member of the ABPAH Group) **provided that** the relevant shares or assets or business are, upon acquisition, effectively charged under the ABPA Security Documents (to the extent acquired by a Security Provider or as otherwise required by the Finance Documents);
- (d) any acquisition constituted by a Permitted Reorganisation;
- (e) the acquisition by any Covenantor or Non-Material Subsidiary of any asset sold, leased or otherwise disposed of by any other Covenantor or Non-Material Subsidiary to the extent that such sale, lease or disposal is expressly permitted under the Common Terms Agreement;
- (f) any acquisition made with the prior written consent of the ABPA Security Trustee;
- (g) an acquisition for cash, on arm’s length terms, of some or all of the interest in a business or entity which carries on a Permitted Business, provided that:
 - (i) the business will continue to be a Permitted Business and in the case of a business to which the Transport Act applies, will only carry on business and activities as may be expressly permitted by the Transport Act following such acquisition;
 - (ii) as at the date when a legally binding contract to make the acquisition has entered into no Loan Event of Default has occurred and is continuing or, in the opinion of the ABPAH Group (acting reasonably and in good faith) no Loan Event of Default is expected to occur as a result of such acquisition taking place;
 - (iii) the ABPAH Group Agent provides the ABPA Security Trustee with sufficient information reasonably necessary to determine the Inherent Liabilities for any such acquisition;
 - (iv) (to the extent lawful and subject to the Transport Act), security is given over the shares or equivalent interest of that company or entity as applicable and its assets upon or immediately following the acquisition in favour of (and in form and substance satisfactory to) the ABPA Security Trustee (acting reasonably) to the extent required as described in “*Summary of the Financing Agreements – Common Terms Agreement – Covenants – General Covenants – (i)*”; and
 - (v) (A) as at the date of acquisition, the aggregate amount of:
 - (I) the aggregate of any consideration paid in respect of such acquisition (including any associated costs and expenses), together with the Inherent Liabilities of any such acquisition, plus any Financial Indebtedness remaining in the acquired company or entity or Subsidiaries (or equivalent) of such acquired company or entity; and

- (II) the aggregate of the consideration (including any associated costs and expenses) paid for by each other acquisition made pursuant to this paragraph (g), together with the Inherent Liabilities for each such other acquisition, plus any Financial Indebtedness remaining in any such acquired companies or entities or their Subsidiaries (or equivalent) at the time of the relevant acquisition;

does not exceed an amount in sterling (or its equivalent) equal to 15 per cent. of the average revenue for the ABPAH Group for the immediately preceding three Financial Years in any Financial Year; and

- (B) the ABPAH Group Agent certifies to the ABPA Security Trustee, prior to the acquisition, that a Trigger Event Ratio breach would not occur in respect of the Trigger Event Ratios as at the most recent Accounting Date directly as a result of the acquisition calculated on a pro forma basis on the assumption that the acquisition has occurred and taking into account Inherent Liabilities and Financial Indebtedness incurred or assumed as a part of such acquisition; or
- (h) any acquisition of Financial Indebtedness or Notes pursuant to a Mandatory Debt Discharge to the extent that is not otherwise restricted by the terms of the Common Terms Agreement, an Authorised Credit Facility Agreement or the STID.

“Permitted Business” means the Core Business and any business in Europe complementary to the Core Business.

“Permitted Disposal” means each of the following:

- (a) of trading stock or cash made on arm’s length terms in the ordinary course of trading;
- (b) (i) of any asset (not being a business and not being shares, securities, interests in real property or rights under any Finance Document) on arm’s length terms in exchange for any other asset comparable or superior as to type, value, quality and title (but only if the Covenantor or Non-Material Subsidiary grants security in favour of the ABPA Secured Creditors (in form and substance satisfactory to the ABPA Security Trustee, acting reasonably) over any asset replacing one which was subject to a Security Interest created under an ABPA Security Document to the extent that it is permitted to do so by applicable law); or (ii) of any asset acquired by a Security Provider where such asset has been transferred to such Security Provider and such Security Provider grants a Security Interest over the relevant asset;
- (c) of obsolete or redundant vehicles, plant, equipment or assets or of vehicles, plant, equipment or assets being upgraded on an arm’s length basis where, in the reasonable opinion of the ABPAH Group Agent, it is not needed for the efficient operation of the business of the ABPAH Group;
- (d) of any asset to another Covenantor or Non-Material Subsidiary (on arm’s length terms, if such Subsidiary is not wholly owned by a member of the ABPAH Group) **provided that:**
 - (i) in the case of a transfer to a Security Provider, such Security Provider grants a Security Interest over the relevant asset in favour of the ABPA Secured Creditors pursuant to (and ranking *pari passu* with the Security Interests created by) the Security Agreement, or any security agreement which is supplemental to the Security Agreement or which creates Security Interests equivalent to those created by the Security Agreement; and
 - (ii) the aggregate contribution made to Consolidated EBITDA of all assets transferred by Covenantors to Non-Material Subsidiaries in any Financial Year does not exceed the higher of: (I) £20,000,000 (Indexed) (or its equivalent); and (II) 8 per cent. of the Threshold Amount;
- (e) of Cash Equivalents:
 - (i) for cash; or
 - (ii) in exchange for other Cash Equivalents;
- (f) of cash where such disposal does not breach the other terms of the Finance Documents;

- (g) pursuant to any Permitted Reorganisation;
- (h) constituted by the creation of a Permitted Security Interest;
- (i) other than a disposal of a Port Asset or an interest in a Covenantor or Non-Material Subsidiary that owns a Port Asset, a disposal made in the ordinary course of business of the disposing Covenantor or Non-Material Subsidiary on arm's length terms for cash and entered into for bona fide commercial purposes for the benefit of the business of the ABPAH Group;
- (j) by way of the leasing or licensing of an interest in property owned by any member of the ABPAH Group in the ordinary course of business and on arm's length terms for the purposes of developing or utilising such land for use (by the lessee or the lessor) in connection with Permitted Business provided that a Covenantor or Non-Material Subsidiary at all times maintains a freehold or long leasehold interest in the land and the ABPA Security Trustee is provided with a certificate signed by a director of the relevant Covenantor entering into the lease (or a director of ABPH on behalf of the Non-Material Subsidiary entering into the lease) certifying that the entry into, and performance of, the lease will not have a material adverse effect on the Consolidated EBITDA of the ABPAH Group (taken as a whole);
- (k) of amounts comprising discounts on lease rates on arm's length terms;
- (l) constituting capitalisation of permitted intra group loans between Covenantors and/or Non-Material Subsidiaries, **provided that** the share issue resulting from capitalisation is permitted by the terms of the Finance Documents;
- (m) pursuant to outsourcing agreements provided by third parties on arm's length terms, with reputable providers and in accordance with good industry practice;
- (n) without prejudice to the occurrence of a Loan Event of Default with respect to nationalisation (see *(Summary of the Financing Agreements – Common Terms Agreement – Loan Events of Default – (xi) (Nationalisation))* above, of assets compulsorily acquired by any governmental authority or of assets which a Covenantor or Non-Material Subsidiary is required to dispose of pursuant to an order or direction from a governmental authority or a competent regulatory body;
- (o) comprising any dividend or distribution not otherwise prohibited;
- (p) of non-operating assets or property not used for the business of the Covenantors and the Non-Material Subsidiaries (taken as a whole) or being leased or otherwise made available to a third party by a member of the ABPAH Group, on arm's length terms, **provided that** the ABPA Security Trustee is provided with a certificate signed by a director of the Covenantor making the relevant disposal (or a director of the ABPAH Group Agent on behalf of the Non-Material Subsidiary making the relevant disposal) certifying that the disposal will not have a material adverse effect on the Consolidated EBITDA of the ABPAH Group (taken as a whole);
- (q) made with the prior written consent of the ABPA Security Trustee;
- (r) arising as a result of a surrender of group tax relief by Covenantor or Non-Material Subsidiary to another Covenantor or Non-Material Subsidiary made in accordance with the Tax Deed of Covenant;
- (s) arising as a result the disposal on arms' length terms of group tax relief by one Covenantor or Non-Material Subsidiary to any person that is not a Covenantor or Non-Material Subsidiary made in accordance with the Tax Deed of Covenant;
- (t) constituting an Excluded Disposal; and
- (u) of a Port Asset or an interest in a Covenantor or Non-Material Subsidiary that owns a Port Asset or an interest in a Permitted Joint Venture, for cash on arm's length terms **provided that:**
 - (i) in respect of all such disposals in any Financial Year the aggregate contribution made by all such Port Assets and interests in Permitted Joint Ventures which are disposed of shall not exceed 5 per cent. of the average Historic Consolidated EBITDA for the immediately preceding three

