Manchester Airport Group Funding PLC

(incorporated with limited liability in England and Wales with registered number 08826541)

£5,000,000,000 Multicurrency programme for the issuance of Bonds

On 14 February 2014, Manchester Airport Group Funding PLC (the "**Issuer**") established a multicurrency programme for the issuance of Bonds (the "**Programme**") and on 11 September 2023, the Programme was updated. This document supersedes the Prospectus dated 11 September 2023. This Prospectus does not affect any Bonds issued before the date of this Prospectus.

Application has been made to the Financial Conduct Authority ("**FCA**") under Part VI of the Financial Services and Markets Act 2000 (as amended "**FSMA**") for Bonds issued under the Programme during the period of 12 months after the date hereof to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Bonds to be admitted to trading on the London Stock Exchange's main market (the "**Market**"). References in this Prospectus to Bonds being "listed" (and all related references) shall mean that such Bonds have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, varied, superseded or substituted from time to time, "**EUWA**") (the "**UK MiFIR**")).

This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Obligors or the quality of the Bonds that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

The Issuer may also issue unlisted Bonds and/or Bonds not admitted to trading on any regulated or unregulated market ("**Exempt Bonds**"). Exempt Bonds do not form part of this Prospectus and will not be issued pursuant to this Prospectus and the FCA has neither approved nor reviewed information contained in this Prospectus in connection with the Exempt Bonds.

The Bonds may be issued, on a continuing basis, to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "relevant Dealer" shall, in the case of an issue of Bonds being (or intended to be) subscribed 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 Bonds or to procure subscriptions for such Bonds, as the case may be.

Certain Series of Bonds to be issued under the Programme may be rated by Fitch Ratings Ltd. ("**Fitch**") and/or Moody's Investors Service Limited ("**Moody's**") (together, the "**Rating Agencies**"). Each of Fitch and Moody's is established in the United Kingdom and is registered under the Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). The ratings Fitch and Moody's have given to the Bonds to be issued under the Programme are respectively endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH, which are established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**") and, as such, each of Fitch and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Where a Series of Bonds is rated, such rating will be disclosed in the Final Terms or Pricing Supplement.

Bonds issued under the Programme have not been, and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any securities or blue sky laws of any state or other jurisdiction of the United States and the Issuer has not been, and will not be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). The Bonds may not be offered, sold, pledged or delivered 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 ("Regulation S")) except (i) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, (ii) in circumstances that will not require the Issuer to register as an investment company under the Investment Company Act and (iii) in accordance with all applicable federal, state and local securities laws of the United States. Each purchaser of the Bonds in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Subscription and Sale*" and "*Transfer Restrictions*" in this Prospectus.

The Bonds have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any federal or state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Bonds or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Arranger

Barclays

Dealers

Barclays	**BNP PARIBAS**	**CIBC Capital Markets**
HSBC	**National Australia Bank Limited**	**NatWest**

SMBC

The date of this Prospectus is 6 March 2025.

IMPORTANT NOTICES

This Prospectus is being distributed only to, and is directed only at, relevant persons. This Prospectus, or any of its contents, must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer or the Obligors 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 Obligors as of any time subsequent to the date indicated in the document containing the same. None of the Arranger, the Dealers and their respective affiliates, the Bond Trustee, the Issuer Security Trustee, the Obligor Security Trustee or the other parties undertakes to review the financial condition or affairs of any of the Issuer or the Obligors during the life of the Programme or to advise any investor in the Bonds of any information coming to their attention.

This 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, the Obligors, the Arranger, any Dealer and their respective affiliates, the Bond Trustee, the Issuer Security Trustee, the Obligor Security Trustee or any of the Other Parties that any recipient of this Prospectus should purchase any of the Bonds.

In the case of any Bonds which are to be admitted to trading on a regulated market within the United Kingdom or the European Economic Area or offered to the public in the United Kingdom or a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the EU Prospectus Regulation or the UK Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Bonds).

Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the creditworthiness of the Issuer and the Obligors 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 Bonds should consult independent professional advisers.

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

If a jurisdiction requires that the offering is made by a licensed broker or dealer and the Dealers of any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

Certain Tranches of Bonds issued in NGB form or under the New Safekeeping Structure may be held in a manner which will allow Eurosystem eligibility. This simply means that the Bonds are intended upon issue to be delivered to a common safekeeper for Euroclear or Clearstream, Luxembourg and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

In connection with the issue of any Tranche of Bonds, the stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) named in the applicable Final Terms or Pricing Supplement may over-allot

Bonds or effect transactions with a view to supporting the market price of the Bonds 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 Bonds 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 Bonds and 60 days after the date of the allotment of the relevant Tranche of Bonds. 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.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Bonds include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT - UK RETAIL INVESTORS – If the Final Terms in respect of any Bonds include a legend entitled "Prohibition of Sales to UK Retail Investors", the Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the EU PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / target market – The Final Terms in respect of any Bonds (or Pricing Supplement, in the case of Exempt Bonds) may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Bonds is a manufacturer in respect of such Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Bonds may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Bonds and which channels for distribution of the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its

own target market assessment in respect of the Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Bonds is a manufacturer in respect of such Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

The Bonds may not be a suitable investment for all investors.

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 Bonds are legal investments for it, Bonds can be used as security for indebtedness and other restrictions apply to its purchase or pledge of any Bonds.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus, any supplemental prospectus or any applicable Final Terms or Pricing Supplement;

- have access to, knowledge of and appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds 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;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- 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.

Some Bonds 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 Bonds which are complex financial instruments unless it has the experience (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

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

All references herein to "**pounds**", "**sterling**" or "**£**" are to the lawful currency of the UK, all references to "**U.S. dollars**", "**U.S.$**", "**$**" and "**dollars**" are to the lawful currency of the United States of America, and references to "**euro**" or "**€**" 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.

In this Prospectus, words denoting the singular number only shall include the plural number also and vice versa.

This 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 and/or the Obligors to differ materially from the information presented herein. When used in this Prospectus, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Issuer, the Obligors 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. Except as required by applicable laws or regulations, neither the Issuer nor the Obligors undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

BENCHMARKS REGULATION: Amounts payable under Floating Rate Bonds issued under the Programme may be calculated or otherwise determined by reference to an index or a combination of indices. Any such index may constitute a benchmark for the purposes of the Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law by virtue of the EUWA (the "**UK BMR**"). If any such index does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK BMR. Not every index will fall within the scope of the UK BMR. Furthermore the transitional provisions in Article 51 of the UK BMR apply such that the administrator of a particular benchmark may not currently be required to obtain authorisation or registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence) at the date of the relevant Final Terms. The registration status of any administrator under the UK BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

RESPONSIBILITY STATEMENTS

This Prospectus comprises a base prospectus for the purposes of the UK Prospectus Regulation and for the purpose of giving information with regard to the Issuer and the Obligors which, according to the particular nature of the Issuer, the Obligors and the Bonds, 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 and the Obligors.

Each of the Issuer and the Obligors accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of each of the Issuer and the Obligors the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

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

No person has been authorised to give any information or to make representations other than the information or the representations contained in this Prospectus in connection with the Issuer, any member of the Security Group, or the offering or sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, any member of the Security Group, the Arranger, the Dealers and their respective affiliates, the Bond Trustee, the Issuer Security Trustee or the Obligor Security Trustee or any Other Party. Neither the delivery of this Prospectus nor any offering or sale of Bonds 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, any member of the Security Group since the date hereof. Unless otherwise indicated herein, all information in this Prospectus is given as of the date of this Prospectus. This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or any Dealer to subscribe for, or purchase, any of the Bonds.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Other Parties as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Bonds or their distribution. The statements made in this paragraph are without prejudice to the respective responsibilities of the Issuer and the Obligors. Each person receiving this Prospectus acknowledges that such person has not relied on the Arranger, any Dealer and their respective affiliates, the Bond Trustee, the Issuer Security Trustee or the Obligor Security Trustee or any Other Party or on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

None of the Issuer, the Obligors, the Arranger, the Dealers and their respective affiliates, the Bond Trustee, the Issuer Security Trustee, the Obligor Security Trustee or the Other Parties accept responsibility to investors for the regulatory treatment of their investment in the Bonds (including (but not limited to) whether any transaction or transactions pursuant to which Bonds are issued from time to time is or will be regarded as constituting a "securitisation" for the purposes of: (i) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**EU Securitisation Regulation**"); and (ii) Regulation (EU) 2017/2042 as it forms part of domestic law of the UK by virtue of EUWA (the "**UK Securitisation Regulation**") or by any regulatory authority in any jurisdiction. If the regulatory treatment of an investment in the Bonds is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to the "*Risk Factors – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Bonds*" section of this Prospectus for further information.

SUPPLEMENTARY PROSPECTUS

The Issuer has undertaken, in connection with the admission of the Bonds to the Official List and to trading on the Market, that, if there shall occur any significant new factor, mistake or material inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Bonds whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this 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 Obligors, and the rights attaching to the Bonds, the Issuer shall prepare a supplement to this Prospectus or publish a replacement prospectus for use in connection with any subsequent issue by the Issuer of Bonds and will supply to the Arranger, each Dealer and the Bond Trustee a copy or, in the case of the Bond Trustee, two copies of such supplement hereto or replacement prospectus. The Issuer will also supply to the FCA such number of copies of such supplement hereto or replacement prospectus as may be required by the FCA to carry out its review and approval process and upon receiving approval from the FCA 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 Bonds) the Registrar and the Transfer Agent.

Each of the Obligors and the Issuer has undertaken to the Dealers in the Dealership Agreement to comply with Article 23 of the UK Prospectus Regulation (as set out in "*Subscription and Sale*").

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

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, the Issuer shall prepare and make available an appropriate supplement to this Prospectus or a further prospectus which shall constitute a supplementary prospectus as required by the FCA and Article 23 of the UK Prospectus Regulation.

FINAL TERMS, PRICING SUPPLEMENT AND DRAWDOWN PROSPECTUSES

In relation to the different types of Bonds which may be issued under the Programme, the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to the Bonds which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Bonds.

Any information relating to the Bonds which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Bonds will be contained either in the relevant Final Terms, a Pricing Supplement or in a Drawdown Prospectus. For a Tranche of Bonds which is the subject of Final Terms or a Pricing Supplement, those Final Terms or the Pricing Supplement (as the case may be) will, for the purposes of that Tranche only, complete this Prospectus and must be read in conjunction with this Prospectus. The Conditions as completed to the extent described in the relevant Final Terms or Pricing Supplement are the terms and conditions applicable to any particular Tranche of Bonds, which is the subject of those Final Terms or Pricing Supplement.

The Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus are the terms and conditions applicable to any particular Tranche of Bonds 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 Bonds.

U.S. INFORMATION

The Bonds have not been approved or disapproved by the SEC, any other federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Bonds or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold, pledged or delivered within the United States or its possessions or to United States persons, 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 of 1986, as amended and the regulations promulgated thereunder.

In making an investment decision, investors must rely on their own examination of the Issuer and the Obligors and the terms of the Bonds being offered, including the merits and risks involved.

Each purchaser or holder of Bonds will be deemed by its acceptance or purchase of any such Bond to have made certain representations and agreements intended to restrict the resale or other transfer of such Bonds as set out in "*Subscription and Sale"* and "*Transfer Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Pro Forma Final Terms*" or "*Pro Forma Pricing Supplement*", as applicable.

AVAILABLE INFORMATION

The Issuer has undertaken in the Bond Trust Deed to furnish, in certain circumstances and upon the request of a holder of Bonds or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder the information required under certain U.S. securities laws in order for the Issuer to comply with the reporting obligations set forth therein to the extent applicable.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in Sterling in accordance with Financial Reporting Standards 102, being the Financial Reporting Standard applicable in the UK and Republic of Ireland ("**FRS102**").

To comply with the UK Prospectus Regulation rules on financial information, this Prospectus includes (i) audited financial statements for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of the Issuer which have been prepared in accordance with FRS102; (ii) audited accounts for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of the Borrower which have been prepared in accordance with FRS102; (iii) audited consolidated accounts for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of Manchester Airport Group Investments Limited and the unaudited consolidated interim report of Manchester Airport Group Investments Limited for the 6 months ended 30 September 2024, which have each been prepared in accordance with the International Financial Reporting Standards ("**IFRS**"); (iv) audited accounts for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of Manchester Airport plc which have been prepared in accordance with FRS102; (v) audited accounts for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of Stansted Airport Limited which have been prepared in accordance with FRS102; (vi) audited accounts for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of East Midlands International Airport Limited which have been prepared in accordance with FRS102; (vii) audited accounts for the years ended 31 March 2024 and 31 March 2024 incorporated by reference in respect of MAG Airport Limited which have been prepared in accordance with; and (viii) audited accounts for the years ended 31 March 2023 and 31 March 2024 incorporated by reference in respect of CAVU eCommerce (EMEA) Limited which have been prepared in accordance with FRS102. The financial information has been prepared in accordance with Article 23a of the UK version of Regulation number 2019/980 of the European Commission, including as it forms part of domestic law by virtue of the EUWA.

CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	1
OVERVIEW OF MANCHESTER AIRPORTS GROUP AND THE PROGRAMME	4
SIMPLIFIED DEBT STRUCTURE	10
SOME CHARACTERISTICS OF THE BOND PROGRAMME	11
RISK FACTORS	16
BUSINESS OF MANCHESTER AIRPORTS GROUP	45
FINANCIAL INFORMATION AND RESULTS OF OPERATIONS	93
AIRPORT REGULATION	101
DESCRIPTION OF THE ISSUER	105
DESCRIPTION OF THE OBLIGORS	107
SUMMARY OF THE COMMON DOCUMENTS	141
SUMMARY OF THE OBLIGOR DOCUMENTS	179
SUMMARY OF THE ISSUER DOCUMENTS	185
CASHFLOWS	194
TERMS AND CONDITIONS	199
FORMS OF THE BONDS	244
BOOK-ENTRY CLEARANCE PROCEDURE	248
PRO FORMA FINAL TERMS	251
PRO FORMA PRICING SUPPLEMENT	263
USE OF PROCEEDS	275
DESCRIPTION OF HEDGE COUNTERPARTIES	276
DESCRIPTION OF LIQUIDITY FACILITY PROVIDERS	277
TAX CONSIDERATIONS	282
SUBSCRIPTION AND SALE	284
TRANSFER RESTRICTIONS	289
GENERAL INFORMATION	293
PROGRAMME INFORMATION	299
INDUSTRY SOURCES AND TERMINOLOGY	301

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

(a) the Terms and Conditions of the Bonds as contained at pages 159 to 198 (inclusive) of the Prospectus dated 2 November 2017 in connection with the Programme;

(b) the Terms and Conditions of the Bonds as contained at pages 162 to 203 (inclusive) of the Prospectus dated 25 April 2019 in connection with the Programme;

(c) the Terms and Conditions of the Bonds as contained at pages 192 to 235 (inclusive) of the Prospectus dated 11 September 2023 in connection with the Programme;

(d) the audited annual financial statements and audit report of Manchester Airport Group Funding PLC for the year ended 31 March 2023;

(e) the audited annual financial statements and audit report of Manchester Airport Group Funding PLC for the year ended 31 March 2024;

(f) the audited annual financial statements and audit report of Manchester Airport Group Finance Limited for the year ended 31 March 2023;

(g) the audited annual financial statements and audit report of Manchester Airport Group Finance Limited for the year ended 31 March 2024;

(h) the audited consolidated financial statements and audit report of Manchester Airport Group Investments Limited for the year ended 31 March 2023;

(i) the audited consolidated financial statements and audit report of Manchester Airport Group Investments Limited for the year ended 31 March 2024;

(j) the unaudited consolidated interim report of Manchester Airport Group Investments Limited for the 6 months ended 30 September 2024;

(k) the audited annual financial statements and audit report of Stansted Airport Limited for the year ended 31 March 2023;

(l) the audited annual financial statements and audit report of Stansted Airport Limited for the year ended 31 March 2024;

(m) the audited annual financial statements and audit report of Manchester Airport Plc for the year ended 31 March 2023;

(n) the audited annual financial statements and audit report of Manchester Airport Plc for the year ended 31 March 2024;

(o) the audited annual financial statements and audit report of East Midlands International Airport Limited for the year ended 31 March 2023;

(p) the audited annual financial statements and audit report of East Midlands International Airport Limited for the year ended 31 March 2024;

(q) the audited annual financial statements and audit report of MAG Airport Limited for the year ended 31 March 2023;

(r) the audited annual financial statements and audit report of MAG Airport Limited for the year ended 31 March 2024;

(s) the audited annual financial statements and audit report of CAVU eCommerce (EMEA) Limited for the year ended 31 March 2023;

(t) the audited annual financial statements and audit report of CAVU eCommerce (EMEA) Limited for the year ended 31 March 2024,

((f) to (t) collectively being referred to as "**Obligors Financial Information**"). The Obligors Financial Information are incorporated by reference on the basis that such financial statements are relevant to the Programme given that ability of the Issuer to satisfy its obligations under the Bonds depends on the ability of the Borrower to satisfy its payment obligations on the advances under the Issuer Loan Agreement and, the performance of the Security Group to generate the funds necessary to meet its financial obligations, and the information contained in the Obligors Financial Information has been accurately reproduced and that as far as the Issuer and each Obligor is aware and is able to ascertain from information published by each Obligor, no facts have been omitted which would render the reproduced information inaccurate or misleading. Without prejudice to any contractual, statutory or tort rights of action, Bondholders may have (for example exercisable through the Issuer Security Trustee), investors do not have direct recourse against any Obligor in respect of any Bonds issued pursuant to this Prospectus as they are not guarantors of the Bonds.

The documents, or sections of documents, referred to above shall be incorporated in and form part of this Prospectus, save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any information or documents themselves incorporated by reference in the documents incorporated by reference shall not form part of this Prospectus. Where only certain parts of a document are incorporated by reference in this Prospectus, the non-incorporated parts are either not relevant to the investor or are covered elsewhere in this Prospectus.

Each Obligor will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to any of the Issuer or other Obligors at their respective offices set out at the end of this Prospectus.

The hyperlinks included in this Prospectus, or included in any document incorporated by reference into this Prospectus, and the websites and their contents are not incorporated into, and do not form part of, this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer and from the Issuer's website at *https://www.magairports.com/investor-relations/*. In addition, copies of such documents will be available on the website of the Regulatory News Service operated by the London Stock Exchange at *http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html*."

SUPPLEMENTARY PROSPECTUS

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Bonds to be listed on the Official List and admitted to trading on the Market, shall constitute a supplementary prospectus as required by the FCA and Article 23 of the UK Prospectus Regulation.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Bonds and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Bonds, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Bonds and shall supply to each Dealer and the Bond Trustee such number of copies of such supplement hereto as such Dealer and the Bond Trustee may reasonably request.

OVERVIEW OF MANCHESTER AIRPORTS GROUP AND THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Prospectus.

Introduction

Manchester Airports Holdings Limited and its Subsidiaries (together, the "**Manchester Airports Group**") is a leading UK-owned airport operator (*Source: MAHL Annual Report and Accounts 2023-24*). MAG owns and operates Manchester Airport ("**MAN**"), London Stansted Airport ("**STN**") and East Midlands Airport ("**EMA**") (the "**Airports**"), together with a significant digital travel services business, CAVU ("**CAVU**").

MAG has combined passenger numbers of 61.3 million per annum. (*Source: MAGIL Annual Report and Accounts 2023-24*).

Airport's and business description

MAN is the third largest airport in the UK with 28.8 million passengers per annum. (*Source: MAGIL Annual Report and Accounts 2023-24, CAA*). It has a significant catchment area covering substantially all of the North of England and the Midlands within a two-hour drive and representing 21.7 million people (*source: Office for National Statistics*).

MAN has three terminals and is capable of handling all kinds of aircraft including the Airbus A380. It has a runway capacity of 55 million passengers per annum.

MAN is well-connected by road, bus, train, coach, and tram. The airport has an on-site ground transport interchange providing train, tram, bus and coach services serving over 100 towns and cities, including 12 direct services an hour to three Northern Powerhouse cities (*source: MAG*). The connectivity of MAN was further extended when the £1.4 billion project to upgrade and extend the Metrolink tram network was completed in 2016, providing a tram every 12 minutes between MAN and Manchester city centre. The airport has junctions onto the motorway network via the M56, and the construction of the A555 Manchester Airport Relief Road has provided enhanced connectivity to the east.

MAN already has a well-invested asset base with significant spare runway capacity and continues to invest in facilities to improve airline and passenger experience. Phase 1 of The Manchester Airport Transformation Programme ("**MANTP**") commenced construction in July 2017, and was brought into use in July 2021, building an extended Terminal 2 in a vacant site adjacent to the existing Terminal 2. Phase 2 of MANTP commenced in 2023 and aims to complete the transformation of the MAN campus into a world class operation, with significant further enhancements to current facilities and major improvements to the customer experience. Phase 2 of the programme will refurbish and reconfigure the existing Terminal 2, adjacent to the new Terminal 2, and then connect the adjacent terminals to become the airport's largest terminal building, with a single check-in hall and provision for self-service bag drop. The programme is phased, modular and flexible as well as designed to minimise impact on existing operations during construction. MANTP Phase 2 is expected to be brought into use in 2025. (*Please refer to "Business of Manchester Airports Group – MAN Transformation Programme" for more detail).*

STN is the fourth largest airport in the UK with 28.5 million passengers per annum and serves connections to more European destinations than any other airport in the UK, (*Source: MAGIL Annual Report and Accounts 2023-24, CAA*). STN is attractive to its airline customers compared with other airports serving London and the South East, due to its excellent transport links to London and Cambridge, its location in a large catchment area, with 24.1 million people within a two hour drive, and competitive pricing.

The infrastructure at STN is well developed with available runway capacity for planned traffic growth. STN's current planning consent permits growth to 43 million passengers per annum., which is less than the physical runway capacity, of over 50 million. This makes STN the only London airport that has considerable spare capacity and potential to capture a much larger share of the London airline traffic market. The facilities at STN are already sufficient to be able to deal with all types of aircraft (including Code F aircraft such as Airbus A380s) that may be used by its airline customers.

Planned expansion of STN (the "**Stansted Transformation Programme**" or "**STP**") is intended to provide infrastructure to meet forecast demand, optimise use of the single runway, create additional parking spaces, and simplify passenger flows and will be conducted in two phases. A northward extension of the single Terminal building which will allow enhancement of check-in and security capacity and increased space in an enhanced, extended and reconfigured departure lounge with additional seats, and retail offerings. Additionally, it will see the replacement of the track transit system with a sky link, construction of six remote aircraft stands and new customer parking infrastructure supported with improved meet and greet facilities. An Eastern expansion to construct a dedicated passenger arrivals building received planning permission in April 2017, with over 33,000 m^2 of floor space, with detailed public plans announced in October 2024. *(Please refer to "Business of Manchester Airports Group – Stansted Airport Capital Expenditure" and "Business of Manchester Airport Group – Stansted Transformation Programme" for more detail).*

EMA carried 4.0 million passengers in the year to 31 March 2024 and is the UK's largest pure cargo airport (*Source: CAA International and Domestic Freight March 2024*) and houses large established operators such as United Parcel Service, Federal Express and DHL. (*Source: MAGIL Annual Report and Accounts 2023-24*). The EMA catchment area is the largest of all MAG airports, with over 27 million people living within a two-hour drive (*source: Office for National Statistics*).

CAVU was founded in 2022 by bringing together the MAG-O and MAG-US business units. CAVU provides services both to MAG's Airports and other airports across the world, offering products which complement air travel. CAVU distributes MAG's own car parking and lounge products, and has also secured deals to operate 31 lounges in the UK and US. CAVU distributes travel products from its marketplace to customers via its own, direct or indirect channels, spanning 49 countries and 400 airports (*source: MAGIL Annual Report and Accounts 2023-24*).

MAG annual summary

The consolidated revenue and EBITDA of MAG for the financial year ended 31 March 2024 were £1,237.7 million and £506.7 million respectively. Both revenue and EBITDA in the year were the highest recorded in MAG's history, driven by record passenger numbers. The key financial indicators of MAG for the financial year ended 31 March 2024, including passenger traffic, revenues, EBITDA, catchment area and total number of destinations served are shown in the table below.

Year ended 31st March 2024	MAN	STN	East Midlands	CAVU	Group consolidation and other[1]	Total
Passengers (millions)	28.8	28.5	4.0	n/a	n/a	61.3
Revenues (£ millions)	511.8	429.2	95.0	200.9	0.8	1,237.7

1 Group consolidation and other includes those items, mainly costs, which are not directly attributable to a specific business segment. The principal components include head office employee costs, information services, web income, insurance and management charges.

Adjusted EBITDA* (£ millions)[2]	202.2	182.0	37.8	63.4	21.3	506.7
Catchment within 2 hours (millions)**	>21	>24	>27	n/a	n/a	>47
Total Destinations	193	198	72	n/a	n/a	**283**

Source MAGIL Annual Report and Accounts 2023-24

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, gains and losses on sales and valuation of investment properties, and adjusted items*

*** source: Office for National Statistics data*

Shareholders

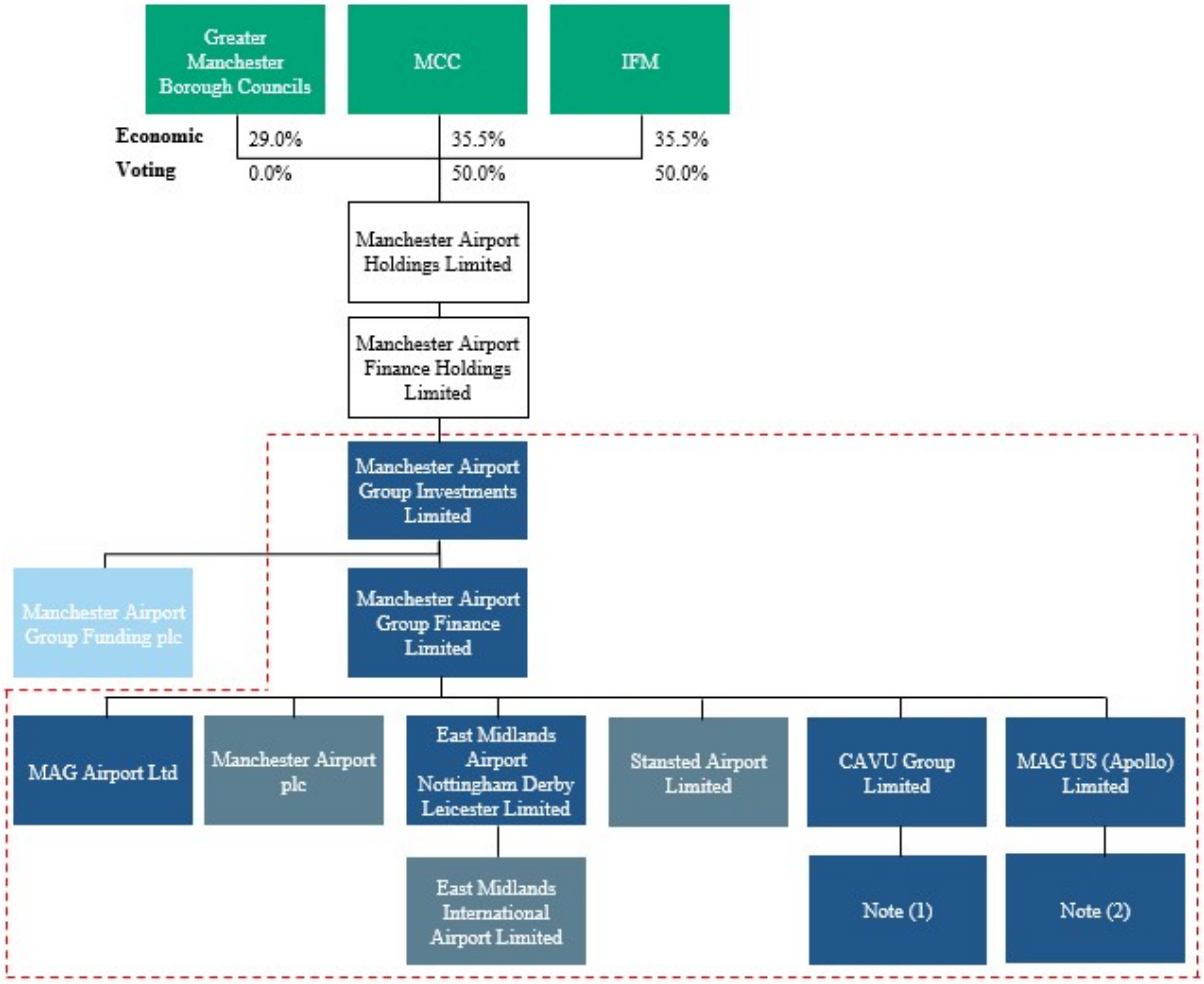
The ultimate shareholders of the consolidated Manchester Airports Group companies are: (i) the Council of the City of Manchester ("**MCC**") (35.5 per cent.); (ii) Conyers Trust Company (Cayman) Limited, being the trustee for the IFM Global Infrastructure Fund ("**IFM**") (35.5 per cent.); and (iii) the Greater Manchester Borough Councils (29 per cent.), being the Borough Council of Bolton, the Borough Council of Bury, the Oldham Borough Council, the Rochdale Borough Council, the Council of the City of Salford, the Metropolitan Borough Council of Stockport, the Tameside Metropolitan Borough Council, the Trafford Borough Council and the Wigan Borough Council.

The voting control is shared equally between IFM and MCC only.

Group Structure

The following chart shows the position of the Obligors and the Issuer in the group structure as at the date of this Prospectus.

2 The definition of EBITDA is set out on page 311. Effective from the year ended 31 March 2020, Manchester Airport Group Investments Limited adopted International Financial Reporting Standard (IFRS) 16 which, as with many companies, changed the way that it accounts for leases. This Accounting Standard Change has no economic impact on the Parent. In accordance with Schedule 2 (Security Group Covenants) Part 1 (Information Covenants) of the CTA, the Parent has provided notification to Recipients that the Accounting Standard Change shall not be taken into account when deriving or calculating the Ratios (Change of Basis Election). EBITDA excluding the impact of IFRS 16 was £468.2m in the year ended 31 March 2024



Notes: Simplified ring-fenced security group showing the companies that are Obligors. Obligors not shown on this simplified structure are: (1) CAVU eCommerce (EMEA) Limited and CAVU Experiences (EMEA) Limited (both subsidiaries of CAVU Group Limited); (2) MAG Investments US Ltd, MAG US (Apollo) Inc., CAVU Holdings (AMER) Inc., MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC (all subsidiaries of MAG US (Apollo) Limited).

The Issuer is not an Obligor but does provide security to the Bondholders and other creditors of the Issuer. Certain other companies that are part of the Group are not shown in this structure chart.

Credit strengths

MAG's key credit strengths are:

- **Experienced management team with a proven track-record** – MAG has a strong management team with significant industry experience, driving growth in revenue and EBITDA. The performance of STN post acquisition demonstrates the strength of a commercial strategy that incentivises growth and commitment to operational best practice. Since 2014 up until the impact of the COVID-19 pandemic, MAG has seen a consistent growth in passenger numbers, revenues, and EBITDA. MAG delivered record passenger numbers for the year to 31 March 2024 travel with 61.3 million equating to 103% of pre-pandemic levels (2020: 59.6 million passengers).

- **A national airport group with attractive and complementary catchment areas** – More than 47 million people, constituting 70 per cent. of the population of the UK, live within a two-hour drive of the Airports (*source: Office for National Statistics data*). As a large-scale national

airport group, MAG is able to provide more commercial opportunities to its airline customers, resulting in more diverse airline customers and a higher volume of passengers.

- **Diversified route mix** – The Airports serve 283 routes. In comparison, Gatwick served 203 destinations in 2023 (*Source: 2023 Annual Report*) and London Heathrow airport serves 214 destinations worldwide (*Source:* https://www.heathrow.com/company/about-heathrow/facts-and-figures). MAG remains committed to expanding the routes available from its Airports. The most popular single route by passenger volume across the Airports in the 12 months ending 31 March 2024 was MAN to Dubai which accounted for 1.7 per cent. of total passenger traffic across the Airports (*source: MAG Business Information*).

- **Diversified airline mix** – The Airports have 81 airline customers, including low cost carriers and full service carriers. STN is the anchor airport and largest base of Ryanair, Europe's largest airline (Source: *CAPA website*).