Financial Years (as reported in the Financial Statements provided by the ABPAH Group Agent to the ABPA Security Trustee); and

(ii) either:

(A) the directors of the ABPAH Group Agent shall, prior to a disposal, provide a certificate to the ABPA Security Trustee, which the ABPA Security Trustee shall be entitled to rely on without further investigation, which confirms that:

(1) a Trigger Event resulting from a breach of the Trigger Event Ratios would not have occurred as at the most recent Accounting Date directly as a result of such disposal on the basis that the Trigger Event Ratios are recalculated as at the date of such disposal on a pro forma basis on the assumption that the disposal had occurred as at the most recent Accounting Date; and

(2) either (i) no Loan Event of Default has occurred and is continuing which has not been waived or (ii) a Loan Event of Default has occurred and is continuing which has not been waived and the disposal would have the effect of remedying such Loan Event of Default and, in each case, that no Loan Event of Default will occur as a result of such disposal; or

(B) the net disposal proceeds (or a cash amount equivalent to such net disposal proceeds) shall be deposited into a secured bank account in the name of ABPA in an amount (i) necessary to ensure that a Trigger Event in respect of the Trigger Event Ratios would not have occurred on the most recent Accounting Date if such Trigger Event Ratios were to be recalculated on the date of the disposal on a pro forma basis and assuming such disposal of a Port Asset or interest in a Permitted Joint Venture as applicable had occurred as at the most recent Accounting Date or (ii) if a Trigger Event is subsisting, equal to the total net disposal proceeds and thereafter such deposited amounts shall be applied on the next Interest Payment Date, towards Mandatory Debt Discharge;

(v) a Non-Core Business Disposal; and

(w) of Financial Indebtedness or Notes on arm's length terms.

provided that each Covenantor must (and ABPAH shall procure that each Non-Material Subsidiary shall) at all times comply with Paragraph 13 of Schedule 3 of the Transport Act.

"Permitted Distribution Period" means the period commencing on and from the latest of:

(a) if there is no challenge of a Compliance Certificate or an ABPA Forward-Looking Ratio Certificate in accordance with the Common Terms Agreement, 14 days following the date on which a Compliance Certificate or (if later) an ABPA Forward-Looking Ratio Certificate, as applicable, is delivered; or

(b) in the event that the Compliance Certificate or the ABPA Forward-Looking Ratio Certificate, as applicable, is challenged by the ABPA Security Trustee in accordance with the provisions of the Covenants in the Common Terms Agreement, the period starting on the earlier of: (A) the date on which investigations in respect of the challenge are completed to the reasonable satisfaction of the ABPA Security Trustee; (B) the date on which the Independent Expert announces its conclusions that the relevant statement(s) or calculation(s) or ratio(s) that were the subject of the challenge were not materially inaccurate or misleading in a manner that resulted in there being no subsistence of a Trigger Event; and (C) 14 days after a re-stated Compliance Certificate or ABPA Forward-Looking Ratio Certificate, as applicable, which is accurate in all material respects (taking into account the findings of the Independent Expert (if applicable)) has been delivered,

and ending on the date falling 90 days following the latest of the dates specified in (a) and (b) above.

"Permitted Financial Indebtedness" means each of the following:

- (a) Financial Indebtedness incurred under the Finance Documents by ABPA (or any other Covenantor in its capacity as Guarantor but not as borrower unless the conditions specified in paragraph (b) of the definition of Additional Financial Indebtedness are satisfied);
- (b) Financial Indebtedness incurred by ABPA for the purposes of refinancing:
 - (i) any Financial Indebtedness outstanding under the Finance Documents; or
 - (ii) any Financial Indebtedness outstanding and which when incurred was permitted pursuant to this sub-paragraph (ii),

provided that the creditors in respect of such Financial Indebtedness being incurred by ABPA accede to the Common Terms Agreement and the STID (and the terms of such Financial Indebtedness are consistent with the Common Terms Agreement and the STID);

- (c) Financial Indebtedness outstanding under the Guaranteed Loan Notes or Financial Indebtedness otherwise existing at the Closing Date up to a maximum aggregate amount of £5,000,000;
- (d) Financial Indebtedness incurred by a member of the ABPAH Group in the ordinary course of its business provided that at any time the aggregate amount of Financial Indebtedness outstanding pursuant to this paragraph for the ABPAH Group does not exceed the higher of:
 - (i) £5,000,000 (Indexed) (or its equivalent);
 - (ii) 2 per cent. of the Threshold Amount;
- (e) any Financial Indebtedness under finance or capital leases of vehicles, plant, equipment or computers, **provided that** the aggregate capital value of all such items so leased under outstanding leases by Covenantors or Non-Material Subsidiaries does not exceed the higher of: (I) £20,000,000 (Indexed) (or its equivalent); and (II) 8 per cent. of the Threshold Amount, (or such other amount as the ABPA Security Trustee and ABPA may agree from time to time) prior to the Final Maturity Date **provided that** if the Financial Indebtedness under finance leases leased to a lessor exceeds the higher of: (I) £10,000,000 (Indexed) (or its equivalent); and (II) 4 per cent. of the Threshold Amount prior to the Final Maturity Date, then that lessor accedes to the Common Terms Agreement as a Finance Party and to the STID as an ABPA Secured Creditor on terms acceptable to the ABPA Security Trustee;
- (f) any Treasury Transaction permitted under the Finance Documents and entered into by ABPA pursuant to a Hedging Agreement or, in the case of any Treasury Transaction other than pursuant to a Hedging Agreement, as permitted by the Common Terms Agreement in the provisions described in “*Summary of the Financing Agreements – Common Terms Agreement – General Covenants (i)(ii) and (iii)*” above;
- (g) any Financial Indebtedness expressly permitted in writing by the ABPA Security Trustee;
- (h) any Financial Indebtedness incurred pursuant to a Permitted Loan made to a member of the ABPAH Group;
- (i) any Subordinated Debt provided by any Investor to ABPAH;
- (j) any Additional Financial Indebtedness **provided that**, other than in the case of Additional Financial Indebtedness incurred for the purpose of making acquisitions or incurring capital expenditure set out in a Remedial Plan, capital expenditure already contractually committed to by a Covenantor or Non-Material Subsidiary prior to the occurrence of the Trigger Event or as otherwise agreed with the ABPA Security Trustee, no Trigger Event has occurred and is continuing or would occur as a result of incurring such Financial Indebtedness, as at the most recent Accounting Date on the assumption that the Additional Financial Indebtedness had been incurred if such Trigger Event Ratios are recalculated on the date on which the Additional Financial Indebtedness is incurred on a pro forma basis; and
- (k) if the creditor in respect of such Financial Indebtedness is also a Covenantor or a Non-Material Subsidiary and the relevant indebtedness is a Permitted Loan,

provided that in relation to a Covenantor or a Non-Material Subsidiary, it is also permitted to incur such Financial Indebtedness by Paragraph 13 of Schedule 3 of the Transport Act.