- **Diversified revenue streams across Aeronautical and Non-Aeronautical activities** – MAG's revenues are split between Aeronautical (34 per cent.) and Non-Aeronautical revenues (66 per cent.) *(Source: MAGIL Annual Report and Accounts 2023-24)*. The resilient origin and destination ("**O&D**") market forms all of MAG's traffic. The majority of Aeronautical revenues are driven by the low cost carrier ("**LCC**") market with strong credit counterparties (*source: MAG*). Compared to transfer passengers, O&D passengers are generally less dependent on airline decisions regarding airport choice and accordingly provide resilient stable revenues and the prospect of a stable rate of growth. In recent years, and ignoring FY21 and FY22 which were impacted by COVID-19 and not representative of underlying trends due to lower passenger numbers and closures of some facilities, MAG has successfully increased retail and car park yields ahead of inflation as a result of investment and strategic focus in these areas. The creation of CAVU provides further opportunity to continue to grow Non-Aeronautical revenues through offering products which complement air travel. CAVU distributes MAG's own car parking and lounge products and has also secured deals to operate 31 lounges in the UK and US. EBITDA growth outside of MAG is a focus for CAVU, evidenced in revenues in the Americas and EMEA.

- **Well invested airport assets with spare runway capacity –** MAG has a well-invested asset base with a discretionary growth plan triggered by demand and has spare runway capacity. MAG continues to invest in the Airports' facilities, including maintenance of existing assets together with a modular investment programme, to improve airline and passenger experiences at the Airports.

- **Focused investment plans to increase terminal capacity at MAN and STN and offer world class passenger facilities –** MAG is investing in additional terminal and stand capacity at both MAN and STN to meet the envisaged continuation of growth in demand in the medium to long term. The investment plans at both airports consist of a programme of several discretionary and separable items that enable MAG to be nimble around managing its capex programme, should external factors require it.

- **Predictable operating cost base –** MAG has a relatively stable and predictable operating cost base and management has demonstrated the ability to control costs whilst still supporting growth.

- **Stable and long-term shareholders** – MAG has stable and long-term shareholders who are committed to a conservative capital structure and prudent financial policy designed to support strong investment-grade ratings, strong liquidity and prudent risk management policies.

Summary of applicable regulation

MAN, STN and EMA are not subject to economic regulation by the Civil Aviation Authority (the "**CAA**"). MAN was subject to the CAA's economic regulation regime until 2009, when it was de-designated. On 10 January 2014, the CAA published its determination that the STN Passenger Market (as defined below in the section entitled "*Airport Regulation – Economic Regulation*") would no longer be subject to economic regulation from 1 April 2014. Therefore from 1 April 2014, STN was not subject to an Economic Licence (as defined below in the section entitled "*Airport Regulation – Economic Regulation*") or a price control regime in relation to the STN Passenger Market or STN Cargo Market.

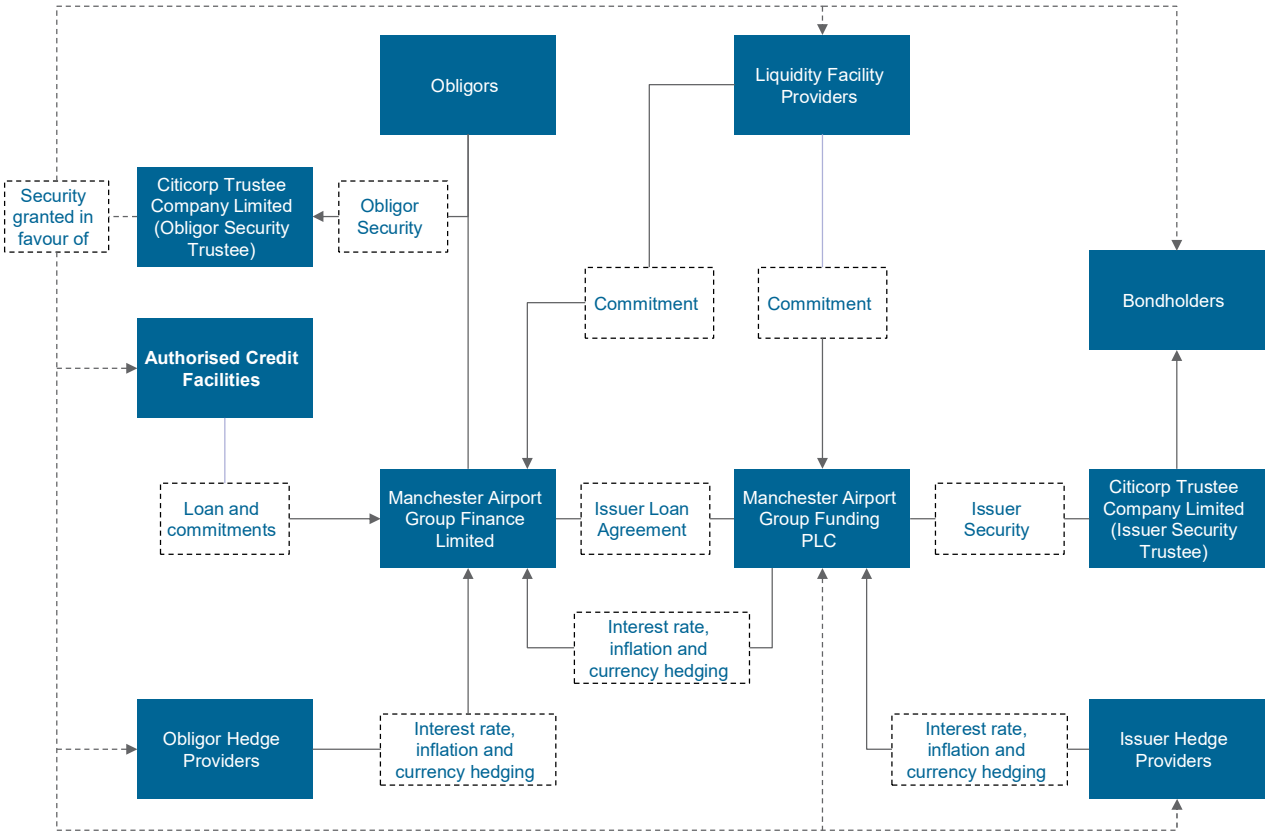
Programme description

The Issuer has established the Programme to raise debt in the bond markets to fund, among other things, the MAN and STN transformation programme and invest in continued growth of the Airports. The capital structure also incorporates revolving bank facilities, bonds, and associated risk management hedging.

The net proceeds of each series of Bonds will be lent by the Issuer to the Borrower under the Issuer Loan Agreement. The Borrower will apply proceeds of the Issuer Loans for, amongst other things, its general corporate purposes and the payment of fees associated with the issuance.

The following diagram shows the simplified debt structure of and the entities participating in the Programme.

SIMPLIFIED DEBT STRUCTURE[3]



3 The Issuer and the Obligors may enter into various interest rate, inflation-linked and currency swap transactions with the Issuer Hedge Counterparties and the Obligor Hedge Counterparties in conformity with the Hedging Policy (see "*Summary of the Common Documents - Common Terms Agreement - Hedging Policy*").

SOME CHARACTERISTICS OF THE BOND PROGRAMME

Issuer	Manchester Airport Group Funding PLC
Issuer Legal Entity Identifier (LEI)	2138006NA5VAMMBK3892
Borrower	Manchester Airport Group Finance Limited ("**MFL**")
Obligors	MFL, Manchester Airport Group Investments Limited (the "**Parent**" and the "**Security Group Agent**") and each Material Subsidiary of MFL being, as at the date of this Prospectus: Manchester Airport Plc East Midlands Airport Nottingham Derby Leicester Limited East Midlands International Airport Limited Stansted Airport Limited MAG Airport Limited CAVU Group Limited CAVU Experiences (EMEA) Limited CAVU eCommerce (EMEA) Limited MAG US (Apollo) Limited MAG Investments US Ltd CAVU Holdings (AMER) Inc. MAG US Terminal Management LLC CAVU eCommerce (AMER) LLC MAG US (Apollo) Inc.
Bond Trustee	Citicorp Trustee Company Limited or any successor appointed pursuant to the Bond Trust Deed.
Issuer Security Trustee	Citicorp Trustee Company Limited or any successor appointed pursuant to the Issuer Deed of Charge.
Obligor Security Trustee	Citicorp Trustee Company Limited or any successor appointed pursuant to the Security Trust and Intercreditor Deed (the "**STID**").
Principal Paying Agent	Citibank, N.A., London Branch
Issuer Account Bank	HSBC Bank plc

Arranger	Barclays Bank PLC
Dealers	Barclays Bank PLC BNP PARIBAS Canadian Imperial Bank of Commerce, London Branch HSBC Bank plc National Australia Bank Limited (ABN 12 004 044 937) NatWest Markets plc SMBC Bank International plc
Programme Size	Up to £5 billion (or its equivalent in other currencies) aggregate nominal amount of Bonds outstanding at any time as increased from time to time by the Issuer.
Issuance in Series	Bonds issued under the Programme will be issued on a syndicated or non-syndicated basis. The Bonds will be issued in Series on each Issue Date. The Bonds may be zero-coupon, fixed rate, floating rate or index-linked Bonds and may be denominated in sterling, euro or U.S. dollars (or in other currencies subject to compliance with applicable laws). Each Series can be issued in one or more Tranches, the specific terms of each Tranche being identical in all respects, save for the Issue Date, interest commencement dates and/or issue prices, to the terms of the other Tranches of such Series. On each Issue Date, the Issuer will issue the Series of Bonds set out in the Final Terms or Pricing Supplement published on the relevant Issue Date.
Certain Restrictions	Each issue of Bonds 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 Prospectus. See "*Subscription and Sale*".
Currencies	Euro, sterling, 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, Pricing Supplement or Drawdown Prospectus	Bonds issued under the Programme may be issued either (a) pursuant to this Prospectus and associated Final Terms or Pricing Supplement, or (b) pursuant to a Drawdown Prospectus.
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities

	as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer. In certain circumstances, where Bonds have a maturity of less than one year, such Bonds will be subject to limitations to ensure the Issuer complies with section 19 of the FSMA. For further details please see the United Kingdom selling restrictions as set out in "*Subscription and Sale*" and the Final Terms or Pricing Supplement for any particular Series of Bonds.
Issue Price	Bonds will 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 Pricing Supplement.
Interest	Bonds will, unless otherwise specified in the relevant Final Terms or Pricing Supplement, be interest-bearing and interest will be calculated (unless otherwise specified in the relevant Final Terms or Pricing Supplement) on the Principal Amount Outstanding of such Bond. Interest will accrue at a fixed or floating rate (plus, in the case of indexed Bonds, amounts in respect of indexation) and will be payable in arrear, as specified in the relevant Final Terms or Pricing Supplement, 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 may be agreed between the Issuer and the relevant Dealer as specified in the relevant Final Terms or Pricing Supplement.
Form of Bonds	The Bonds will be issued in bearer or registered form as specified in the relevant Final Terms or Pricing Supplement. Registered Bonds will not be exchangeable for Bearer Bonds.
Interest Payment Dates	Interest, in respect of Fixed Rate Bonds and Indexed Bonds may be payable monthly, quarterly, semi-annually or annually in arrear and, in respect of Floating Rate Bonds will be payable quarterly in arrear (or, in each case, as otherwise specified in the relevant Final Terms or Pricing Supplement). Zero Coupon Bonds will not bear interest and may be issued at their nominal amount or a discount to it. The length of the interest periods for the Bonds and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Bonds may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Bonds to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms or Pricing Supplement.
Early Redemption	The applicable Final Terms or Pricing Supplement will indicate either that the relevant Bonds cannot be redeemed prior to their stated maturity (other than in specified instalments, for taxation reasons if applicable, following prepayment of an Issuer Loan or following an Index Event or an Issuer Event of Default) or that

	such Bonds will be redeemable at the option of the Issuer and/or the Bondholders upon giving notice to the Bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer, in each case as set out in the applicable Final Terms or Pricing Supplement.
Final Redemption	If a Series of Bonds has not previously been redeemed in full, such Series shall be finally redeemed at its respective Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 6(b) (*Application of the Index Ratio*)) plus accrued interest on the Maturity Date as specified in the applicable Final Terms or Pricing Supplement.
Denomination of Bonds	Bonds will be issued in such denominations as are or may be agreed between the Issuer and the relevant Dealer, as specified in the relevant Final Terms or Pricing Supplement, but the minimum denomination shall be not less than €100,000 or not less than the equivalent of €100,000 in any other currency as at the date of issue of the Bonds.
Taxation	Payments in respect of Bonds by the Issuer 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 any jurisdiction, 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 and to that extent, the Issuer will make payments subject to the appropriate withholding or deduction. Notwithstanding the foregoing, no additional amounts will be paid by the Issuer in respect of any withholdings or deductions, unless otherwise specified in the applicable Drawdown Prospectus or Pricing Supplement.
Status of the Bonds	The Bonds to be issued under the Programme will constitute secured obligations of the Issuer and rank *pari passu* without preference or priority in point of security among themselves. All Bonds issued under the Programme will be secured over the same assets of the Issuer, which are secured in favour of the Bondholders and the other Issuer Secured Creditors under the Issuer Deed of Charge. The Bonds represent the right of the holders of such Bonds to receive interest (where applicable) and principal payments from the Issuer in accordance with the terms and conditions of the Bonds and the Bond Trust Deed entered into by the Issuer and the Bond Trustee in connection with the Programme.
Covenants	The representations, warranties, covenants and events of default which will apply to, among other things, the Bonds are set out in

	the Bond Trust Deed and the Common Terms Agreement. See "*Summary of the Issuer Documents – Bond Trust Deed*" and "*Summary of the Common Documents – Common Terms Agreement*".
Listing	The Bonds issued on the Initial Issue Date and all subsequent issues under the Programme up to the date of this Prospectus have been admitted to the Official List and admitted to trading on the Market and an application has been made to admit any additional Bonds issued under the Programme to the Official List and to admit them to trading on the Market.
Ratings	Where an issue of Bonds is rated such rating will be (i) issued by a credit rating agency established in the UK and registered in accordance with Regulation (EC) No 1060/2009, as amended by Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**") and (ii) specified in the relevant Final Terms or Pricing Supplement. The ratings Fitch and Moody's have given to the Bonds to be issued under the Programme are respectively endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH, which are established in the EEA and registered under the EU CRA Regulation and appear on the list of registered credit rating agencies of the European Securities and Markets Authority. The ratings assigned to the Bonds by the Rating Agencies reflect only the views of the Rating Agencies. 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 Security Group. A rating may be subject to suspension, change or withdrawal at any time by the assigning Rating Agency.
Governing Law	The Bonds and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Bonds in the United States, the European Economic Area and the United Kingdom and such other restrictions as may be required in connection with the offering and sale of a particular Series of Bonds. See "*Subscription and Sale*".
Investor Information	The Security Group Agent is required to produce an Investor Report semi-annually which will be made available at the specified office of the Principal Paying Agent, in the case of Registered Bonds at the specified office of the Registrar and the Transfer Agents and (in all cases) at the registered office of the Bond Trustee. No reports in respect of the Issuer Loans will be prepared.

RISK FACTORS

The following sets out certain aspects of the Programme documentation and the activities of the Issuer and the Security Group of which prospective Bondholders should be aware. 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 and the Obligors and could lead to, among other things, Events of Default and/or non-payment of amounts under the Bonds.

The Issuer and the Obligors believe that the factors described below represent the principal risks inherent in investing in the Bonds issued under the Programme as at the date of this Prospectus but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other reasons. This section of the Prospectus is not intended to be exhaustive and prospective Bondholders should read the detailed information set out elsewhere in this document prior to making any investment decision. Further, prospective Bondholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Bonds. Bondholders may lose the value of their entire investment in certain circumstances.

In addition, while the various structural elements described in this document are intended to lessen some of the risks discussed below for holders of the Bonds, there can be no assurance that these measures will ensure that the holders of the Bonds receive payment of interest or repayment of principal from the Issuer in respect of such Bonds on a timely basis or at all.

RISKS AFFECTING INCOME

MAG generates two types of income:

(a) aeronautical income from fees charged to airlines for the use of the Airport's facilities[4] ("**Aeronautical**"); and

(b) non-aeronautical income from the Airport business from retail concession fees, car parking income, CAVU income from non-MAG related contracts, property rental income and income from the provision of operational facilities and utilities (i.e. any income that is not derived from Aeronautical activities) ("**Non-Aeronautical**").

The following risks could affect one or both of Aeronautical and Non-Aeronautical income which may, in turn, materially impact MAG.

Event risks

Epidemic or pandemic diseases

International health scares or outbreaks of infectious diseases, including epidemics or pandemics, such as the recent COVID-19 pandemic, and the resulting actions tabled by the WHO (including travel advisories) and the UK and other governments across the world, have had a significant adverse effect on passenger demand for air travel to and from the UK. The COVID-19 pandemic led to an

[4] This includes revenue deriving from:

i) Various passenger charges for handling and security, based upon the number of departing passengers, are recognised at point of departure.

ii) Aircraft departure and arrival charges levied according to weight and time of departure/arrival, are recognised at point of departure/arrival.

iii) Aircraft parking charges based upon a combination of weight and time parked, are recognised at point of departure. The contracts entered into are complex in nature including the breadth of discounts and rebates that the Group offers. Judgement is applied to assess the impact any contract amendments have when determining the appropriate contract term

unprecedented decline in passenger demand in the short term due to governments closing borders as well as passenger concerns over safety, which has also affected future passenger confidence to fly. An outbreak of another epidemic disease such as COVID-19 (whether domestic or international) or any WHO or governmental travel advisories (whether relating to UK cities or regions or other cities, regions or countries) could have a material adverse effect on passenger demand for air travel. Any resulting reduction in traffic could have a material adverse effect on MAG's Airports.

Threats to security and terrorism

The UK Government currently assesses the threat to interests within the UK, including aviation, from international terrorism as "Substantial", the third highest threat level. The current threat level to interests within the UK from Irish-related terrorism is assessed as "Substantial" in Northern Ireland, the third highest threat level, and "Substantial" in Great Britain. STN has been designated by the UK Government as its preferred airport for any hijacked planes requesting to land in the UK and other high security aeronautical incidents, thus increasing the likelihood of a security and/or terrorism incident at STN. The consequences of any future terrorist attack may include cancellation or delay of flights, fewer airlines and passengers using MAG's Airports, liability for damage or loss and the costs of repairing damage. The implementation of additional security measures at MAG's Airports in the future, including stricter hand luggage and other carry-on restrictions and reduced shopping time as a result of more rigorous and time-consuming security procedures could lead to additional limitations on Airport capacity, overcrowding, increases in operating costs, reduced spend by passengers and delays to passenger movement through MAG's Airports and fewer passengers using MAG's Airports.

Natural phenomena/adverse weather conditions

Natural phenomena or adverse weather conditions (such as floods, storms or snow) or other events causing prolonged closure of airspace or disruption of ground transport links could have an adverse impact on air transport movement and passenger numbers, affecting MAG's income.

Industrial action

With over 6,500 employees, relationships with employees, trade unions and other employee representatives are important to the running of MAG's Airports. MAG also relies on the employees of third party contractors for important services such as check-in and baggage handling. Existing labour arrangements and relationships may not prevent a strike or disruption in the future (whether by MAG's employees or by the employees of a third party contractor who provides services at MAG's Airports), and should these relationships deteriorate, the operation of MAG's Airports could be adversely affected, leading to a loss of revenue and increased costs associated with industrial disputes.

Key personnel

MAG's success depends, to a significant extent, on the continued services of its executive management team, which has substantial industry experience. There is no guarantee that any of the executive management team will remain employed by MAG. The unexpected departure or loss of the services of one or more members of the executive management team could have an adverse effect on MAG's operations and/or MAG's financial condition or results of operations and there can be no assurance that MAG will be able to attract or retain suitable replacements.

Cyber threats

MAG faces external cyber threats to its data and systems. MAG's data and systems may be vulnerable to theft, loss, damage and interruption due to unauthorised access, security breaches, cyber-attacks, computer viruses, power loss, or other disruptive events. In addition, the CAA has determined that MAG is an "operator of essential services" (an "**OES**") for the purposes of the Security of Network &

Information Systems Regulations (the "**NIS Regulations**"). As an OES, MAG has to take appropriate and proportionate security measures to manage risks to its network and information systems, and it will be required to notify serious incidents to the Department for Transport. A security breach could have a negative impact on customer confidence in MAG's systems and negatively impact MAG's reputation. In addition, a failure to comply with the requirements of the NIS Regulations could result in enforcement action being taken against MAG, including levying substantial fines. Should a security breach and/or non-compliance with the NIS Regulations occur, this could result in operational disruption, inconvenience to passengers and long-term damage to the MAG's reputation, which could in turn have a material adverse effect on the Group's business, financial condition and results of operations.

Geo-political uncertainty

Any airspace restrictions impacting airline operations and increased geo-political uncertainty as a result of increased tensions between members of the North Atlantic Treaty Organisation ("**NATO**"), Russia over Ukraine and the imposition of various US, EU and UK sanctions which have been imposed on Russia (and vice versa) and the Israel and Hamas war, could continue to have significant adverse economic effects in the UK and globally, particularly with regards to energy costs, all of which could adversely affect MAG's business, financial condition or results of operations.

Macro-economic factors

Changing economic circumstances may affect demand for travel. Travel, especially leisure travel, which is a key market for MAG, is a discretionary consumer expense. During periods of economic slowdown, customers may reduce or stop their spending on travel, impacting passenger numbers and the propensity of passengers to spend in the shops at the Airports and thereby income for MAG. In addition, economic conditions may impact MAG's operating costs, pension plan contributions and the costs and availability of capital and of the services of MAG's suppliers.

Economic circumstances may also affect MAG's retail income. Like leisure travel, passengers' retail spending at MAG's Airports is discretionary and poor economic conditions may result in travellers choosing to curtail such spending.

Car parking income may be affected by a change in the passenger mix in circumstances where outbound leisure travellers from the UK are substituted by inbound passengers who would not generally use car parks.

In addition, fluctuations in exchange rates may impact spending by passengers.

Cost of living pressures

Rising and persistent inflation, triggered by a number of factors including interruptions to the global supply chain, caused by measures taken by various governments to control the spread of COVID-19, the impact on commodity prices from the war in Ukraine, and labour shortages, absences and mismatches in skills resulting from the disruption of the pandemic and workers leaving the UK following the UK's exit from the EU, are leading to cost of living pressures not only for MAG's employees and wider workforce, which increases risks to employee relations and of industrial action affecting operations at MAG's Airports, but for the wider public which could affect passenger numbers.

Borrowing costs

In response to global inflationary pressures over the last two years, central banks and other monetary authorities have persistently raised interest rates and as a result, borrowing costs are generally higher for borrowers. Interest rates are forecast to decrease over the coming years, however they are likely to

remain above the record low levels seen in recent years. Economic uncertainty in the UK following the current Government's recent budget has led to an increase in yields on UK sovereign debt, a key driver of MAG's cost of debt. As new debt is required to be incurred or existing debt is required to be refinanced, MAG and the Issuer will be required to borrow money at the prevailing market (and therefore heightened relative to recent times) interest rates, leading to associated cost pressures or the possible inability to raise finance.

Air Service Agreements and Open Skies

The rights of airlines to operate to and from MAG's Airport are subject to Air Service Agreements ("**ASAs**") agreed between the UK and other countries. These fall under the umbrella of the 1944 Convention on International Civil Aviation and other multilateral agreements, such as the 'Open Skies' agreement between the European Community, its member states and the USA, which permits any airline in the EU to fly to any point in the USA and vice-versa. As a result of these ASAs, a greater number of airlines have access to MAG's Airports.

The UK's exit from the EU has meant that Air Service Agreements that the UK previously had with some countries as part of its membership of the EU – such as the USA 'Open Skies' agreement – and others have had to be renegotiated or rolled-over. The UK Government has completed these and this has ensured that flights to these countries have not been affected post-Brexit. Going forward, the UK Government is looking at updating some of these agreements in the long-term, with MAG engaging with the Department for Transport on this process.

From an EU exit perspective, the UK has also agreed an aviation chapter within the wider Comprehensive Future Trade and Cooperation Agreement that ensures point-to-point flights between the UK and EU can continue. Both sides have prioritised air connectivity throughout the exit process and recognise the importance of maintaining connectivity, though the UK is now classed as a 'Third Country' by the EU. The UK and EU are also engaging on an ad-hoc basis on any specific flights and further freedoms required. MAG has engaged with the UK Government to ensure that any approach taken is as liberal and open as possible. If the UK and EU deprioritise air connectivity, this could reduce the number of flights between the EU and UK which could reduce passenger numbers in MAG's Airport. If this materialised, this could in turn reduce the amounts available to the Issuer to repay the Bondholder.

Exposure to airlines' actions or financial situations

In accordance with common industry practice, some of the airlines using MAG's Airports do not have any specific operating contracts. As a result such airlines have no obligations to MAG's Airports to have a given passenger load capacity, to provide a minimum volume of flights to and from MAG's Airports or to use a particular type of aircraft, and there can be no assurance as to the level of MAG's future aeronautical income from any one or more airline operators. Levels of retail income at MAG's Airports and passenger spend may also be affected by such factors.

This risk is mitigated by the fact that MAG has entered into long-term commercial agreements with a number of airlines which include Ryanair, Jet2 and easyJet. In addition a key part of MAG's strategy is to work with incumbent airlines to secure contractual accelerated growth and increase 'load factors'. These contractual arrangements provide MAG with a greater stability and certainty of passenger volumes than many of its airport competitors.

The economic position of some airlines remains difficult. Individual airlines may suffer financial difficulties which force them to partly or completely discontinue their flight operations or to merge with others, thereby having to reassign their flight operations from MAG's Airports to other airports. This may be due to factors affecting individual airlines or may be a result of economic factors affecting airlines generally or specific sectors of the airline industry (such as low cost carriers). In addition,

airlines may decide to partly or completely discontinue their flight operations at MAG's Airports for strategic, operational and other economic reasons. Due to the current available capacity at STN, airlines may more readily act to reduce or cease to operate flights from STN, in the expectation that such capacity would remain available if they subsequently chose to resume such operations. In addition, airline customers may refuse to pay the required charges.

Any loss of airline customers or failure to pay by such airline customers could have a material adverse impact on MAG if it is unable to mitigate such loss by the take-up of the vacated slots by other airline customers.

Reliance on major airline customers

MAG's largest four airline customers (Ryanair, Jet2, easyJet, and TUI) accounted for 82 per cent. of total passenger volume at MAG's Airports for the year ended 31 March 2024. In addition, Ryanair had a 52 per cent. share of MAG's total passenger volume in the financial year ended 2024 and a 80 per cent. share of STN's passenger volumes while Jet2 had a 13 per cent. share of MAG's total passenger volume in the financial year ended 2024 and 8 per cent. of STN's passenger volumes. Accordingly there is a high dependence on two key low cost carriers.

Although MAG continues to seek to attract new airlines to operate from MAG's Airports and to encourage growth from existing operators, MAG has derived, and believes it will continue to derive, a significant portion of its turnover in any given year from a limited number of airlines. Actions taken by airlines (especially by those airlines that have a strong presence at MAG's Airports) such as decisions to change flight times, ticket prices and flight routes could materially affect the financial performance of MAG. Also any significant airline customer could, for reasons of financial difficulty or other economic or operational reasons, reduce or cease to operate flights from MAG's Airports. The Airports' resilience in such instances in the past and their ability to backfill is illustrated in "*Business of Manchester Airports Group – Key Credit Strengths – D. Diversified airline mix*". However, the reduction or stoppage of flights by a significant airline customer could result in a particularly adverse effect on MAG if it is unable to mitigate such loss by the take-up of the vacated slots by other airline customers in a timely manner. There can, however, be no assurance as to the level of MAG's future aeronautical income from any one or more airline operators at its airports.

Reduction of passenger demand due to increased cost of travel

Spending on travel, especially leisure travel, is discretionary and price sensitive. A potential recession or cost of living increases could add to customer price sensitivity.

Fuel costs typically represent a large percentage of airlines' operating costs. Fuel prices fluctuate widely depending on many factors, including international market conditions, geopolitical events (including as a result of the Russia and Ukraine war and the Israel and Hamas war) and exchange rates. If fuel prices increase significantly above current levels, airlines may seek to pass on increases in fuel prices to their customers by increasing their fares, which may have a materially adverse impact on passenger numbers and air transport movements.

The UK Government levies an Air Passenger Duty on all tickets for air travel, with different scales in place for domestic, short-haul and long-haul travel. The rates of this duty are reviewed from time to time. Any future changes which the UK Government may introduce to air passenger duty and the system of taxing the aviation industry, other travel taxes or other taxes (whether existing or future) such as VAT may also affect the cost of flying, potentially decreasing passenger numbers.

Climate change

Climate change has the potential to affect MAG's Airport's operations and broader business in a number of ways. In particular, if climate change results in more volatile weather, such as a greater frequency and intensity of storms, this could disrupt Airport's operations by reducing handling capacity and ground transport access. Additionally, MAG may be exposed to changing weather conditions as a result of climate change. See "*Event risks – Natural phenomena/adverse weather conditions*". Any increase in delayed or cancelled flights would increase disruption costs and reduce revenue, as well as having an adverse effect on MAG's reputation, which may have an adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds.

Customer attitudes to environmental and climate issues may also change and this may lead to a reduced demand for air travel, which may have an adverse effect on the Security Group's revenues. Future government regulations to combat climate change may also result in reduced capacity at MAG's Airports or additional financial penalties for the aviation industry, which may have a material adverse effect on the ability of the Security Group to operate profitably. Government policies on "net zero" carbon emissions may continue to be accelerated, which has the potential to render MAG's fixed assets redundant if it cannot adapt quickly enough to the changes mandated. Adaptation of existing fixed assets may also be costly and the effectiveness and reliability of new technologies is uncertain and may lead to further costs for MAG.

Business interruption

MAG's Airports are exposed to the risk of accidents, including aircraft crashes. These accidents could result in injury or loss of human life, damage to airport infrastructure and short- or long-term closure of facilities at the Airports (including support facilities such as depots, control towers, fuel farms and other fuel storage and distribution facilities) or the grounding of certain types of aircraft for security reasons, which could impact airline capacity, and may have an impact on passenger traffic levels.

In addition, MAG may suffer business interruption or disruption from a number of other events out of its control such as wars, riots, political action, blockades, fire, failure of suppliers, drones or technical problems. Any interruptions or disruptions in the services that MAG provides could have a material adverse impact on MAG.

MAG continues to work with Government departments and local police forces to ensure that MAG's Airports are working towards minimising the risk of drone disruptions to its business to as low as reasonably practicable. New legislation was introduced by the UK Government on 13 March 2019 to extend the 'no-fly zone' at all UK airports from one kilometre to five kilometres.

It should be noted that MAG does not operate from a single site, and its 2024 revenues were split as to 41.4 per cent. at Manchester Airport, 34.7 per cent. at Stansted Airport, 7.7 per cent. at East Midlands Airport and 16.2 per cent. at CAVU (*Source: MAGIL Annual Report and Accounts 2023-24*). However, any disruption to the efficient operation of any of the MAG's Airports could have a material adverse impact on MAG. In particular, damage resulting from any of the above events may take considerable time to repair. The direct effect of such events and a prolonged period before rectification could have a material adverse impact on MAG.

Reliance on suppliers and IT related risks

MAG and its operating companies have entered into and will continue to enter into contracts with third parties under which representations, covenants and indemnities are given as part of the transactions to which the contracts relate. MAG sources goods and services required for the operation of its Airports from third party suppliers, including air traffic control services, facilities management, airport operating systems, IT services and utilities. In certain cases, MAG may only be able to access goods and services

from a limited number of suppliers and the transition to new suppliers of such goods and services may take significant amounts of time and require significant resources. A failure, refusal or inability (whether due to insolvency or otherwise) of a supplier to provide goods or services (such as the flight disruption suffered as a result of the fault at the National Air Traffic Services control centre at Swanwick, Hampshire in December 2013 and in August 2023), which is beyond MAG's control, could have a material adverse effect on MAG's business, financial condition and results of operations.

The operational effectiveness and continuity of the IT infrastructure is essential to supporting core business activities. A failure to properly design, implement, integrate or safeguard IT systems and the absence of suitable contingency provision could result in an interruption to key operational activities that depend on the IT infrastructure (such as baggage handling or access restrictions), a loss of business critical data or a data security breach.