“Permitted Guarantee” means each of the following:

- (a) any guarantee arising under the Finance Documents;
- (b) any guarantee comprising a netting or set-off arrangement entered into by a Covenantor or a Non-Material Subsidiary with an Acceptable Bank in the ordinary course of its banking arrangements;
- (c) the endorsement of negotiable instruments in the ordinary course of business;
- (d) performance bonds guaranteeing performance by any Covenantor or any Non-Material Subsidiary under any contract (not being in respect of Financial Indebtedness) entered into in the ordinary course of trade by a Covenantor or a Non-Material Subsidiary;
- (e) guarantees by other Covenantors or Non-Material Subsidiaries in respect of the Financial Indebtedness of other Covenantors or Non-Material Subsidiaries in respect of Permitted Financial Indebtedness;
- (f) guarantees in respect of Financial Indebtedness incurred by a Permitted Joint Venture on arms’ length terms **provided that** the provision of the guarantee would not otherwise be prohibited under the Finance Documents and it would not result in a breach of the Trigger Event Ratios (calculated as at the most recent Accounting Date on a pro forma basis on the date on which a contractual arrangement is entered into to provide such guarantee);
- (g) guarantees on arms’ length terms of leasehold rental obligations of a Covenantor or a Non-Material Subsidiary;
- (h) any guarantees given in respect of cash pooling between (A) Covenantors or (B) between Non-Material Subsidiaries;
- (i) any guarantees expressly permitted in writing by the ABPA Security Trustee;
- (j) letters of credit issued and outstanding in respect of the obligations of the captive insurance Subsidiary of an ABPAH **provided that** the aggregate actual and contingent liability under such letters of credit does not exceed the higher of: (I) £7,000,000 (Indexed) (or its equivalent); and (II) 4 per cent. of the Threshold Amount prior to the Final Maturity Date;
- (k) guarantees in respect of the trade liabilities which a Covenantor or a Non-Material Subsidiary incurs on normal commercial terms in the ordinary course of its day to day trading;
- (l) guarantees (not otherwise allowed under the preceding sub-paragraphs under which the amount of the aggregate liability (actual or contingent) of Covenantors and Non-Material Subsidiaries does not exceed the higher of: (I) £5,000,000 (Indexed) (or its equivalent); and (II) 2 per cent. of the Threshold Amount (or such other amount as the ABPA Security Trustee and ABPA may agree from time to time) prior to the Final Maturity Date,

provided that each Covenantor and each Non-Material Subsidiary to which the Transport Act applies must at all times comply with Paragraph 13 of Schedule 3 of the Transport Act.

“Permitted Hedge Termination” means in relation to a hedging transaction under a Hedging Agreement, a termination or close-out of that hedging transaction in accordance with the provisions of Hedging Policy in the Common Terms Agreement.

“Permitted Joint Venture” means

- (a) existing investments in any Existing Joint Venture;
- (b) any investment in any new joint venture that carries out a Permitted Business or a further investment in an Existing Joint Venture where in each case the investment made by Covenantors in all such Joint Ventures from cash that is not otherwise available to be distributed by the ABPAH Group by way of a Restricted

Payment out of Excess Cash, when aggregated with the investments made by Covenantors in all joint ventures from cash that is not otherwise available to be distributed by the ABPAH Group, does not exceed £100,000,000 (Indexed) (or its equivalent) in any rolling 5 year period prior to the Final Maturity Date;

“**Permitted Loan**” means any of the following:

- (a) trade credit extended by any Covenantor or Non-Material Subsidiary to its customers on normal commercial terms and in the ordinary course of its trading activities;
- (b) any loan by one Covenantor to another Covenantor;
- (c) any loan by one Non-Material Subsidiary to another Non-Material Subsidiary or to a Covenantor;
- (d) any loan by a Covenantor to a Non-Material Subsidiary, provided that:
 - (i) under the terms of that loan, the Non-Material Subsidiary agrees to repay the loan in full prior to making a Restricted Payment (other than to a member of the ABPAH Group);
 - (ii) aggregate loans of no more than the higher of: (i) £20,000,000 (Indexed) (or its equivalent); and (ii) 8 per cent. of the Threshold Amount, may be lent by Covenantors to Non-Material Subsidiaries prior to the Final Maturity Date; and
 - (iii) without prejudice to sub-paragraph (ii) above, where the aggregate principal amount outstanding of loans from Covenantors to a Non-Material Subsidiary is in excess of the higher of: (i) £10,000,000 (Indexed) (or its equivalent); and (ii) 4 per cent. of the Threshold Amount that Non Material Subsidiary will, to the extent permitted by the Transport Act, promptly provide full fixed and floating first ranking security in form and substance satisfactory to the ABPA Security Trustee for all of its obligations in respect of that loan or loans to each relevant Covenantor; or
- (e) Excluded Loans as at the Closing Date;
- (f) loans made to the captive insurance ABPAH Subsidiary for the purposes of enabling the captive insurance Subsidiary to comply with its capital adequacy requirements **provided that** the aggregate of such loans does not exceed the higher of: (I) £5,000,000 (Indexed) (or its equivalent); and (II) 2 per cent. of the Threshold Amount, prior to the Final Maturity Date;
- (g) loans made to directors and employees of ABPAH Subsidiaries in order to purchase shares in the relevant ABPAH Subsidiary to the extent permitted the Finance Documents provided that the aggregate of such loans does not exceed the higher of: (I) £10,000,000 (Indexed) (or its equivalent); and (II) 4 per cent. of the Threshold Amount prior to the Final Maturity Date;
- (h) loans made with the prior written consent of the ABPA Security Trustee; or
- (i) Financial Indebtedness not otherwise allowed under the preceding sub-paragraphs which (when taken together with the aggregate actual or contingent liability under any Permitted Guarantees) does not exceed the higher of: (i) £5,000,000 (Indexed) (or its equivalent); and (ii) 2 per cent. of the Threshold Amount, (or such other amount as the ABPA Security Trustee and ABPA may agree from time to time) prior to the Final Maturity Date.

“**Permitted Reorganisation**” means:

- (a) a reorganisation on a solvent basis of one or more members of the ABPAH Group where:
 - (i) no Default is then outstanding;
 - (ii) all of the assets of that member remain within the ABPAH Group (other than as a result of a Permitted Disposal) and the value or percentage of any minority interest in any Covenantor held by any person which is not a Covenantor is not increased (other than as a result of a Permitted Disposal); and

- (iii) the ABPA Secured Creditors will enjoy (in the opinion of the ABPA Security Trustee (acting reasonably) and supported by any professional opinions and reports requested by it) the same or equivalent guarantees from it (or its successor) and the same or equivalent security over the same assets and over the shares in it (or in each case its successor) after the reorganisation as the ABPA Secured Creditors enjoyed before the reorganisation; or
- (b) any other reorganisation of one or more Covenantors approved by the ABPA Security Trustee.

“Permitted Security Interest” means each of the following:

- (a) any Security Interest created or evidenced by the Finance Documents (and including any cash cover arrangement in respect of a letter of credit issued pursuant to an Authorised Credit Facility to the extent permitted by the terms of the STID);
- (b) any Security Interest (existing as at the Closing Date) over assets of any member of the ABPAH Group, but only if, other than in the case of an Excluded Security Interest, that Security Interest is irrevocably released and discharged on the Closing Date;
- (c) any Security Interest comprising a netting, cash pooling or set off arrangement entered into by a member of the ABPAH Group with an Acceptable Bank in the ordinary course of its banking arrangements;
- (d) any lien arising by operation of law or any lien or retention of title or purchase money arrangement arising by agreement to substantially the same effect and in the ordinary course of trading;
- (e) the granting of Security Interests in support of trading liabilities incurred in the ordinary course of trading provided that the aggregate of trading liabilities for which Security Interests are granted, when taken together with the capitalised amounts of a finance or capital lease for which ABPA Security or Quasi Security has been provided pursuant to sub-paragraph (j) below, does not exceed the higher of: (I) £50,000,000 (Indexed) (or its equivalent); and 20 per cent. of the Threshold Amount prior to the Final Maturity Date;
- (f) any Security Interest over an asset acquired by a member of the ABPAH Group after the Closing Date or over an asset (as at the date of acquisition by a member of the ABPAH Group) of that person, but only for the period of six months from the date of acquisition and to the extent that:
 - (i) that Security Interest was not created in contemplation of that acquisition; and
 - (ii) the principal amount (or equivalent) secured by that Security Interest is Permitted Financial Indebtedness and has not been incurred or increased or its maturity date extended in contemplation of, or since, that acquisition;
- (g) any Security Interest over goods and documents of title to such goods arising under documentary credit transactions entered into in the ordinary course of trade and on terms customary in that trade;
- (h) any netting of payments (including close-out netting) under permitted Treasury Transactions;
- (i) any Quasi Security arising as a result of a Permitted Disposal;
- (j) any ABPA Security or Quasi Security arising as a consequence of any permitted finance or capital lease **provided that**:
 - (i) the aggregate capitalised amounts of such finance leases and capital leases, when taken together with the aggregate amount of trading liabilities for which Security Interests are granted pursuant to sub-paragraph (e) above does not exceed the higher of: (A) £50,000,000 (Indexed) (or its equivalent); and (B) 20 per cent. of the Threshold Amount prior to the Final Maturity Date; and
 - (ii) if the aggregate capitalised amounts of a finance lease or capital lease exceeds the higher of: (A) £10,000,000 (Indexed) (or its equivalent); and (B) 4 per cent. of the Threshold Amount prior to the Final Maturity Date, then the lessor of such finance lease or capital lease accedes to the Common Terms Agreement and the STID on the terms set out in the Accession Memorandum contained in the STID or otherwise on terms acceptable to the ABPA Security Trustee;