Concessionaires

In a situation where passengers are spending less in the shops at MAG's Airports, concessionaires may seek to renegotiate minimum guarantee payments to MAG under the concession agreements. If contract negotiations, amendments or documentation are not satisfactorily resolved or if concessionaire contracts are not renewed or are terminated, if there is reduced competitiveness of the airport retail offering or retail tenant failures or if MAG is not able to replace lost turnover with new contracts in a timely manner, this could have a material adverse effect on MAG.

In light of any potential adverse conditions facing UK high street retail, MAG has pre-emptively sought to mitigate any potential threat to its existing duty free and retail businesses by developing an online retail presence to allow passengers to shop online and pre-order their duty free prior to arrival at the airport.

Impact of changes in law and regulation relating to duty free shopping

Any adverse change in UK law or regulation in relation to duty free shopping may reduce the competitiveness of the retail offering at MAG's Airports. A decline in retail competitiveness may affect the level of non-aeronautical spending at MAG's Airports which could in turn have a material adverse effect on MAG.

COMPETITION RISKS

Competition from other airports

MAG's market share may be adversely affected by competition from other UK and continental European airports. Such competition may be in the form of direct price competition or competition arising from an increase in capacity, particularly at another UK airport.

In 2012 the UK Government established the Airports Commission to conduct an independent review of airport capacity and connectivity of airports in the UK. The Airports Commission published its final report on 1 July 2015.

The final report noted that delivering new airport capacity by 2030 is crucial to maintaining the UK's status as a global hub for aviation and recommended proposals for a new "Northwest Runway" at London Heathrow airport in combination with a significant package of measures to address its environmental and community impacts.

The report also noted that even with that third runway at London Heathrow airport, there would likely be sufficient demand to justify a second additional runway by 2050 or in some scenarios even earlier. If such new capacity was found to be necessary and feasible, the Airports Commission recommended

that a wide range of options should be considered, including for example Stansted and Gatwick, and airports outside London and the South East, such as at Birmingham or Manchester.

In October 2016 the UK Government approved the Airports Commission recommendation for a third runway at London Heathrow airport and, following a public consultation, an Airports National Policy Statement ("**ANPS**") was put to Members of Parliament who voted to approve the decision on 25 June 2018. Following the vote, the UK Government announced that construction could start within three years of the vote with the runway potentially operational by 2026. However, in February 2020, the Court of Appeal concluded that the UK Government was required but had failed to take into account the Paris Climate Agreement when preparing the ANPS. London Heathrow airport appealed against this decision and in December 2020, the Supreme Court unanimously held that the UK Government had acted lawfully when making the ANPS, overturning the Court of Appeal's decision. In September 2021, the Secretary of State for Transport decided that it was not appropriate to review the ANPS at that time and work to expand London Heathrow airport was paused.

London Gatwick airport submitted an application to the Planning Inspectorate in July 2023 for a Development Consent Order to bring the airport's existing Northern Runway into routine use. This application was examined by the Planning Inspectorate in the first half of 2024 and a decision is expected from the Government in early 2025. In January 2025, the UK Government separately confirmed its support for a third runway at London Heathrow airport and that it was inviting proposals by Summer 2025 before taking forward a full assessment under the ANPS.

The Stansted Transformation Programme investment, together with permission granted in 2021 to increase operational limits to 43 million passengers per annum and an updated Sustainable Development Plan describing the airport's long-term growth to 48-51 million passengers per annum in the 2040s, will ensure that STN is well placed to help meet the UK's long-term capacity demands and fulfil passengers' desire to fly direct from their nearest international airports. Given that both London Gatwick airport ("**LGW**") and London Heathrow airport ("**LHR**") are capacity constrained, MAG is well placed to capitalise on the growing demand for air travel in the London region. However, should capacity increase at LHR and/or LGW, passengers who may have otherwise chosen to fly from STN may fly from LHR and/or LGW instead which could reduce the revenue at STN which may impact the Issuer's ability to repay the Bondholders.

Competition from alternative means of transport

MAG's business may also be adversely affected by the development of alternative means of transport to air travel as well as the increased use of communications technology. Substantially shorter journey times for some types of rail travel are becoming possible through advances in high-speed rail transport which, in addition to enlarging the catchment areas of other UK airports, could result in air travel becoming less attractive compared to other means of transport, particularly for domestic and European routes. This could result in a decline in the volume of short-haul passenger and freight transport for some of MAG's Airports, although MAG would look to offset any such decline by seeking to develop more long-haul routes. If there was a reduction in short-haul flights and MAG were unable to develop more long-haul routes to offset the difference, this could reduce the revenue available to the Issuer to repay the Bondholders.

Car parking income may be adversely affected by competition from off-airport car park operators and valet parking providers as well as from increased use of alternative forms of transport.

REGULATORY RISKS

MAN and/or STN may be re-regulated

Under the current regulatory regime, MAG's Airports will not be subject to economic regulation by the CAA unless one or part of them is found in the future to satisfy the significant market power test set out in the Civil Aviation Act 2012 (the "**2012 Act**"). MAN was de-designated in 2009. On 10 January 2014, the Civil Aviation Authority ("**CAA**") published its determination that the STN Passenger Market would not be subject to economic regulation from 1 April 2014 and did likewise in respect of the STN cargo market in March 2014.

There is a risk that the CAA may decide in the future that the STN Passenger Market, STN cargo market and/or MAN meet the necessary test for economic regulation. Any re-regulation under the 2012 Act would involve a determination by the CAA that the concerned airport meets the following tests:

(a) the relevant operator has, or is likely to acquire, substantial market power ("**SMP**") in a market, either alone or taken with such other persons as the CAA considers appropriate;

(b) competition law does not provide sufficient protection against the risk that the relevant operator may engage in conduct that amounts to an abuse of that SMP; and

(c) for users of air transport services, the benefits of regulating the relevant operator by means of an Economic Licence are likely to outweigh the adverse effects.

The CAA noted in its decision document of 10 January 2014 that its final determination in relation to the de-designation of the STN Passenger Market in particular was based on some uncertainties, was finely balanced and that its analysis could change if certain expected outcomes did not materialise. For example, a change in the buyer power held by Ryanair or easyJet at any point in the future, or the termination of long-term commercial agreements with these airlines, may cause the CAA to re-consider its analysis. However, such a determination may be made by the CAA only if the change in buyer power of these airlines constitutes a material change of circumstances, and its market power determination would be appealable to the CAT.

In January 2020 MAG was notified by the CAA that it would be carrying out a Market Power Determination (MPD) at MAN later in the calendar year following a request from an airline group. This was paused throughout the COVID-19 pandemic while MAG and the airline group entered a period of constructive engagement. Following this engagement, in July 2024, the airline group formally withdrew their complaint and the CAA decided not to initiate the MPD. This decision does not preclude other airline groups or the CAA from launching an MPD in the future, should there be evidence that doing so would be in the interest of consumers. If Manchester Airport and/or Stansted Airport becomes regulated, this will place an additional financial burden on the airport which could reduce the funds available to the Issuer to repay the Bonds.

MAG faces uncertainty concerning economic regulation under the new Civil Aviation Act 2012 regime

MAG faces risks associated with the CAA's handling of the potential re-regulation under the 2012 Act. As explained in "Airport Regulation", previous UK legislation and regulation included a form of price control for airports determined as having SMP, if and to the extent that competition law would provide insufficient protection against the risk of an abuse of that power.

However, the 2012 Act provides for a more flexible approach in terms of how the CAA may choose to regulate airports that meet the relevant market power test. The use of Economic Licences means that the CAA is able to vary the Economic Licence conditions imposed on regulated airports to best protect

passengers, based on the circumstances at each airport, which may include conditions on financial ring-fencing. In particular, the CAA is able to include in the Economic Licence such price control conditions as it considers necessary or expedient having regard to the risk that the holder of the licence may engage in conduct that amounts to an abuse of SMP in a market for airport operation services (or for services that include airport operation services). Such regulation could take a number of forms, such as setting a maximum price or introducing a system of price monitoring.

No assurances can be given as to how the CAA will apply or implement the regime going forward. A system of appeals has been introduced to improve the accountability of the CAA, with its market power determinations appealable to the CAT and its decision on economic licence conditions appealable to the Competition and Markets Authority.

Subject to this system of appeals, the new powers also mean that the CAA can make changes to the Economic Licence conditions between price control reviews, rather than waiting to the end of the period.

The regulatory regime remains relatively untested and the future development of the regime is uncertain. The operation of the regulatory framework and its interpretation may only become clear when they are tested in practice and/or through further discussion with, and thus interpretation by, the CAA.

Competition law

In addition to its obligations under the aviation regulatory regime, MAG is required to comply with the applicable competition laws and regulations. Failure to comply could result in substantial fines or settlement costs as well as reputational damage. The CAA has certain competition powers that it holds concurrently with the UK Competition and Markets Authority. This allows the CAA to enforce competition law, conduct market studies and make market investigation references to the UK Competition and Markets Authority.

If MAG are held to be in breach of competition law and are subject to a fine, this could in turn reduce the amounts available to the Issuer to repay the Bondholders.

ENVIRONMENTAL, HEALTH AND SAFETY, CONSTRUCTION AND PLANNING RISKS

Environmental, health and safety, construction and planning considerations

The MAG Airports' business is affected by a wide variety of EU and UK environmental, health and safety and planning laws and requirements. MAG's existing operations may be impacted by a number of environmental and planning factors, including those involving: aircraft movements; air quality (including emissions standards); noise, soil and water pollution arising from airport operations; discharges and surface water drainage; land and groundwater contamination; flooding; asbestos in premises and exposure to asbestos; waste handling, management and disposal; climate change; and energy use and efficiency.

The UK Government, under the Environmental Noise (England) Regulations 2006 (as amended) (the "**Environmental Noise Regulations**") requires major airports to publish a Noise Action Plan, every five years, which must receive the approval of the Secretary of State. The UK Government's "Air Quality Strategy for England, Scotland, Wales and Northern Ireland" report dated July 2007 sets health-based air quality targets and objectives for the levels of a range of pollutants to be assessed and managed by local authorities.

MAG's Airports have implemented a number of measures in relation to the environmental sustainability of its business, including pricing regimes and energy efficiency measures. All MAG airports are certified to the international specification for an environmental management system, ISO14001. This

requires identification of environmental risks and internal controls, which are regularly (four times annually, including at least one audit at each airport) verified by an accredited external auditor.

In June 2023, MAG received notification from the Environment Agency ("**EA**") that they intend to prosecute EMA for alleged breaches of EMA's surface water permit for its discharge point into the River Trent. Further detail is provided in "*Litigation*" in the "*Business of Manchester Airports Group*" section.

Compliance with present or future environmental, health and safety and planning requirements may be costly and time-consuming and may interfere with MAG existing activities and operations. Moreover, if any investigations relating thereto are determined against MAG, this could have an adverse impact on the financial position of MAG.

Planning and construction

General

Any major construction projects undertaken at any of MAG's Airports may be subject to a number of risks. For example, difficulties in obtaining any requisite permits, consents, including environmental consents, licences, planning permissions, compulsory purchase orders or easements could adversely affect the design or increase the cost of the capital expenditure projects or delay or prevent the completion of a project or the commencement of its commercial operation. More generally, such projects may experience time and cost overruns and possible shortages of equipment, materials and labour which may adversely affect the financial position of MAG's Airports. MAG's Airports may also suffer business interruption from construction incidents.

In particular, the commencement of commercial operation of a newly constructed facility may also give rise to start-up problems, such as the breakdown or failure of equipment or processes or lack of readiness of operators, closure of facilities and disruptions of operations. MAG's Airports construction contracts may contain restricted remedies or limitations on liability such that any such sums claimed or amounts paid may be insufficient to cover the financial impact of breach of contract. The ability of contractors to meet their financial or other liabilities cannot be assured.

MAG has commenced work on Phase 2 of its transformation scheme at MAN, which will refurbish and reconfigure the old Terminal 2, adjacent to new Terminal 2, and then connect the adjacent terminals to become the airport's largest terminal building. The scheme is covered in further detail in "*Manchester Airport Capital Expenditure*" in the "*Business Description of Manchester Airports Group*" section.

MAG is also progressing a £1.1 billion transformation programme at STN. This includes a £600 million extension to the airport's existing terminal building involving the northwards extension of the single Terminal building which will allow enhancement of check-in and security capacity and increased space in an enhanced, extended and reconfigured departure lounge, supporting the airport's growth to 43 million passengers per year. Planning permission for this scheme was received in October 2023. Longer term forecasts for the airport's sustainable growth to between 48 million to 51 million passengers per year in the 2040s form part of the airport's updated Sustainable Development Plan, which is currently being consulted on with stakeholders. Further detail is provided in "*Stansted Airport Capital Expenditure*" in the "*Business Description of Manchester Airports Group*" section.

Any failure to recognise, plan for and manage the extent of the impact of construction projects at MAN and STN could result in projects overrunning budgets, operational disruptions, unsatisfactory facilities safety and security performance deficiencies and higher than expected operating costs. Any of these could affect MAN and STN's day-to-day operations which could in turn have an adverse effect on MAG.

OTHER RISKS

Insurance

MAG's Airports benefit from insurance cover to protect against key insurable risks including terrorism and business interruption. Cover may not be adequate to cover lost income, reinstatement costs, increased expenses or other liabilities. Moreover, there can be no assurance that, if insurance cover is cancelled or not renewed, replacement cover will be available at commercially reasonable rates or at all.

MAG's Airports may not have, or may cease to have, insurance cover 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 the relevant insurer successfully avails itself of defences available to it, such as breach of disclosure duties, breach of policy conditions or misrepresentation.

Insurance cover for MAG's Airports is currently, and may in the future be, provided by a combination of insurance market entities. Any of these insurers could cease to offer current insurance cover, become insolvent or lose their licences or authorisations.

If insurance is deemed to be inadequate (or cease to be available), the financial costs to MAG of rectifying a previously insurable risk could be great and this could in turn reduce the amounts available to the Issuer to repay the bondholder.

Pensions

MAG provides retirement benefits for its employees through defined benefit schemes and defined contribution pension schemes. MAG's Airports may be required to make further contributions to their defined benefit plans if the value of the pension fund assets is not sufficient to cover potential obligations. MAG's funding obligations under the defined benefit plans are dependent upon actuarial valuations of the pension schemes which involve assumptions regarding key metrics, such as price and salary inflation and mortality rates. Changes in the plans' investment strategy may also impact on MAG's funding obligations. The defined benefit schemes of MAG's Airports are subject to periodic valuations, in conjunction with which contributions to these schemes may be revised. In addition, the UK Pensions Regulator has powers, the exercise of which could require the members of the Security Group, and the Issuer as a connected person to MAG, to make additional contributions or put in place other financial support. Any increase in contributions or other forms of financial support could have a materially adverse impact on MAG's cash flows and returns.

FINANCING RISKS

Hedging Risks

While the Security Group will operate a hedging programme in accordance with the Hedging Policy, it is not required to fully or perfectly hedge its present or future interest rate, foreign currency or inflation exposure and may not in practice do so. The Obligors are subject to the creditworthiness of, and in certain circumstances early termination of, the hedging arrangements by hedge counterparties.

Changes in interest, foreign currency and inflation rates, and exposure to hedge counterparty risk, could have a material adverse effect on the Security Group's business, financial condition and results of operations.

Financing risk

The Security Group will need to raise further debt from time to time in order, among other things, to:

(a) finance future capital expenditure; and

(b) enable it/the Issuer to refinance Bonds and other debt.

There can be no assurance that the Security Group will be able to raise future finance on terms that are economically viable or at all. For instance, events in the credit markets in 2007 and 2008 and regulatory uncertainty in 2009 significantly restricted the supply of credit. An inability to refinance its indebtedness could have a material adverse effect on the Security Group's business, financial condition and results of operations.

Monitoring of Compliance with Warranties and Covenants and the Occurrence of Obligor Events of Default or Potential Obligor Events of Default

The STID will provide that the Obligor Security Trustee will be entitled to assume, unless it is otherwise disclosed in any Compliance Certificate or the Obligor Security Trustee is expressly informed otherwise, that no Obligor Event of Default or Potential Obligor 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 an Obligor Event of Default or a Potential Obligor Event of Default has occurred, including, for this purpose, the continued accuracy of the representations and warranties made by the Obligors and compliance by the Obligors with their covenants and undertakings.

Accordingly, it will fall to the Obligors themselves to make these determinations. In this context, a number of these representations, warranties, covenants, undertakings and Obligor Events of Default and Potential Obligor Events of Default will be 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 will fall to the Obligors 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 Obligors.

However, the Common Terms Agreement (the "**CTA**") will require the Obligors to inform the Obligor Security Trustee of the occurrence of any Obligor Event of Default and Potential Obligor Event of Default promptly upon becoming aware of the same. In addition, the Obligors 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 Obligor Security Trustee whether or not any Obligor Event of Default or Potential Obligor 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 an Obligor Event of Default could have a material adverse effect on Bondholders' abilities to recover the full amount under the Bonds.

Modifications, waivers and consents in respect of the Common Documents, the Obligor Documents and the Issuer Documents

The Security Group Agent may request the Obligor 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 the Obligor Secured Creditors or any of their Obligor Secured Creditor Representatives, in respect of a Discretion Matter.

The Obligor Security Trustee is entitled to exercise its sole discretion to approve a Discretion Matter if, in the opinion of the Obligor Security Trustee, approval of the STID Proposal (i) is required to correct a manifest error or is of a formal, minor, administrative or technical nature or (ii) is not materially

prejudicial to the interests of the Qualifying Obligor Secured Creditors (where "materially prejudicial" means that such modification, consent or waiver would have a material adverse effect on the ability of the Obligors to pay any amounts of principal or interest in respect of the Qualifying Obligor Senior Debt owed to the relevant Qualifying Obligor Secured Creditors on the relevant due date for payment thereof) or (iii) if the Obligor Security Trustee receives a legal opinion in form and substance satisfactory to it confirming that such changes are necessary to comply with any mandatory provisions of law. The Obligor 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 Common Documents – Security Trust and Intercreditor Deed*" below, will apply.

The Issuer may also request the Bond 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 Documents (other than the Dealership Agreement and each Subscription Agreement) (subject as provided in the STID in relation to any Common Documents) without the consent or sanction of the Bondholders or (subject as provided below) any other Issuer Secured Creditor.

The Bond Trustee may without the consent or sanction of Bondholders, the Receiptholders, the Couponholders and the other Issuer Secured Creditors, concur with, or instruct the Issuer Security Trustee to concur with the Issuer or any other relevant parties in making (i) any modification to the Conditions or the Issuer Documents (other than the Dealership Agreement and each Subscription Agreement) (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 Bond Trustee such modification is made to correct a manifest error 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 Document (other than the Dealership Agreement and each Subscription Agreement) (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 Bond Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Bondholders 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 (or the relevant time period has elapsed).

The Bond Trustee may, without prejudice to its rights in respect of any subsequent breach or Issuer 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 Bondholders shall not be materially prejudiced (where "materially prejudiced" means that such waiver would have a material adverse effect on the ability of the Issuer to pay any amounts of principal or interest in respect of the Bonds on the relevant due date for payment therefor) 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 Document (other than the Dealership Agreement and each Subscription Agreement) (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 an Issuer Event of Default shall not be treated as such for the purposes of the Bond 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.

Pursuant to the Issuer Deed of Charge, the Bond Trustee will be authorised to execute and deliver on behalf of each such Issuer Secured Creditor all documentation required to implement such modification and such execution and delivery by the Bond Trustee will bind each of the Issuer Secured Creditors as if such documentation had been duly executed by it.

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

The conditions of the Bonds contain provisions for voting by Bondholders to vote on matters affecting their interests generally (other than matters which concern the enforcement of the Issuer Security or modifications to the STID, which matters may only be addressed in accordance with the procedures set out in the STID as described above). These provisions permit defined majorities to bind all Bondholders including Bondholders who do not vote on the relevant matter and Bondholders who voted in a manner contrary to the majority.

In addition, pursuant to Condition 5(m), if a Benchmark Event occurs, certain changes may be made to the interest calculations and related provisions of the Floating Rate Bonds as well as the Bond Trust Deed in the circumstances and as otherwise set out in such Condition, without the requirement for the consent of the Bondholders.

Voting by the Bondholders in respect of a STID Proposal

Unless approval by Electronic Consent is available, the Bondholders exercise their right to vote by "blocking" their Bonds in the clearing system and delivering irrevocable instructions to the Registrar or the Principal Paying Agent that the votes in respect of their Bonds are to be cast in a particular way. In respect of modifications, consents and waivers to the Common Documents, the Bond Trustee (as Obligor Secured Creditor Representative) is required to notify the Obligor Security Trustee of each vote received by the Registrar or the Principal Paying Agent no later than the Business Day on which any vote is received. The STID provides that as soon as the Obligor Security Trustee has received sufficient votes from the Obligor Secured Creditors (including the Bond Trustee as Obligor Secured Creditor Representative of the Bondholders) in favour of a consent, modification or waiver of a Common Document, the Decision Period will be closed and no further votes will be taken into account by the Obligor Security Trustee.

Accordingly, unless a Bondholder exercises its right to vote at the beginning of a Decision Period, it is possible that a consent, modification or waiver of a Common Document may be approved by the Obligor Secured Creditors before such Bondholder has participated in any vote and any consent, modification or waiver of a Common Document duly approved by the Obligor Secured Creditors shall be binding on all of the Bondholders, Receiptholders and Couponholders.

OTHER LEGAL RISKS

Mortgagee in possession liability

Should the Obligor Security Trustee take enforcement proceedings under the Obligor Security Documents and if there is a physical entry into possession or an act of control or influence that may amount to possession, such as receiving rental income directly from a relevant tenant, the Obligor Security Trustee may be deemed to be a mortgagee in possession. A mortgagee in possession may incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation), can incur the liabilities of a property owner. The Obligor Security Trustee has the absolute discretion at any time to refrain from taking any action under the Issuer Documents, including becoming a mortgagee in possession, unless it is satisfied at the time that it is adequately indemnified by the Obligor Secured Creditors (including the Bondholders on behalf of the Issuer).

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 (see, for example, "– *Regulatory Risks*" above), after the date of the Prospectus may result in the Security Group's debt financing arrangements as originally structured no longer having the effect anticipated. This could have a material adverse effect on the Security 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 Bonds for Bondholders.

Insolvency proceedings and subordination provisions

There has been some uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms which will be included in the Issuer Documents relating to the subordination of Subordinated Hedge Amounts.

The UK Supreme Court has affirmed the decision of the English High Court (as upheld by the English Court of Appeal) that such a subordination provision is valid under English law. Contrary to the determination of the UK Supreme Court, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the U.S. Bankruptcy Court approved, in December 2010, the settlement of the case to which the decision (above) relates.

If a creditor of the Issuer or an Obligor (such as a Hedge Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer or any Obligor, as the case may be, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Issuer Documents (such as a provision of the STID which refers to the ranking of the relevant Hedge Counterparties' payment rights in respect of Subordinated Hedge Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as a Hedge Counterparty, including U.S. established entities and certain non-U.S. established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. entity is a bank with a licensed branch in a U.S. state). In general, if a subordination provision included in any of the Issuer Documents were successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order were recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Bondholders, the market value of the Bonds, the ability of the Borrower to satisfy its obligations under the Issuer Loan Agreements and/or the ability of the Issuer to satisfy its obligations under the Bonds.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Issuer Documents will include terms providing for the subordination of Subordinated Hedge Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Bonds. If any rating assigned to the Bonds is lowered, the market value of the Bonds may reduce.

Tax Risks

Change of tax law and practice

The statements in relation to taxation set out in this Prospectus are based on current law and the practice of the relevant authorities in force or applied at the date of this Prospectus. Any changes in such law or practice (including the imposition of higher taxes) might have an adverse effect on the financial position of the Issuer or the Obligors.

The Issuer's UK tax position

The Issuer has been advised that it should be a "securitisation company" for the purposes of the Securitisation Regulations. Accordingly, the Issuer should be subject to corporation tax in the UK on its "retained profit" only in accordance with the special regime for securitisation companies as provided for by these regulations.

If the Issuer were to cease to qualify as a securitisation company, this may have an adverse effect on the Issuer's UK tax position, which could adversely affect the Issuer's ability to make payment of interest and principal under the Bonds.

Potential secondary tax liabilities of the members of the Security Group

Where a company fails to discharge certain tax liabilities due and payable by it within a specified time period, UK tax law imposes, in certain circumstances (including where that company has been sold so that it becomes controlled by another person), secondary liability for those overdue taxes on other companies that are or have been members of the same group of companies, or are or have been under common control, for tax purposes with the company that has not discharged its tax liabilities.

Manchester Airports Holdings Limited, the Obligors and the Security Group Agent on behalf of itself and each other member of the Security Group from time to time have undertaken in the Tax Deed of Covenant that no steps have been or will be taken which could reasonably be expected to give rise to a material secondary liability for any member of the Security Group.

The Issuer and the members of the Security Group have been and are members of a VAT group of which MAG Airport Limited is the representative member. Members of a VAT group have joint and several liability for the VAT obligations of all members of the group, but Manchester Airports Holdings Limited and the Obligors have covenanted in the Tax Deed of Covenant that all VAT payable by MAG Airport Limited in respect of any period where a member of the wider corporate group was a member of the VAT group will be paid to HMRC.

If any secondary tax liabilities arise in the Issuer or the Borrower (whether in respect of a primary tax liability of a member of the Security Group or of another company with which the Issuer or the Borrower is or has been grouped or is under common control for UK tax purposes), and those secondary tax liabilities are not discharged by Manchester Airports Holdings Limited or any other member of the Security Group, and are of significant amounts, the Issuer or the Borrower could be adversely affected.

Withholding Tax under the Bonds

Under current UK law, payments of interest by the Issuer on the Bonds may be made without withholding or deduction for or on account of UK income tax while any such Bonds are "quoted Eurobonds" for the purpose of Section 882 of the Income Tax Act 2007.

In the event withholding taxes are imposed by or in any jurisdiction in respect of payments due under the Bonds, the Issuer is not obliged to gross-up or otherwise compensate holders of the Bonds for the fact that they will receive, as a result of the imposition of such withholding taxes, cash amounts which are less than those which would otherwise have been the case. The Issuer will, in such event, have the option (but not the obligation) of:

(i) arranging for the substitution of another company in an alternative jurisdiction in place of itself (subject to certain conditions); and, failing this,

(ii) redeeming all outstanding Bonds in full (subject to certain conditions).

See "Terms and Conditions" and Condition 7(c) (*Redemption for Index Event, Taxation or Illegality*).

Withholding tax in respect of the Issuer Loan Agreements

All payments made under any of the Issuer Loan Agreements can be made under current law without deduction or withholding for or on account of any UK tax. In the event that, for example as a result of a change in tax law, any withholding or deduction for or on account of tax is required to be made from any payment due to the Issuer under any of the Issuer Loan Agreements, the amount of that payment will be increased so that, after such withholding or deduction has been made, the Issuer will receive a cash amount equal to the amount that it would have received had no such withholding or deduction been required to be made. If the Borrower is obliged to increase any sum payable by it to the Issuer as a result of the Borrower being required to make a withholding or deduction from that payment, the Borrower will have the option (but not the obligation) to prepay all relevant outstanding advances made under the Issuer Loan Agreements in full. If the Borrower chooses to prepay the advances, the Issuer will then be required to redeem the Bonds. Such redemption would be for the Principal Amount Outstanding (as adjusted, in the case of the index-linked bonds, in accordance with the terms of the Bonds), together with accrued but unpaid interest. If the Borrower does not have sufficient funds to enable it either to repay amounts due under the Issuer Loan Agreements or to make increased payments to the Issuer, the Issuer's ability to make payments of interest and principal under the Bonds could be adversely affected.

Business Rates

The valuation office agency ("**VOA**") has adopted a new valuation methodology to calculate the business rates payable by all airports in England and Wales for the ratings list that came into force from 1 April 2023 and which lasts until 31 March 2026. This has led to a reduction of £2.8m in the annual rates bill across the three main assessments for the Group. The change in methodology would have led to an increase in the annual rates bill if the inputs for the calculation, which are based on a valuation date of 1 April 2021, had not been impacted by Covid. There is uncertainty over the revaluations for future ratings lists (including any potential challenges by MAG) and, due to the change in valuation methodology by the VOA, this could lead to a material adverse impact on the level of business rates incurred by the Group which could reduce the amount available to the Borrower to repay amounts due under the Issuer Loan Agreements and the Issuer's ability to make payments of interest and principal under the Bonds could be adversely affected.

Insolvency Considerations

Appointment of an administrative receiver might not be possible

The Insolvency Act 1986 allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charges created by the Obligors pursuant to the Obligor Security Agreement in favour of the Obligor Security Trustee and assigned by way of security to the Issuer Security Trustee and the floating charge created by the Issuer pursuant to the Issuer Deed of Charge in favour of the Issuer Security Trustee. However, as this issue is partly a question of fact, were it not to be possible to appoint an administrative receiver in respect of one or more of the Obligors or the Issuer, they would be subject to administration if they were to become insolvent.

Recharacterisation of fixed security interest

There is a possibility that a court could find that certain fixed security interests expressed to be created by the Security Documents instead take effect as floating charges. Whether the fixed security interests will be upheld will depend, among other things, on whether the Obligor Security Trustee or the Issuer Security Trustee, as applicable, has the requisite degree of control over the relevant assets and exercises

that control in practice. If the fixed security interests are recharacterised as floating security interests, certain claims, including certain employee claims in respect of contributions to pension schemes and wages and the costs and expenses of an administration and/or a liquidation, may have priority over the rights of the Obligor Security Trustee or Issuer Security Trustee, as applicable, to the proceeds of enforcement.

ISSUER AND BOND CONSIDERATIONS

Bonds obligations of Issuer only

None of the Bonds will be obligations of, nor will they be guaranteed by, any of the Obligors. Furthermore, the Bonds are limited recourse obligations of the Issuer and no person other than the Issuer will accept any liability whatsoever to Bondholders in respect of any failure by the Issuer to pay any amount due under the Bonds. Therefore, if the Issuer fails to make a payment to the Bondholders, the Bondholders will not have direct recourse to any entity other than the Issuer. As described in "*Risk Factors – Special purpose vehicles*" below, the Issuer is subject to certain risks that could limit funds available to it and in turn affect the Issuer's ability to satisfy on a full and timely basis the obligations under the Bonds.

Special purpose vehicles

The Issuer is a special purpose financing entity. Other than the proceeds of the issuance of Bonds, the Issuer's principal source of funds will be pursuant to the Issuer Loan Agreements, any Issuer Hedging Agreements and funds available to it pursuant to a Liquidity Facility Agreement or other acceptable forms of liquidity under the CTA.

Therefore, the Issuer is subject to all the risks relating to income and expenses to which the Borrower is subject. Such risks could limit funds available to the Borrower to enable the Borrower to satisfy in full and on a timely basis its obligations under the Issuer Loan Agreements, which will therefore affect the Issuer's ability to satisfy on a full and timely basis the obligations under the Bonds.

The Obligors (other than the Borrower) guarantee the payment obligations of the Borrower under the Issuer Loan Agreements and have provided security in favour of the Obligor Secured Creditors, including the Issuer. Therefore, the Issuer is subject to the risk that the Obligors will not have sufficient income to make payments under the guarantee or that upon the enforcement of the Obligor Security, there are insufficient proceeds to discharge such payment obligations, this could have a material effect on the Issuer's ability to satisfy on a full and timely basis its obligations under the Bonds.

Reliance by the Issuer and the Security Group on third parties and Hedge Counterparties

The integrity of the structure and the ability of the Issuer to pay amounts due under the Bonds depend upon a number of third parties such as the Liquidity Facility Providers, the Issuer Account Bank and the Hedge Counterparties. In the event that one or more of those parties is downgraded by one or more of the rating agencies or if one or more of such third parties defaults on its obligations to make payments to the Issuer or the Obligors, this may have an adverse effect on the rating of the Bonds and/or the ability of the Issuer or the Obligors to satisfy their payment obligations in full. If a Hedging Agreement is terminated, the Issuer and the relevant Obligor may be exposed to fluctuations in interest rates and/or currencies that were previously hedged. Upon any such termination, the Issuer or the relevant Obligor, as applicable, may be obliged to make a termination payment to the relevant Hedge Counterparty. There can be no assurance that the Issuer or the relevant Obligor, as applicable, will have sufficient funds available to make a termination payment under the relevant Hedging Agreement, nor can there be any assurance that the Issuer or the relevant Obligor will be able to enter into a replacement hedging agreement, or if one is entered into, that the credit rating of the replacement Hedge Counterparty will

be sufficiently high to prevent a downgrade of the then current ratings of the Bonds by the Rating Agencies.