- (k) any Security Interest expressly permitted in writing by the ABPA Security Trustee;
- (l) the Security Interest constituted or evidenced by the Guaranteed Loan Note Charge and/or any document entered into pursuant to the further assurances provisions contained therein,

provided that each Covenantor must (and ABPAH shall procure that each Non-Material Subsidiary shall) at all times comply with Paragraph 13 of Schedule 3 of the Transport Act.

“Port Asset” means the Existing Port Assets and any similar or equivalent port asset in respect of which a member of the ABPAH acquires an estate or interest after the Closing Date.

“Post-Trigger Debt Discharge” means application *pro-rata*:

- (a) in prepayment of ABPA Senior Debt (other than amounts outstanding under or in respect of any ABPA Liquidity Facility Agreements and ABPA Hedging Transactions); and
- (b) by depositing in each ABPA Defeasance Account an amount equal to the principal amount outstanding under ABPA Defeased Debt (to the extent not prepaid pursuant to sub-paragraph (a) above) and for which purpose “outstanding” shall be calculated net of any ABPA Defeasance Amount already deposited in an ABPA Defeasance Account in respect of such ABPA Defeased Debt,

and towards paying the related amount payable to Hedge Counterparties arising as a result of termination (in whole or in part) of any ABPA Hedging Transactions following such prepayment to the extent that such termination is necessary in order to remain in compliance with the Hedging Policy provided that, other than in relation to the implementation of an Equity Cure (for which purposes amounts will be applied in accordance with paragraphs (a) and/or (b) above), if a Loan Event of Default is outstanding all amounts must be applied in accordance with the ABPA Post-Default Priority of Payments including (in respect of any termination of a Treasury Transaction under a Hedging Agreement) pursuant to the Hedging Policy and 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.

“Prefunding Account” means the account held by the Issuer which shall be credited with an amount equal to the aggregate net proceeds of the Notes issued on the Initial Issue Date.

“Principal Amount Outstanding” means, in relation to the Notes, the original face value thereof (in relation to any Indexed Notes which are designated as “indexed linked” notes under the applicable pricing supplement or final terms, as adjusted in accordance with the Conditions) which remains outstanding.

“Programme” means the £5,000,000,000 note programme established by the Issuer on or about the Initial Issue Date.

“Projected Adjusted Consolidated EBITDA” means the Adjusted Consolidated EBITDA for each relevant Calculation Period within the Projected Test Period provided that references to “received” or “receivable” in any relevant definition shall be construed as received or receivable within the relevant Calculation Period.

“Projected Consolidated EBITDA” means the Consolidated EBITDA for each relevant Calculation Period within the Projected Test Period provided that references to “received” or “receivable” in any relevant definition shall be construed as received or receivable within the relevant Calculation Period.

“Projected Consolidated Net Borrowings” means the Consolidated Net Borrowings at the end of each relevant Calculation Period within the Projected Test Period provided that references to “received” or “receivable” in any relevant definition shall be construed as received or receivable within the relevant Calculation Period.

“Projected Net Interest Payable” means the Net Interest Payable for each relevant Calculation Period within the Projected Test Period provided that references to “received” or “receivable” in any relevant definition shall be construed as received or receivable within the relevant Calculation Period.

“Projected Test Period” means the 36 month period commencing on the date following the most recently occurring Accounting Date and consisting of each of the 0-12 Month Calculation Period, the 12-24 Month Calculation Period and the 24-36 Month Calculation Period.

“Qualifying Noteholders” means, for so long as Qualifying ABPA Senior Debt remains outstanding, the holders of the Notes.

“Quasi Security” means an arrangement or transaction described in the definition of Permitted Security Interest.

“Rating Agencies” in relation to the Common Documents, means Fitch, Moody’s and S&P or any other recognised rating agency and any successor to any of the aforementioned parties (and **“Rating Agency”** means any one of them).

“Ratings Confirmation” in respect of a proposed action means: (a) a confirmation by the relevant Rating Agencies, in respect of each tranche of the relevant Notes, to the effect that the then ratings on such tranche of Notes would not be reduced below the lower of (i) the credit ratings of such Notes as at the Initial Issue Date or (ii) the then current credit ratings (before the proposed action); or (b) a written confirmation from a relevant Rating Agency to the effect that it will not issue the confirmation contemplated in (a) because the proposed action in respect of which the confirmation is sought is not a “credit matter” (or words substantially to that effect).

“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 ABPA Security Trustee under the ABPA Security Documents in respect of the whole or any part of the ABPA Security; or
- (b) by the Note Trustee (as assignee by way of security of the Issuer’s rights under the Finance Documents) under the ABPA Floating Charge Agreement in respect of the whole or any part of the security granted in favour of the Issuer under the ABPA Floating Charge Agreement; or
- (c) by the Note Trustee under the Issuer Deed of Charge in respect of the whole or any part of the Issuer Security.

“Recovery Claim” has the meaning given to that term in the definition of “Report Recovery Proceeds”.

“Related Party” means any Sponsor or shareholder of a member of the ABPAH Group (or in each case any nominee thereof or partner in such member of the ABPAH Group) or a person acting for or on behalf of any of them where it is not acting as an Unrestricted Party.

“Relevant Calculation Date” means in respect of any financial ratio calculated by reference to:

- (a) Historic Consolidated EBITDA, the most recent Accounting Date; and
- (b) Projected Consolidated EBITDA, each Accounting Date within the Projected Test Period.

“Relevant Calculation Period” means in respect of any financial ratio calculated by reference to:

- (a) Historic Adjusted Consolidated EBITDA, the Calculation Period ending on the most recent Accounting Date; and
- (b) Projected Adjusted Consolidated EBITDA, each Calculation Period within the Projected Test Period.

“Relevant Debt” means the aggregate principal amount outstanding under any Capex Facility, any Senior Term Facility, any IBLA, any private placement notes or any debt under any equivalent Authorised Credit Facility from time to time but, for the avoidance of doubt, will not include any Hedging Liability.

“Relevant Subscription Agreement” means an agreement between, among others, the Issuer, each Covenantor 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 Covenantors and the relevant Dealer(s) at the relevant time) of any Notes, including any agreement in the form or based on the form set out in the Dealership Agreement.

“Report” means certain expert reports prepared in relation to the ABPAH Group pursuant to the CP Agreement.

“Reporting Date” means (i) 120 days following the most recent Accounting Date falling in December in each year, (ii) 90 days following the most recent Accounting Date falling in June in each year or (iii) such other date as may be agreed as a result of a change in the financial year end date (and associated change in the calculation of financial covenants) relating to any Covenantor and the ABPAH Group.

“Report Recovery Proceeds” means the proceeds of a claim (a **“Recovery Claim”**) against the provider of any Report (in its capacity as a provider of that Report) except for Excluded Report Recovery Proceeds, and after deducting:

- (a) any reasonable expenses which are incurred by any member of the ABPAH Group with respect to that Report to persons who are not members of the ABPAH Group; and
- (b) any Tax incurred and required to be paid or payable by a member of the ABPAH Group in connection with that Report (as reasonably determined by the relevant member of the ABPAH Group on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Recovery Claim.