If the Issuer is obliged to pay a termination payment under any Hedging Agreement, such termination payment (being an unscheduled payment) will rank *pari passu* to any payments under the Issuer Loan Agreements. Therefore, any termination payments under any Hedging Agreement may reduce the amounts available to the Borrower to make repayments under the Issuer Loan Agreements and, in turn, reduce the amounts available to the Issuer to repay the Bonds.

Conflicts of interest generally

Conflicts of interest may arise during the life of the Programme as a result of various factors involving certain transaction parties. For example, such potential conflicts may arise because one or more lenders to the Issuer or the Obligors (including under a Liquidity Facility Agreement) or Hedge Counterparties may also act in other capacities under the Transaction Documents, although the relevant rights and obligations under the Transaction Documents are not contractually conflicting and are independent from one another.

Decision-making in relation to the Transaction Documents (as described further in the summary of the "*Transaction Documents – Modifications, Consents and Waivers*" below) is often taken on the basis of the majority Secured Creditors voting in favour (or a specified percentage of Secured Creditors voting in favour) of the proposed decision. Certain transaction parties may have different interest to those of the Bondholders (owing to their different roles in the transaction or investment horizon or other factors) and they may exercise any decision-making power they have in a way which is detrimental to the interests of the Bondholders and could ultimately impact on the ability of the Issuer to make payments under the Bonds.

Issuer Security and Obligor Security

Although the Issuer Security Trustee will hold the benefit of the Issuer Security on trust for, *inter alia*, the Bondholders and the Obligor Security Trustee will hold the benefit of the Obligor Security on trust for the Obligor Secured Creditors, such security interests will also be held on trust for certain third parties. Certain of the Issuer's obligations to such third parties rank ahead of the Bondholders. Such persons include, among others, the Bond Trustee (in its individual capacity), the Issuer Security Trustee (in its individual capacity), the Registrar, the Transfer Agents, the Paying Agents, the Issuer Account Bank and the Liquidity Facility Providers in respect of certain amounts owed to them. To the extent that significant amounts are owing to any such persons, the amounts available to Bondholders will be reduced. Likewise, certain of the Obligor's obligations to certain third parties will rank ahead of its obligations to the Issuer. In addition, it should be noted that unsecured creditors of the Obligors, such as trade creditors and suppliers, while subordinate to Obligor Secured Creditors, are not bound into the financing structure as they are not parties to the STID and the Common Documents and so will be able to petition for a winding up or administration of an Obligor should it fail to pay its unsecured debts as they fall due.

Accordingly, if the value of the Issuer Security and Obligor Security is less than the claims of the Bondholders under the Bonds and the claims of all other senior Secured Creditors under their respective senior secured debt, the Bondholders' claims will be diluted and as a result the Bondholders could lose all or part of their investment, should such circumstances arise.

Timing of payment on Bonds

Payment dates for the various different types of Obligor Secured Debt (including the Issuer Loan Agreements) will not necessarily coincide, and there is no obligation to ensure that a payment made in

respect of any Obligor Secured Debt will not lead to a deficiency of funds to make payments in respect of other Obligor Secured Debt (including the Issuer Loan Agreements) that fall due on a later date.

As described in "*Issuer and Bond Considerations – Special Purpose Vehicles*" above, the Issuer is a special purpose vehicle and their principal source of funds will be pursuant to the Issuer Loan Agreements, any Issuer Hedging Agreements and funds available to it pursuant to a Liquidity Facility Agreement or other acceptable forms of liquidity under the CTA. If there is a delay of such funds being made available to the Issuer then the Issuer may not be able to make repayments under the Bonds when such payments become due.

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

There can be no assurance that a secondary market for the Bonds will develop, or, if a secondary market does develop for any of the Bonds issued after the date of this Prospectus, that it will provide any holder of Bonds with liquidity or that any such liquidity will continue for the life of the Bonds. In addition, the ability of the Dealers to make a market in the Bonds may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to the Bonds. Consequently, any purchaser of the Bonds must be prepared to hold such Bonds for an indefinite period of time or until final redemption or maturity of the Bonds.

The liquidity and market value at any time of the Bonds are affected by, among other things, the market view of the credit risk of such Bonds 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 Security Group.

Therefore, the Bondholders may not be able to sell the Bonds on the secondary market.

Optional redemption by the Issuer

The Issuer may, if such option is specified in the relevant Final Terms or Pricing Supplement, elect to redeem the relevant Bonds in advance of their maturity date by giving notice to the relevant Bondholders in accordance with the Conditions. For example, the Issuer may redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds depending on the price the applicable Bonds may be redeemed at. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Rating of the Bonds; Change to covenants subject to confirmation by the Rating Agencies

The Obligor Security Trustee may, in determining whether to exercise its discretion to agree to changes to covenants, have regard to any confirmation obtained from the Rating Agencies in respect of the particular change. The Rating Agencies may not provide their confirmation in the time available or at all, and they will not be responsible for the consequences thereof. Confirmation from the Rating Agencies, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time. Confirmation from the Rating Agencies cannot be construed as advice for the benefit of any parties to the transaction. No assurance can be given that, although confirmation from the Rating Agencies in respect of any particular change has been provided, such change will not have an adverse impact upon the business of the Security Group.

The ratings assigned by the Rating Agencies to the Bonds reflect only the views of the Rating Agencies and in assigning the ratings, the Rating Agencies take into consideration the credit quality of the Security Group and structural features and other aspects of the transaction. There is no assurance that any 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 Bonds is lowered or withdrawn, the market value of the Bonds may be reduced. Future events, including events affecting the Obligors and/or circumstances relating to the airport industry generally, could have an adverse impact on the ratings of the Bonds.

Certain risks related to index-linked Bonds

Under the Programme, the Issuer may from time to time issue Bonds with principal or interest determined by reference to an index or formula. Potential investors should be aware that they may lose all or a substantial portion of their principal of any index-linked Bonds issued under the Programme. The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any index-linked Bonds.

The formula used by the Office for National Statistics for calculating RPI, CPI or CPIH may change over time. Such a change in the methodology for calculating RPI, CPI or CPIH may affect the actual RPI, CPI or CPIH figure. Consequently, the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of index-linked Bonds may increase, or decrease, as a result of such a change to the RPI, CPI or CPIH figure.

In particular, in March 2020, a public consultation was launched on proposals issued by the UK Statistics Authority ("**UKSA**") on the timing and method of bringing CPIH methods and data sources into the RPI, including to cease the publication of RPI, and, in the interim, to change the methodology used for calculating the RPI with the aim of it converging with the methodology for calculating CPIH. In November 2020, the Government and the UKSA published their response to the consultation confirming that the methodology used for calculating the RPI will be aligned with the methodology for calculating CPIH no earlier than 2030.

In April 2021 the trustees of the BT, Ford and Marks and Spencer pension schemes filed an application for a judicial review, which was granted in December 2021, over the legality of the planned change to the calculation of RPI. On 1 September 2022 the High Court ruled in favour of the Government, stating the proposed changes can legally and practically be made by the Government in February 2030.

Condition 6(e) provides that in the case of a fundamental change to the coverage or the basic calculation of RPI, CPI or CPIH, as the case may be, in certain specified circumstances, adjustments to such index may be made, or a substitute index (with or without adjustments) may be agreed.

At the time of issue of any index-linked Bonds, the applicability or non-applicability of Condition 6(e), as the case may be, in the case of a fundamental change to RPI, CPI or CPIH, as the case may be, may have a positive or negative impact on the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of index-linked Bonds.

As a consequence, investors may lose the value of their entire investment or part of it. Accordingly, each potential investor should consult its own financial and legal advisers about the risks entailed in an investment in any such Bonds and the suitability of such Bonds in the light of its particular circumstances.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Bonds

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.

Bondholders in any Member State of the EEA and in the UK should consult their own advisers as to the consequences to, and effect on, them of the application of Directive 2013/36/EU (as amended) and Regulation (EU) No. 575/2013 (as amended) (together the "**CRD**"), as implemented by their own regulator, or Regulation (EU) 575/2013 (as it forms part of domestic law by virtue of the EUWA) and the UK legislation and rules implementing Directive 2013/36/EU (as amended) (as applicable) to their holding of any Bonds. The Issuer is not responsible for informing Bondholders of the effects of the changes to risk-weighting which will result for investors from the adoption of CRD by their own regulator.

Any changes to the regulation or regulatory treatment of the Bonds 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 Bonds in the secondary market.

Denominations and trading

The Bonds of each Series shall be issued in the Specified Denominations as set out in the Final Terms or Pricing Supplement. For so long as the Bonds of any relevant Series are represented by a Global Bond, and the rules of Euroclear and Clearstream, Luxembourg so permit, the Bonds will be tradeable in the minimum denomination and integral amounts up to and including the maximum denomination. However, if Definitive Bonds for that Series are required to be issued and printed, any Bondholders holding Bonds having a denomination which cannot be represented by a Definitive Bond in the minimum denomination or higher integral multiples of the integral amount up to and including the maximum denomination will not be entitled to receive a Definitive Bond and would need to purchase a principal amount of Bonds such that its holding amounts to a Specified Denomination.

Book-entry form of Bonds

The Bonds will initially only be issued in global form and deposited with a common depositary, or common safekeeper, for Euroclear and Clearstream, Luxembourg. Interests in the Global Bonds will trade in book-entry form only. The common depositary, or its nominee, or the common safekeeper for Euroclear, or Clearstream, Luxembourg will be the sole holder of the Global Bonds representing the Bonds. Accordingly, owners of book-entry interests must rely on the procedures of Euroclear or 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 holder of Bonds.

Unlike the holders of the Bonds 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 Bonds. The procedures to be implemented through Euroclear and Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Bonds.

Changes in Financial Reporting Standards

Certain provisions of the Transaction Documents contain certain conditions and/or triggers which are based upon an assessment of the financial condition of the Security Group calculated by reference to the financial statements produced in respect of the companies in the Security Group. These financial and other covenants are set at levels which are based on the current accounting principles, standards, conventions and practices adopted by the relevant companies.

The Transaction Documents provide for the possibility of adjustments to the basis of calculation of the Ratios to reflect a change in accounting treatment of certain items. In certain circumstances such changes may take effect without a STID Proposal.

It is possible that any future changes in these accounting principles, standards, conventions and practices which are adopted by the companies in the Security Group may result in significant changes in the reporting of its financial performance. This, in turn, may necessitate that the terms of the conditions and triggers referred to above are renegotiated. Changes in accounting standards may also impact the tax position of the Security Group and result in increased tax payments which may ultimately have an adverse effect on the ability of the Issuer to make payments due under the Bonds.

Regulation and reform of EURIBOR and other "benchmarks" could adversely affect any Bonds linked to such "benchmarks"

Reference rates and indices, including interest rate benchmarks, such as EURIBOR which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated.

These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a significant adverse effect on any Bonds referencing or linked to such Benchmark. More broadly, any of the international, national or other proposals of reform, or the general increased regulatory scrutiny of the benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks" trigger changes in the rules or the methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes on certain "benchmarks".

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark. On 4 December 2023, the euro risk-free rate working group issued its final statement, announcing completion of its mandate.

At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to EURIBOR that may be enacted. Uncertainty as to the nature of such alternative reference rates or other reforms may adversely affect the trading market for EURIBOR-linked securities. The potential elimination of benchmarks such as EURIBOR, the establishment of alternative reference rates or changes in the manner of administration of such a benchmark could also require adjustments to the terms of the benchmark-linked securities and may result in other consequences such as interest payments that are lower than, or that do not otherwise correlate over time with, the payments that would have been made on those securities if the relevant benchmark was available in its current form.

(Please see for further information Condition 5 (*Interest and Other Calculations*) of the Terms and Conditions of the Bonds).

The EU Benchmarks Regulation and/or the UK Benchmark Regulation could adversely affect any Bonds linked to a "benchmark"

The EU Benchmarks Regulation became applicable from January 2018. The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The UK Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark in the UK.

The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Bonds linked to EURIBOR, SONIA or another benchmark rate or index, including in any of the following circumstances:

(i) a "benchmark" ceases to be published, calculated or administered;

(ii) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or register, or if based in a non-EU or non-UK jurisdiction (as applicable), the administrator is not otherwise recognised as equivalent; and

(iii) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulations, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Any of the above could potentially lead to the Bonds being de-listed or redeemed early or otherwise affected depending on the particular "benchmark" and applicable terms of the Bonds.

Fallback arrangements could adversely affect Floating Rate Bonds

The potential elimination of a benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest provisions of the Conditions, or result in other consequences, in respect of any Bonds linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of the alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the terms of the relevant Bonds, the return on the relevant Bonds and the trading market for securities (including the Bonds) based on the same benchmark.

Where Screen Rate Determination is specified as the manner in which the Interest Rate in respect of Floating Rate Bonds is to be determined, the Conditions provide that the Interest Rate shall be determined by reference to the Relevant Screen Page (or its successor or replacement).

Where the page is not available, and no successor or replacement for the Page is available, where the Floating Rate Option specified is a "EURIBOR" Floating Rate Option, subject to the operation of Condition 5(c), the Conditions provide for the Interest Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Interest Rate may ultimately revert to the Interest Rate applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Bonds.

Where the Page is not available, and no successor or replacement for the Page is available, where the Floating Rate Option specified is "SONIA", subject to the operation of Condition 5(c), the Conditions provide for the Interest Rate to be determined by the Calculation Agent by reference to the Bank of

England's base rate plus mean of the spread of the SONIA Reference Rate to the Bank of England's base rate over the previous five London Business Days on which the SONIA Reference Rate has been published. Where the Bank of England Base rate is not available, the Interest Rate may ultimately revert to the Interest Rate applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued.

If a Benchmark Event (as defined in Condition 5(i)) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser acting in good faith and in a commercially reasonable manner as an expert shall determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Interest Rate will result in Bonds linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Bondholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Bondholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Interest Rate. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in Bonds linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Interest Rate) than they would if the Original Reference Rate were to continue to apply in its current form.

The issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions of the Bonds.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Interest Rate for the next succeeding Interest Period will be the Interest Rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Interest Rate will be the initial Interest Rate.

Where the Issuer has been unable to appoint an Independent Adviser or, the Independent Adviser has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Accrual Period, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Accrual Periods, as necessary.

Applying the initial Interest Rate, or the Interest Rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Bonds linked to or referencing the relevant benchmark performing differently (which may include payment of a lower

Interest Rate) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Bonds, the initial Interest Rate, or the Interest Rate applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Bonds, in effect, becoming fixed rate Bonds. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. Any such consequences could have a material adverse effect on the value of and return on any such Bonds.

Where ISDA Determination is specified as the manner in which the Interest Rate in respect of Floating Rate Bonds is to be determined, the Conditions provide that the Interest Rate in respect of the Bonds shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the Final Terms, and the ISDA Benchmarks Supplement as published by the International Swaps and Derivatives Association, Inc., as may be amended or supplemented from time to time.

EURIBOR may be discontinued

Where the Floating Rate Option specified is a "EURIBOR" Floating Rate Option, the Interest Rate may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If EURIBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Interest Rate that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Bonds.

The administrator of SONIA may make changes that could change the value of SONIA or discontinue SONIA

The Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Bonds and the trading prices of such instruments. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA (in which case a fallback method of determining the interest rate on the Bonds will apply (see*: Fallback arrangements could adversely affect Floating Rate Bonds*). The administrator has no obligation to consider the interests of Bondholders when calculating, adjusting, converting, revising or discontinuing SONIA.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Bonds

The use of risk-free rates – including those such as SONIA as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Bonds that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Bonds referencing SONIA that differ materially in terms of interest determination when compared with any previous Bonds issued

by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Bonds that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Bonds referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Bonds, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Bonds, the trading price of such Bonds linked to such risk-free rates may be lower than those of Bonds referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Bonds which reference SONIA or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from The London Interbank Offered Rate ("**LIBOR**") and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Bonds.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Bonds may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on bonds which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Bonds which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Bonds, and some investors may be unable or unwilling to trade such Bonds without changes to their IT systems, both of which could adversely impact the liquidity of such Bonds. Further, in contrast to Bonds linked to interbank offered rates, if Bonds referencing backwards-looking rates become due and payable as a result of an event of default under Condition 10 (*Issuer Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of such Bonds shall be determined by reference to a shortened period

ending immediately prior to the date on which the bonds become due and payable or are scheduled for redemption.