“Requisite Ratings” means (i) in respect of any Liquidity Facility, in respect of any person, such person’s long term unsecured debt obligations being rated by at least two of the following Rating Agencies at the following levels, in the case of S&P “BBB+”, in the case of Moody’s “A3” and in the case of Fitch, “BBB+” or, such lower rating as may be agreed upon any subsequent renewal of such Liquidity Facility provided that such lower rating would not lead to any downgrade or the placing on credit watch negative (or equivalent) of the then current ratings ascribed to any Tranche of Notes and (ii) in respect of all other Finance Documents, the Minimum Short Term Rating.

“Reservations” means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable limitation laws (including the Limitation Acts), the possibility that an undertaking to assume liability for or to indemnify a person against non payment of stamp duty may be void, defences of set off or counterclaim; and
- (c) any other general principles which are set out as qualifications as to matters of law in the legal opinions delivered to the ABPA Security Trustee under the CP Agreement.

“Restricted Payment” in respect of ABPAH and any member of the ABPAH Group means any of the following:

- (a) a redemption, purchase, defeasance, retirement or repayment any of its shares or share capital (or any instrument convertible into shares or share capital);
- (b) payment of interest, dividend, charge, fee or other distribution (whether in cash or in kind) on or in respect of its shares or share capital (or any class of its share capital);
- (c) repayment or distribution of any share premium account;
- (d) payment of any management, advisory or other fee;
- (e) payment, repayment or prepayment of any amount (whether of principal, fee, interest (either in cash or in kind), premium or any other charge or amount whatsoever) under, pursuant to or in respect of any Investor Debt; or
- (f) any payment or repayment in respect of any Subordinated Debt.

together the **“Restricted Payments”**.

“**Retail Price Index**” or “**RPI**” means the all items retail prices index for the United Kingdom published by the Office for National Statistics as made available by the Bank of England (at <http://www.bankofengland.co.uk/publications/inflationreport/irlatest.htm>) or if the retail prices index ceases to exist, such other indexation procedure as the ABPA Security Trustee may approve on recommendation of the ABPAH Group Agent.

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

“**S&P**” or “**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to its rating business.

“**Scheduled Redemption Date**” has the meaning given to it in the relevant Final Terms or relevant Drawdown Prospectus.

“**Securities**” means all present and future debentures, obligations, certificates of deposit, notes, negotiable instruments and bearer and registered shares, securities, stock, bonds, warrants, coupons and all other securities and investments of any kind whatever, whether or not represented by a document (but excluding the ABPAH Group Shares).

“**Security Interest**” means any mortgage, pledge, lien, charge (fixed or floating), assignment, hypothecation, set-off or trust arrangement for the purpose of creating security, reservation of title or security interest or any other agreement or arrangement having a substantially similar effect, together the “**Security Interests**”.

“**Security Provider**” means ABPA, ABPH, ABPAH and any other ABPAH Group Company that provides security and, in the event that there is a change in law (including a change to the Transport Act) resulting in ABP and its Subsidiaries no longer being restricted from becoming a full Security Provider in respect of all of the debt outstanding to the ABPA Secured Creditors, ABP and its Subsidiaries in accordance with the ABPA Security Documents.

“**Security Shares**” means all of the issued share capital of each of ABPA, ABPH and, in relation to ABPH its ownership rights in ABP (or if at any time ABP has any issued share capital, such issued share capital of ABP or any other issued share capital of any member of the ABPAH Group over or in respect of which Security Interests are created pursuant to the ABPA Security Agreement).

“**Security Trustee**” means the ABPA Security Trustee, the Issuer Security Trustee or, where the context requires, both.

“**Senior Hedged Debt**” means, without double counting, the ABPA Senior Debt and the Issuer Senior Debt (disregarding for these purposes the notional amount under any Hedging Agreement, the commitments under each ABPA Liquidity Facility Agreement and each Issuer Liquidity Facility Agreement and the amounts outstanding under the IBLAs (other than floating rate loans under the IBLAs) corresponding to amounts outstanding under the Notes).

“**Senior Term Facilities**” means any senior term facilities to be made available to ABPA by the Senior Term Facilities Providers pursuant to the Senior Term Facilities Agreement, including the Initial Senior Term Facilities.

“**Senior Term Facilities Agreement**” means each senior term facilities agreement to be entered into between ABPA and the Senior Term Facilities Providers under which the Senior Term Facilities are made available to ABPA, including the Initial Senior Facilities Agreement to the extent it relates to the Initial Senior Term Facilities.

“**Senior Term Facilities Providers**” means the Initial Senior Term Facilities Providers together with any further providers of Senior Term Facilities which accede to the Common Terms Agreement and the STID.

“**Sponsors**” means:

- (a) Borealis, Cheyne Walk Investments Pte Limited, Infracapital Partners LP (acting by its manager, M&G Investment Management Limited) Infracapital Nominees Limited and Goldman Sachs Investments Limited and/or their Affiliates (and in the case of Infracapital Partners LP, an Affiliate of M&G Investment Management Limited); and/or

- (b) any fund, partnership or other entity managed and controlled by, or under common control with any of the persons referred to in paragraph (a) above or their Affiliates (or, in the case of Infracapital Partners LP, including any fund, partnership or other entity which is managed and controlled by an Affiliate of M&G Investment Management Limited or Infracapital Nominees Limited); and/or
- (c) following a solvent winding up of any partnership or fund managed and controlled by M&G Investment Management Limited, Infracapital Nominees Limited or an Affiliate of either of them, any limited partner of such partnership or any member of such fund which, in either case, receives an in specie distribution of its assets, provided that the exercise of all rights attaching to any assets so distributed are and remain at all times managed and controlled by M&G Investment Management Limited, Infracapital Nominees Limited or an Affiliate of either of them; and/or
- (d) any person to whom Infracapital Nominees Limited or a fund, partnership or other entity managed and controlled by M&G Investment Management Limited, Infracapital Nominees Limited or any of their respective Affiliates transfers any interest in ABPAH pursuant to the terms of a bare trust provided that the entire beneficial interest in such interest remains with Infracapital Nominees Limited or any such relevant fund, partnership or other entity.

“**Standby Drawing**” means a drawing made under the relevant Liquidity Facility Agreement (i) as a result of a downgrade of a Liquidity Facility Provider below the Requisite Rating or (ii) in the event that a Liquidity Facility Provider fails to renew its commitment under the Liquidity Facility Agreement.

“**STID**” or “**Security Trust and Intercreditor Deed**” means the security trust and intercreditor deed entered into on the Initial Issue Date between, among others, the ABPA Security Trustee, the Covenantors and the Issuer Security Trustee, together with any deed supplemental to the STID and referred to in the STID as a “**Supplemental Deed**”.

“**STID Voting Request**” means a request sent out by the ABPA Security Trustee no later than 5 business days after the receipt of a STID Proposal in respect of any Ordinary Voting Matter or Extraordinary Voting Matter to each ABPA Secured Creditor and to each Secured Creditor Representative of the Issuer on behalf of the Issuer Secured Creditors.

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

“**Subordinated Debt**” means any Financial Indebtedness **provided that:**

- (a) the holder of such Financial Indebtedness accedes to the Security Trust and Intercreditor Deed as an ABPAH Subordinated Creditor in accordance with the terms thereof or otherwise enter into subordination and intercreditor arrangements for the benefit of the ABPA Secured Creditors in each case on terms acceptable to the ABPA Security Trustee; and
- (b) any payment made under, or with respect to, such Financial Indebtedness is funded solely out of any Restricted Payment; and
- (c) such Financial Indebtedness has been advanced to ABPAH and such creditor in respect of such Subordinated Debt is not a direct creditor of any other member of the ABPAH Group.

“**Subsidiary**” means:

- (a) a subsidiary within the meaning of section 1159 (and Schedule 6) of the Companies Act 2006;
- (b) a “Subsidiary Undertaking” within the meaning of section 1162 (and Schedule 7) of the Companies Act 2006;
- (c) an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

(d) an entity treated as a subsidiary in the financial statements of any person pursuant to the Accounting Standards; or

an entity of which a person has the direct or indirect power to direct the management and the policies, whether through the ownership of voting capital or partnership interests, by contract or otherwise.

“**Super Senior ABPA Hedging Agreement**” means an ABPA Hedging Agreement that ranks in priority to ABPA’s obligations under the Senior Term Facilities, the WC Facility, the Capex Facility and the IBLAs.

“**Super Senior Issuer Hedging Agreement**” means an Issuer Hedging Agreement that ranks in priority to the Issuer’s obligations under the Notes.

“**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 Covenantors**” means, among others, ABPJ and ABPS.

“**TEU**” or “**twenty-foot equivalent unit**” is a unit of cargo capacity used to describe the capacity of container ships and container terminals.

“**Threshold Amount**” means, at any time, an amount in sterling (or its equivalent) equal to the average Historic Consolidated EBITDA for the immediately preceding three Financial Years.

“**Tranche**” means all Notes which are identical in all respects (save for the Issue Date, Interest Commencement Date and Issue Price) (plural “**Tranches**”).

“**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, basis rate swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any rate or price.

“**Trust Documents**” means the Note Trust Deed, the Issuer Deed of Charge and any deed or other document executed in accordance with the Note Trust Deed or the Issuer Deed of Charge and expressed to be supplemental to the Note Trust Deed or the Issuer Deed of Charge (as applicable).

“**Unrestricted Party**” means any Sponsor or shareholder of a member of the ABPAH Group (or in each case any nominee thereof or partner in such member of the ABPAH Group) acting in a trading, market-making or similar capacity other than to the extent the relevant interest or purchased debt is held for or on behalf of any member of the ABPAH Group, or its shareholder or Sponsor in that capacity.

“**Unutilised Excess Disposal Proceeds**” means the difference between:

- (a) the Disposal Proceeds received from a Disposal where the Disposal Proceeds exceed £20,000,000; and
- (b) £20,000,000,

the amount of such difference being the “**Net Excess Proceeds**” where:

- (i) the Net Excess Proceeds have not been applied towards the prepayment and cancellation of ABPA Senior Debt at the time of the Disposal;
- (ii) the Net Excess Proceeds have not been contractually committed to be utilised within 12 months of the Disposal; or
- (iii) the Net Excess Proceeds have not actually been so utilised within 18 months of the Disposal.

“**Voted Qualifying Debt**” means the Participating Qualifying ABPA Secured Creditors voting on a pound for pound basis by reference to the Outstanding Principal Amount owed at the relevant time to the relevant Participating Qualifying ABPA Secured Creditors.

“WC Facility” means each facility, including the Initial WC Facility, made available to: (a) ABPA to fund its working capital needs and (b) to ABPAH to fund on an intra-day basis a Permitted Inter-Company Distribution.

INDEX OF DEFINED TERMS

- £, 4
- € 4
- 0-12 Month Calculation Period, 228
- 12-24 Month Calculation Period, 228
- 2010 PD Amending Directive, 205, 222
- 24-36 Month Calculation Period, 228
- 30/360, 172
- 30E/360, 172
- 360/360, 172
- ABP, 3, 14
- ABP Ownership Rights, 228
- ABP Scheme, 86
- ABPA, 3, 14
- ABPA Account Bank, 16
- ABPA Account Bank Agreement, 228
- ABPA Accounts, 153
- ABPA Cash Manager, 16, 228
- ABPA Debt Service Reserve Account, 228
- ABPA Defeasance Account, 228
- ABPA Defeasance Amount, 228
- ABPA Defeasance Liabilities, 228
- ABPA Defeasance Security, 228
- ABPA Defeased Debt, 228
- ABPA Floating Charge Agreement, 163, 228
- ABPA Forward-Looking Ratio Certificate, 228
- ABPA Hedge Counterparties, 15, 229
- ABPA Hedge Counterparty, 229
- ABPA Hedging Agreement, 229
- ABPA Hedging Agreements, 150
- ABPA Hedging Transaction, 229
- ABPA LF Event of Default, 229
- ABPA LF Fee Letter, 229
- ABPA Liquidity Facilities, 230
- ABPA Liquidity Facility, 230
- ABPA Liquidity Facility Agent, 230
- ABPA Liquidity Facility Agreement, 230
- ABPA Liquidity Facility Provider, 230
- ABPA Liquidity Shortfall, 149
- ABPA Post-Default Priority of Payments, 116
- ABPA Secured Creditor, 15
- ABPA Secured Creditors, 15
- ABPA Secured Liabilities, 230
- ABPA Security, 230
- ABPA Security Documents, 230
- ABPA Security Trustee, 15, 230
- ABPA Senior Debt, 230
- ABPA Standby Drawing, 149
- ABPA Standby Reserve Ledger, 231
- ABPAH, 3, 14
- ABPAH Group, 14, 231
- ABPAH Group Agent, 103
- ABPAH Group Defined Benefit Pension Schemes, 231
- ABPAH Group Shares, 231
- ABPAH Subordinated Creditor, 231
- ABPAH Subsidiaries, 231
- ABPAH Subsidiary, 14, 231
- ABPH, 3, 14
- ABPIL, 33
- ABPJ, 71
- ABPS, 14
- Acceptable Bank, 231
- Accession Memorandum, 231
- Account Bank, 15
- Accountholder, 197
- Accounting Date, 231
- Accounting Standards, 231
- Accrual Yield, 179, 185
- Acquired Business, 238
- Actual/360, 172
- Actual/365, 172
- Actual/365 (Fixed), 172
- Actual/Actual, 172
- Actual/Actual (ICMA), 172
- Additional ABPA Secured Creditors, 231
- Additional ABPA Secured Creditors Terms, 148
- Additional Equity, 140
- Additional Financial Indebtedness, 231
- Adjusted Consolidated EBITDA, 232
- Advance, 232
- AFC A Floating Security, 152
- Affected ABPA Secured Creditor, 111
- Affected ABPA Secured Creditors, 111
- Affected Issuer Secured Creditor, 111
- Affected Issuer Secured Creditors, 111
- affiliate, 175
- Affiliate, 232
- Agency Agreement, 162, 232
- Agent, 232
- Agent Bank, 16, 162, 232
- Agents, 187, 232
- Aggregate ABPA Available Liquidity, 232
- Aggregate ABPA Debt Service Payments, 232
- Aggregate Available Liquidity, 232
- Aggregate Debt Service Payments, 232
- Aggregate Issuer Available Liquidity, 233
- Aggregate Issuer Debt Service Payments, 233
- Ancillary Rights, 233
- APBA Defeasance Creditor, 228
- Arranger, 16
- Arup Report, 31
- Assessment, 31, 75
- Assignable Insurances, 233
- Assigned Accounts, 233
- Auditors, 233
- Authorised Credit Facilities, 233
- Authorised Credit Facility, 233
- Authorised Credit Provider, 233
- Authorised Investments, 233
- Base Case Model, 234
- Base Index Figure, 175
- Base Prospectus, 234
- Basel III, 49
- Basic Terms Modifications, 191
- Bearer Notes, 2, 163
- Beneficial Owner, 203
- Benefit, 234
- Block Voting Instructions, 234

Borealis, 71
Borrower, 235
BTDB, 70
Bund Rate, 181
Business Day, 171, 235
CAC, 33
Calculation Agency Agreement, 162, 235
Calculation Agent, 162, 235
Calculation Amount, 171
Calculation Period, 172, 235
Capex Facilities, 235
Capex Facility, 235
Capex Facility Provider, 235
Capital Expenditure, 235
capital markets exception, 43
Capital Raising Proceeds, 235
Cash, 235
Cash Equivalent, 236
Cash Manager, 236
CCS, 24
Central Bank, 1
Certification Date, 114
Change of Control, 236
Charged Property, 236
CHAs, 87
Clean-Down, 236
Clearing Systems, 203
Closing Date, 237
Common Documents, 100
Common Terms Agreement, 163, 237
Comparable German Bund Issue, 181
Comparable German Bund Price, 181
Comparable Treasury Issue, 182
Comparable Treasury Price, 182
Compliance Certificate, 237
Conditions, 6, 162, 205, 237
Connected Creditor, 237
Consolidated Borrowings, 132
Consolidated EBITDA, 237
Consolidated Net Borrowings, 238
contaminated land regime, 31
Contribution Notice, 239
control, 239
Core Business, 239
Couponholders, 164
Coupons, 164
Covenantor Information, 4
Covenantors, 3, 14
CP Agreement, 161, 239
CRA, 239
CRA Regulation, 2
CRD, 48
CRD IV, 49
CRD2, 48
Credit Event Upon Merger, 142
Cross-Currency Hedging Agreement, 239
CRR, 49
date for payment, 176
Day Count Fraction, 172
Dealer, 2, 1, 239
Dealers, 1, 16, 162, 221, 239
Dealership Agreement, 162, 221, 239
Debt Collateralisation Account, 239
Debt Purchase Transaction, 239
Decision Period, 104
Default, 239
Designated Website, 7, 123
Determination Date, 172
Determination Dissenting Creditors, 104
Determination Dissenting Notice, 104
Determination Period, 172
Direct Participants, 203
Direction Notice, 240
Discretion Matter, 107
Disposal, 240
Disposal Proceeds, 240
Disposed Business, 238
Dissenting Creditors, 104
Dormant Subsidiary, 240
DPWS, 70
Drawdown Prospectus, 2
due date, 137
ECB, 198
EEA, 240
EMS, 31
Energy NPS, 24
Enforcement Action, 112, 240
Enforcement Instruction Notice, 112
Enforcement Period, 241
English Law, 241
Entrenched Right Dissenting Creditor, 104
Entrenched Right Dissenting Notice, 104
Entrenched Rights, 109
Environmental Approvals, 242
Environmental Claim, 241
Environmental Law, 241
Environmental Permits, 242
Equity Cure, 242
Equity Cure Amount, 140
Equity Cure Limitations, 242
Equity Cure Right, 140
EU Savings Directive, 42, 220
EUR, 4
euro, 4, 172
Euro Exchange Date, 195
Euro Exchange Notice, 195
Eurobond Basis, 172
Euroclear, 242
Eurosystem, 198
Excess Cash, 242
Exchanged Global Note Certificate, 201
Excluded Cash, 242
Excluded Cash Equivalents, 242
Excluded Charged Property, 243
Excluded Disposal, 243
Excluded Disposal Proceeds, 243
Excluded Insurance Proceeds, 243
Excluded Loans, 243
Excluded Report Recovery Proceeds, 243
Excluded Security Interests, 243
Existing Joint Venture, 243
Existing Port Asset, 243
Expert, 177
Extraordinary Resolution, 20, 190

Extraordinary Voting Matters, 107
Facility Agent, 244
Federal Reserve System, 182
FG Hawkes, 30
Final Maturity Date, 173, 244
Final Terms, 2, 162
Finance Document, 244
Finance Party, 245
Financial Adviser, 181
Financial Indebtedness, 245
Financial Statements, 246
Financial Year, 246
First Hedging Transaction, 141
Fitch, 2, 246
Five Year Period, 246
Fixed Rate Notes, 162
Fixtures, 246
Floating Rate Notes, 162
Following Business Day Convention, 168
FRDWPF, 87
FSMA, 246
Further Enforcement Instruction Notice, 113
GIC SI, 71
GLN Guarantor, 246
Global Note, 198
Global Note Certificate, 3
Gross Real Redemption Yield, 180
Gross Redemption Yield, 180
Group, 216, 218
GSIP, 71
Guarantee, 246
Guaranteed Loan Note Charge, 246
Guaranteed Loan Note Counter Indemnity Deed, 246
Guaranteed Loan Note Instruments, 246
Guaranteed Loan Notes, 246
Guarantors, 10, 14
Hedge Counterparties, 15
Hedging Agreement, 246
Hedging Liabilities, 246
Hedging Policy, 141
Hedging Transaction, 246
HES, 82
Historic Adjusted Consolidated EBITDA, 246
Historic Consolidated EBITDA, 246
Historic Consolidated Net Borrowings, 246
Historic Net Interest Payable, 247
HMRC, 219
holder, 164
Holder, 164
Holding Account, 247
Holding Amount, 247
Holding Company, 247
HOTT, 30
IBLA Loan, 144
IED, 24
ILFP Information, 5
Incoming Creditors, 231
Independent Expert, 124
Independent Technical Adviser, 247
Index, 175, 176
Index Event, 183, 247
Index Figure, 175, 176
Index Ratio, 176
Indexation Adviser, 176
Indexed, 247
Indexed Note, 247
Indexed Notes, 162
Indirect Participants, 203
Individual Exchange Date, 201
Individual Note Certificates, 201
Infracapital, 71
Inherent Liabilities, 248
Initial ABPA Hedge Counterparties, 10
Initial ABPA Hedge Counterparty, 10
Initial ABPA Hedging Agreements, 10
Initial ABPA Liquidity Facility Agent, 248
Initial ABPA Liquidity Facility Agreement, 248
Initial ABPA Liquidity Facility Providers, 16
Initial Capex Facility, 145
Initial Capex Facility Providers, 15
Initial Date Representation, 121
Initial Equity Cure Limitations, 248
Initial Facilities Providers, 15
Initial IBLA, 248
Initial Issue Date, 162, 248
Initial Issuer Liquidity Facility Agent, 248
Initial Issuer Liquidity Facility Agreement, 248
Initial Issuer Liquidity Facility Providers, 16
Initial Senior Facilities, 146
Initial Senior Facilities Agent, 15
Initial Senior Facilities Agreement, 10
Initial Senior Facilities Providers, 145
Initial Senior Term Facilities, 145
Initial Senior Term Facilities Providers, 15
Initial WC Facility, 146
Initial WC Facility Providers, 15
Insolvency Act, 248
Insolvency Event, 248
Insolvency Official, 249
Insolvency Proceedings, 249
Instalment Amount, 171
Instalment Notes, 162
Insurance Proceeds Account, 249
Intellectual Property Rights, 249
Intercreditor Arrangements, 100
Interest Amounts, 171
Interest Commencement Date, 173, 249
Interest Determination Date, 173
Interest Payment Date, 173, 249
Interest Period, 173, 249
Interest Rate, 173
Investor, 250
Investor Report, 250
Investor's Currency, 50
IPO, 250
ISDA Definitions, 173
ISDA Determination, 169
ISDA Master Agreement, 250
ISDA Rate, 169
Issue Date, 250

Issue Price, 250
Issuer, 1, 14, 162
Issuer Account, 250
Issuer Account Bank, 15
Issuer Account Bank Agreement, 156, 163, 250
Issuer Accounts, 156
Issuer Accounts, 250
Issuer Borrower Loan Agreement, 10
Issuer Cash Management Agreement, 156
Issuer Cash Manager, 16, 250
Issuer Charged Property, 250
Issuer Corporate Administration Agreement, 250
Issuer Corporate Administration Provider, 250
Issuer Debt Service Reserve Account, 156, 250
Issuer Deed of Charge, 162, 250
Issuer Group, 218
Issuer Hedge Counterparties, 163, 250
Issuer Hedge Counterparty, 250
Issuer Hedging Agreement, 250
Issuer Hedging Agreements, 163
Issuer Hedging Transaction, 251
Issuer Lender Profit Amount, 145
Issuer LF Event of Default, 251
Issuer LF Fee Letter, 251
Issuer Liquidity Facilities, 251
Issuer Liquidity Facility, 251
Issuer Liquidity Facility Agent, 251
Issuer Liquidity Facility Agreement, 252
Issuer Liquidity Facility Agreements, 163
Issuer Liquidity Facility Providers, 163
Issuer Liquidity Shortfall, 157
Issuer Payment Priorities, 252
Issuer Post-Enforcement Priority of Payments, 154
Issuer Post-Enforcement Priority of Payments, 252
Issuer Pre-Enforcement Priority of Payments, 156
Issuer Qualifying Creditors, 189
Issuer Qualifying Debt, 189
Issuer Secured Creditor, 15
Issuer Secured Creditor Entrenched Right, 252
Issuer Secured Creditors, 10, 15, 162
Issuer Secured Liabilities, 252
Issuer Security, 162, 166, 252
Issuer Security Document, 252
Issuer Security Trustee, 15
Issuer Senior Debt, 252
Issuer Standby Drawing, 158
Issuer Standby Reserve Ledger, 252
Issuer Transaction Document, 252
Issuer Transaction Documents, 163
ITA Forward-Looking Ratio Certificate, 253
ITA Information, 253
Joint Venture, 253
Large Combustion Plants Directive, 24
Legal Charge, 253
Liabilities, 253
Limited Index Ratio, 176
Limited Indexation Factor, 176
Limited Indexation Month, 176
Limited Indexed Notes, 176
Liquidity Facilities, 253
Liquidity Facility, 253
Liquidity Facility Agreement, 253
Liquidity Facility Agreements, 253
Liquidity Facility Provider, 16, 253
Liquidity Facility Providers, 16, 253
Loan Acceleration Notice, 253
Loan Enforcement Notice, 253
Loan Event of Default, 136
Loan Events of Default, 136
Loan Note Guarantee Security Account, 253
Mandatory Debt Discharge, 253
Margin, 173
Master Definitions Agreement, 163, 254
Material Adverse Effect, 254
Material Subsidiaries, 14
Maximum Maturities Condition, 126
Member State, 50
Minimum Long Term Rating, 254
Minimum Short Term Rating, 254
MNOPF, 87
Modified Following Business Day Convention, 168
Moody's, 2, 254
Mortgaged Property, 254
NAB, 217
NAB Group, 217
necessary information, 6
Net Excess Proceeds, 270
Net Interest Payable, 254
New Safekeeping Structure, 200
NGN, 198
Non-Core Business Disposal, 125
Non-exempt Offer, 222
Non-Material Subsidiary, 255
Note Basis, 172
Note Enforcement Notice, 255
Note Event of Default, 22
Note Relevant Date, 171
Note Trust Deed, 162, 255
Note Trustee, 2, 15, 162
Noteholder, 164, 197
Noteholders, 15
Notes, 2, 162, 164
NSS, 200
Official List, 1
Offsetting Transaction, 141
OFT, 28
OMERS, 71
Ongoing Facility Fees, 255
Option Schemes, 255
Order, 3
Ordinary Voting Matters, 107
outstanding, 255
Outstanding Principal Amount, 256
Overhedged Position, 141
Page, 173

Par Amount, 180
Parent Note Security, 167
Pari Passu ABPA Hedge Counterparties, 256
Pari Passu ABPA Hedging Agreement, 256
Pari Passu ABPA Hedging Transaction, 256
Pari Passu Hedge Counterparties, 256
Pari Passu Hedge Counterparty, 256
Pari Passu Issuer Hedge Counterparties, 256
Pari Passu Issuer Hedging Agreement, 256
Pari Passu Issuer Hedging Transaction, 256
Participants, 203
Participating Member State, 173
Participating Member States, 173
Participating Qualifying ABPA Secured Creditors, 106
Party, 256
Paying Agents, 162, 256
Payment Date, 257
Pensions Regulator, 257
Permanent Global Note, 2
Permitted Acquisition, 257
Permitted Business, 258
Permitted Disposal, 258
Permitted Distribution Period, 260
Permitted Financial Indebtedness, 260
Permitted Guarantee, 262
Permitted Hedge Termination, 262
Permitted Joint Venture, 262
Permitted Loan, 263
Permitted Reorganisation, 263
Permitted Security Interest, 264
PNPF, 87
Port Asset, 265
Post-Trigger Debt Discharge, 265
Potential Loan Event of Default, 265
pounds, 4
Preceding Business Day Convention, 168
Prefunding Account, 265
Principal Amount Outstanding, 173, 265
Principal Paying Agent, 16, 162
Programme, 1, 162, 265
Projected Adjusted Consolidated EBITDA, 265
Projected Consolidated EBITDA, 265
Projected Consolidated Net Borrowings, 265
Projected Net Interest Payable, 265
Projected Test Period, 266
Prospective Directive, 222
Prospectus Directive, 1, 205
provisional payment, 178
Qualifying ABPA Secured Creditor, 11
Qualifying ABPA Secured Creditors, 11
Qualifying ABPA Senior Debt, 105
Qualifying Noteholders, 266
Quasi Security, 266
Quorum Requirement, 107
Rating Agencies, 2, 16, 266
Rating Agency, 266
Ratings Confirmation, 266
Receiptholders, 164
Receipts, 164
Receiver, 266
Record Date, 186
Recovery Claim, 266, 267
Redeemed Notes, 182
Redemption Amount, 173
Redenomination Date, 195
Reference Banks, 173
Reference Date, 180, 181, 184
Reference German Bund Dealer, 181
Reference German Bund Dealer Quotations, 181
Reference Gilt, 176, 180
Reference Price, 185
Reference Treasury Dealer, 182
Reference Treasury Dealer Quotations, 182
Register, 164
Registered Notes, 2, 163
Registrar, 16, 162
Regulation S, 1
Related Party, 266
Relevant Calculation Date, 266
Relevant Calculation Period, 266
Relevant Currency, 173
relevant Dealer, 239
relevant Dealer(s), 239
Relevant Debt, 266
Relevant Financial Centre, 173
Relevant Implementation Date, 222
Relevant Member State, 222
relevant month, 176
relevant persons, 3
Relevant Rate, 174
relevant Stock Exchange, 269
Relevant Subscription Agreement, 266
relevant time, 44
Relevant Time, 174
Remedial Plan, 133
Repeated Representations, 121
Report, 267
Report Recovery Proceeds, 267
Reporting Date, 267
Representative Amount, 174
Requisite Ratings, 267
Reservations, 267
Reserved Matters, 112
Restricted Payment, 267
Restricted Payments, 267
Retail Price Index, 268
Reuters, 173
Revolving Loan, 268
Right, 234
RPI, 268
S&P, 268
SC Instruction Notice, 115
Scheduled Redemption Date, 174, 268
Screen Rate Determination, 168
SCT, 70
Second Hedging Transaction, 141
section 75, 34
Secured Creditor Representative, 100
Securities, 268
Securities Act, 1, 205
Security Agreement, 150

Security Agreement Floating Security, 152
Security Interest, 101, 268
Security Interests, 268
Security Provider, 268
Security Providers, 10, 14
Security Shares, 268
Security Trust and Intercreditor Deed, 269
Security Trustee, 268
Selection Date, 182
Senior Hedged Debt, 268
Senior Term Facilities, 268
Senior Term Facilities Agreement, 268
Senior Term Facilities Providers, 268
Series, 2, 162
Specified Duration, 174
Sponsors, 268
Standard & Poor's, 268
Standby Drawing, 269
Step-Up Fixed Fee Rate, 174
Step-Up Floating Fee Rate, 174
sterling, 4
Sterling Notes, 195
STID, 163, 269
STID Proposal, 103
STID Voting Request, 269
Stock Exchange, 174, 269
Subordinated Debt, 269
Subscription Agreement, 162
Subsidiary, 269
sub-unit, 174
Super Senior ABPA Hedging Agreement, 270
Super Senior Issuer Hedging Agreement, 270
Super-Senior Hedging Condition, 142
Supplemental Deed, 269
TA Relevant Provision, 118
Talonholders, 164
TARGET Settlement Day, 174
TARGET system, 174
Tax, 270
Tax Covenantors, 270
Tax Deed of Covenant, 100
taxable, 270
taxation, 270
Taxes, 183, 270
TCS, 95
TEFRA C Rules, 198
TEFRA D Rules, 198
Temporary Global Note, 2
Term Facility A, 145
Term Facility B, 145
Term Facility C, 145
Testing Dates, 126
TEU, 270
Threshold Amount, 270
Tranche, 2, 162, 270
Tranches, 270
Transfer Agent, 16, 162
Transport Act, 10
Treasury Rate, 181
Treasury Transaction, 270
Trigger Event, 131
Trigger Event Consequences, 133
Trigger Event Credit Rating, 132
Trigger Event Ratio, 135
Trigger Event Ratio Level, 131
Trigger Event Remedy, 135
Trust Documents, 166, 270
TSC Regulations, 42
twenty-foot equivalent unit, 270
U.S. dollars, 4
U.S. Person, 1
U.S.\$, 4
Unrestricted Party, 270
Unutilised Excess Disposal Proceeds, 270
US Persons, 221
USPP Note Purchase Agreement, 147
USPP Note Purchasers, 147
Voted Qualifying Debt, 270
WC Facility, 271
Zero Coupon Notes, 162

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