BUSINESS OF MANCHESTER AIRPORTS GROUP

OVERVIEW

Overview of MAG

61m
Passengers served in 2023/24

260+
Destinations served

70%
UK population within two hours of a MAG airport

£10.6bn
Contribution to the UK economy

7,500
Direct employees

40,000+
People employed across our airport sites

Manchester Airport

28.8m passengers

193 destinations

74,000 cargo tonnes

Manchester Airport is proud to serve the North with a wide range of global connections and in FY24 it served 28.8m passengers. It is the only airport outside of London with two full-length runways and is home to 47 airlines serving 193 destinations across four continents. The airport directly employs over 3,600 people and supports a total of 19,000 jobs.

London Stansted Airport

28.5m passengers

198 destinations

288,000 cargo tonnes

With the largest range of European connections of any UK airport and the simplicity of its single terminal operation, London Stansted Airport served 28.5m passengers in FY24 across 198 destinations. It is the only major London airport with spare runway capacity, and this year secured planning permission to extend the terminal building to accommodate growth and enhance the passenger experience. London Stansted directly employs over 2,100 people and supports a total of 13,000 jobs

East Midlands Airport

4.0m passengers

72 destinations

369,000 cargo tonnes

East Midlands Airport offers passengers an effortless and affordable travel experience to popular business and leisure destinations across Europe. As the home of the UK's largest pure freight operation, it powers UK trade around the globe. In FY24 the airport served 4.0m passengers across 72 destinations and handled more than 365,000 tonnes of cargo. East Midlands directly employs over 800 people and supports 7,800 jobs on site.

CAVU

31 lounges

49 countries

400 airport clients

CAVU was founded in 2022 by bringing together the MAG-O and MAG-US business units, including their network of direct-to-consumer brands. CAVU combines the expertise of these entities to provide services to MAG airports and others across the world, driving improved revenue by delivering digital solutions and physical experiences that make air travel smoother and more enjoyable. CAVU operates MAG's own car parking and lounge products and has also secured deals to operate a total 31 lounges in the UK and US.

Manchester Airports Holdings Limited and its Subsidiaries (together, the Manchester Airports Group) is a leading UK airport group that owns and operates Manchester Airport ("**MAN**"), Stansted Airport ("**STN**") and East Midlands Airport ("**EMA**") (the "**Airports**"), together with a significant digital travel services business, CAVU.

MAN and STN are the third and fourth largest airports respectively in the UK by passenger traffic (*Source: CAA September 2024*). EMA is the second largest freight airport (and largest integrated freight hub) in the UK after LHR (by tonnes of freight handled). STN and MAN are the third and fourth largest freight airports by tonnes handled respectively. (*Source: CAA September 2024*)

CAVU was founded in 2022 by bringing together the MAG-O and MAG-US business units. CAVU provides services both to MAG's Airports and other airports across the world, offering products which complement air travel. CAVU distributes MAG's own car parking and lounge products, and has also secured deals to operate 31 lounges in the UK, US and Australia. CAVU distributes travel products from its marketplace to customers via its own, direct or indirect channels, spanning 49 countries and 400 airports (*source: MAG Business Information*).

In the year ended 31 March 2024, the Airports handled 61.3 million passengers, an increase of 7.3 million passengers from the year ended 31 March 2023 and equating to 103% of pre-pandemic levels (2020: 59.6 million passengers).

'Origin and Destination' ("**O&D**") traffic aggregated across the Airports accounted for 100 per cent. of the total passenger traffic. In 2024, MAG served 283 destinations worldwide with 81 airlines operating from the three Airports.[5]

Manchester Airport Group Investments Limited (MAGIL) and its Subsidiaries ("**MAG**") represent the Security Group of the Manchester Airports Group.

In the year ended 31 March 2024, MAGIL had total revenues of £1,237.7 million and generated 66 per cent. of these total revenues from non-aeronautical revenues, providing the business with a diversified and resilient revenue base and resulting in an Adjusted EBITDA[6] of £506.7 million. The Passengers, Revenue and Adjusted EBITDA of each Airport, and for CAVU, for the year ended 31 March 2024 were as follows:

Key Metrics year ended 31 March 2024	**MAN**	**STN**	**EMA**	**CAVU**	**Group consolidation and other[7]**	**Total**
Passengers (millions)	28.8	28.5	4.0	n/a	n/a	61.3
Revenues (£ millions)	511.8	429.2	95.0	200.9	0.8	1,237.7
Adjusted EBITDA (£ millions)*	202.2	182.0	37.8	63.4	21.3	506.7
Non-aeronautical revenues (%)	*61%*	*60%*	*52%*	*100%*	*n/a*	*66%*

Source: MAGIL Annual Report and Accounts 2023-24

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, gains and losses on sales and valuation of investment properties, and adjusted items*

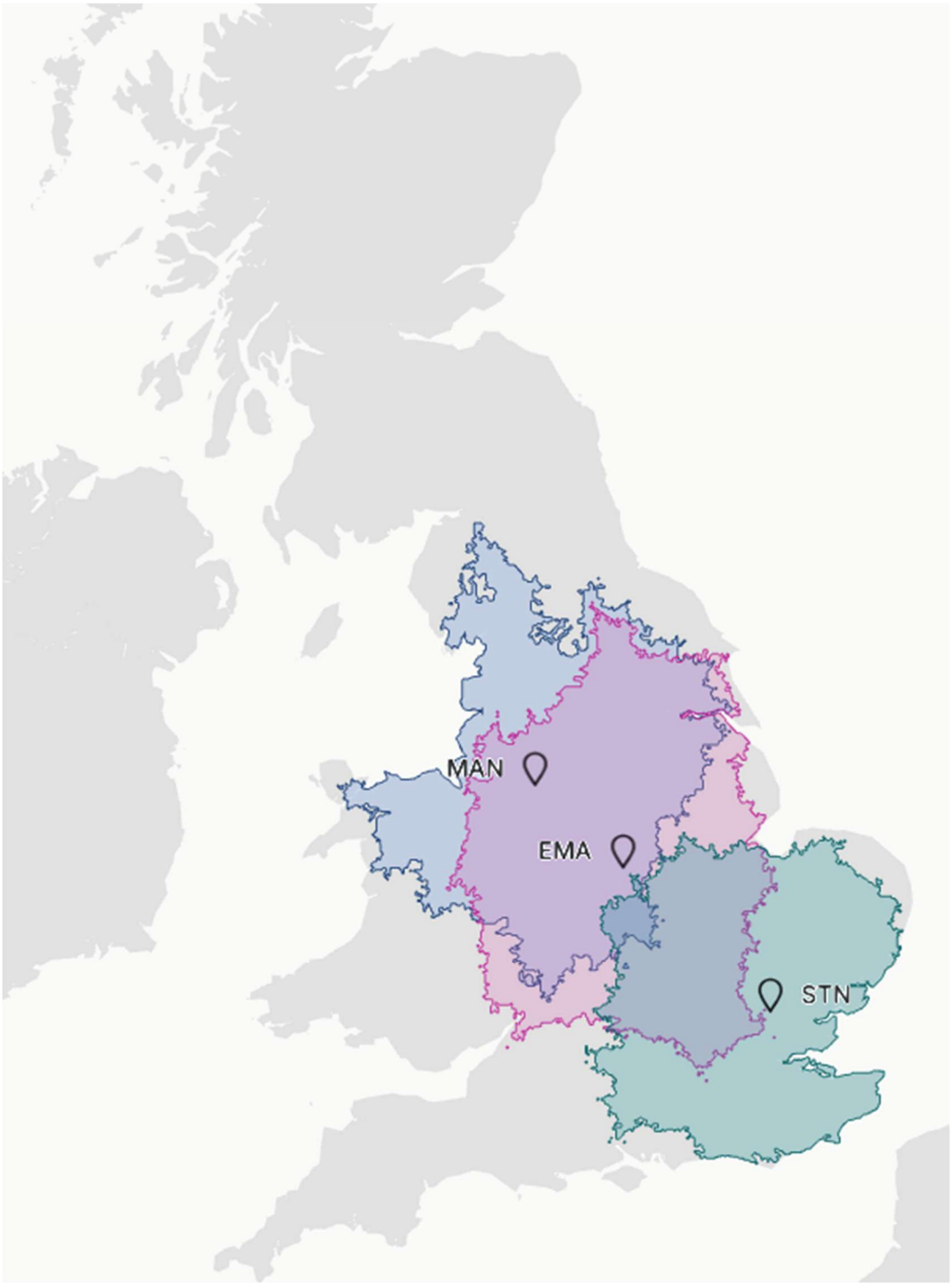
5 Includes routes and airlines with at least 1,000 pax in the year ending 31 March 2023

6 The definition of EBITDA is set out on page 311. Effective from the year ended 31 March 2020, Manchester Airport Group Investments Limited adopted International Financial Reporting Standard (IFRS) 16 which, as with many companies, changed the way that it accounts for leases. This Accounting Standard Change has no economic impact on the Parent. In accordance with Schedule 2 (Security Group Covenants) Part 1 (Information Covenants) of the CTA, the Parent has provided notification to Recipients that the Accounting Standard Change shall not be taken into account when deriving or calculating the Ratios (Change of Basis Election). EBITDA excluding the impact of IFRS 16 was £468.2 million in the year ended 31 March 2024.

7 Group consolidation and other includes those items, mainly costs, which are not directly attributable to a specific business segment. The principal components include Head Office employee costs, information Services, web income, insurance and management charges.

MAG is a truly national business: its two main Airports, MAN and STN, serve separate, densely populated and wealthy catchment regions. In excess of 44 million people live within a two-hour drive of MAN or STN. Over 47 million people live within a two-hour drive of at least one of the Airports (including EMA) (*Two-hour catchment area of MAN, STN and EMA*), which equates to approximately 70 per cent. of the UK's population (*Source: Office for National Statistics data*).

Figure 2 – Two-hour catchment areas of MAN, STN and EMA



2 hour drive-time boundaries - MAG Airports (Source, MAG analysis, CARTO mapping)

History and Recent Events

MAN opened in June 1938 and was used as a base for the RAF during World War II. After the war it reverted to being a civilian airport. MAG acquired East Midlands Airport in 2001 and Stansted Airport Limited on 28 February 2013. The following timeline shows the recent events in MAG's history.

MAG's current strategic priorities are to:

- deliver great customer service and operational excellence;
- grow our core Airports' business;
- invest in our airports to support long-term growth;
- develop and scale CAVU;
- decarbonise aviation;
- achieve sustainable growth in shareholder value; and
- develop a brilliant, diverse and inclusive team of people who share our values.

In terms of implementation of these priorities the Board has taken the strategic decision to:

- develop and expand MAG's low-cost carrier business;
- widen the route base operated from its Airports;
- enter into long term commercial agreements with airlines to incentivise them to grow passenger volumes;
- drive traffic growth, with a focus on MAN and STN, which are both supported by Phase 2 of the Manchester Airport Transformation Programme ("**MANTP**") and Stansted Transformation Programme ("**STP**") capex programmes; and
- expand and utilise the commercial opportunities obtained by being a national airport group.

MAG has continued to implement this strategy, and passenger numbers reached 61.3 million in the year ended 31 March 2024, a record for the Group, representing 103% of pre COVID-19 pandemic numbers.

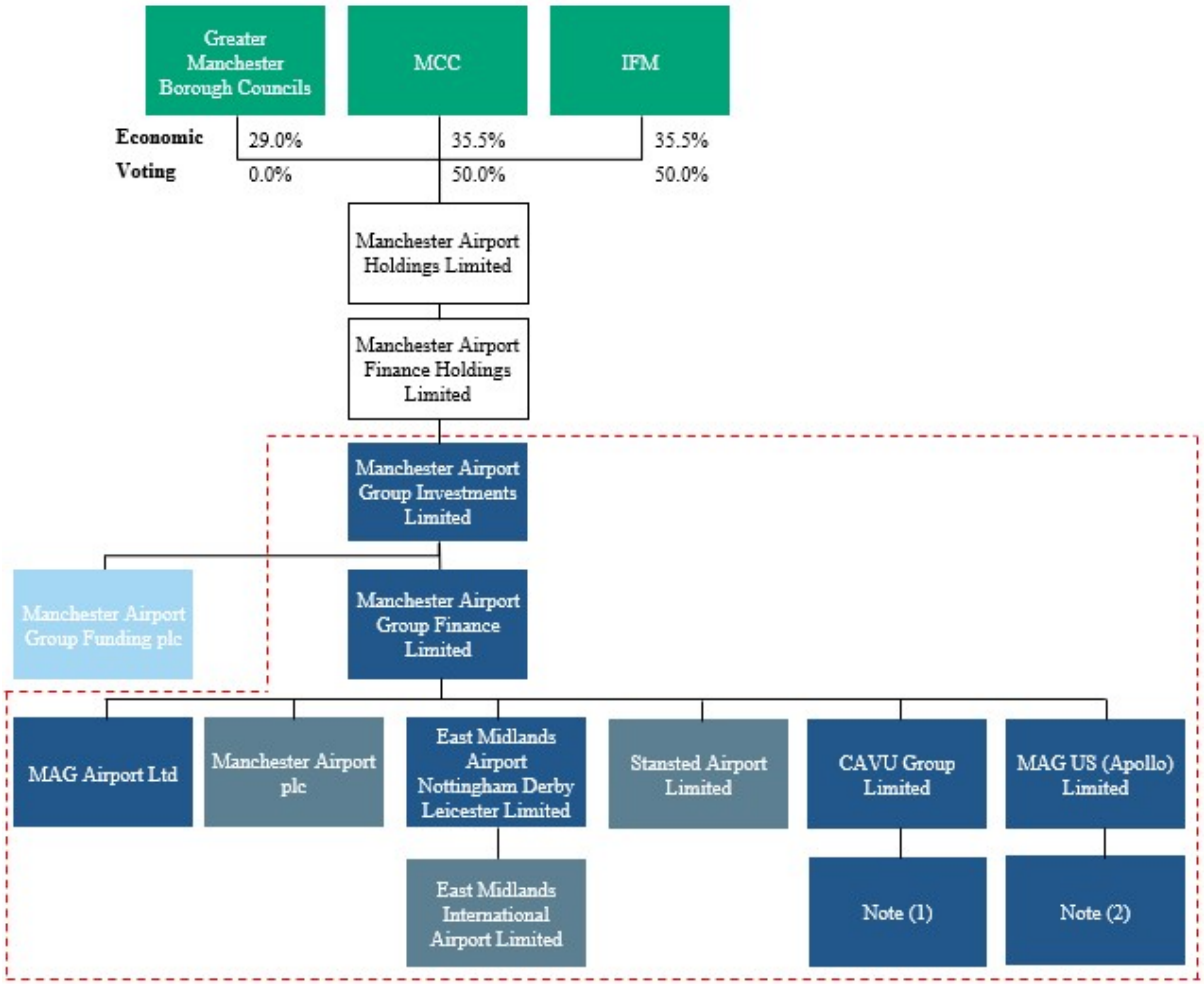
Ownership and Group Structure

The ultimate shareholders of the consolidated Manchester Airports Group companies are: (i) the Council of the City of Manchester ("**MCC**") (35.5 per cent.); (ii) Conyers Trust Company (Cayman) Limited, being the trustee for the IFM Global Infrastructure Fund ("**IFM**") (35.5 per cent.); and (iii) the Greater Manchester Borough Councils (29 per cent.), being the Borough Council of Bolton, the Borough Council of Bury, the Oldham Borough Council, the Rochdale Borough Council, the Council of the City of Salford, the Metropolitan Borough Council of Stockport, the Tameside Metropolitan Borough Council, the Trafford Borough Council and the Wigan Borough Council. The voting control is shared equally between IFM and MCC only.

During 2024, IFM undertook a reorganisation of its European airport holdings, with its interest in the Manchester Airports Group being transferred into a new intermediate holding company, Airports Group (A) Europe S.A.R.L. The ultimate holding company remains Conyers Trust Company (Cayman) Limited, being the trustee for the IFM Global Infrastructure Fund.

Figure 3 (*Simplified Group Structure Chart*) below shows a simplified group structure chart depicting the structure of the Manchester Airports Group as at the date of this Prospectus. Figure 4 (*Complete Group Structure Chart*) below shows the entire Group structure as at the date of this Prospectus.

Figure 3 – Simplified Group Structure Chart

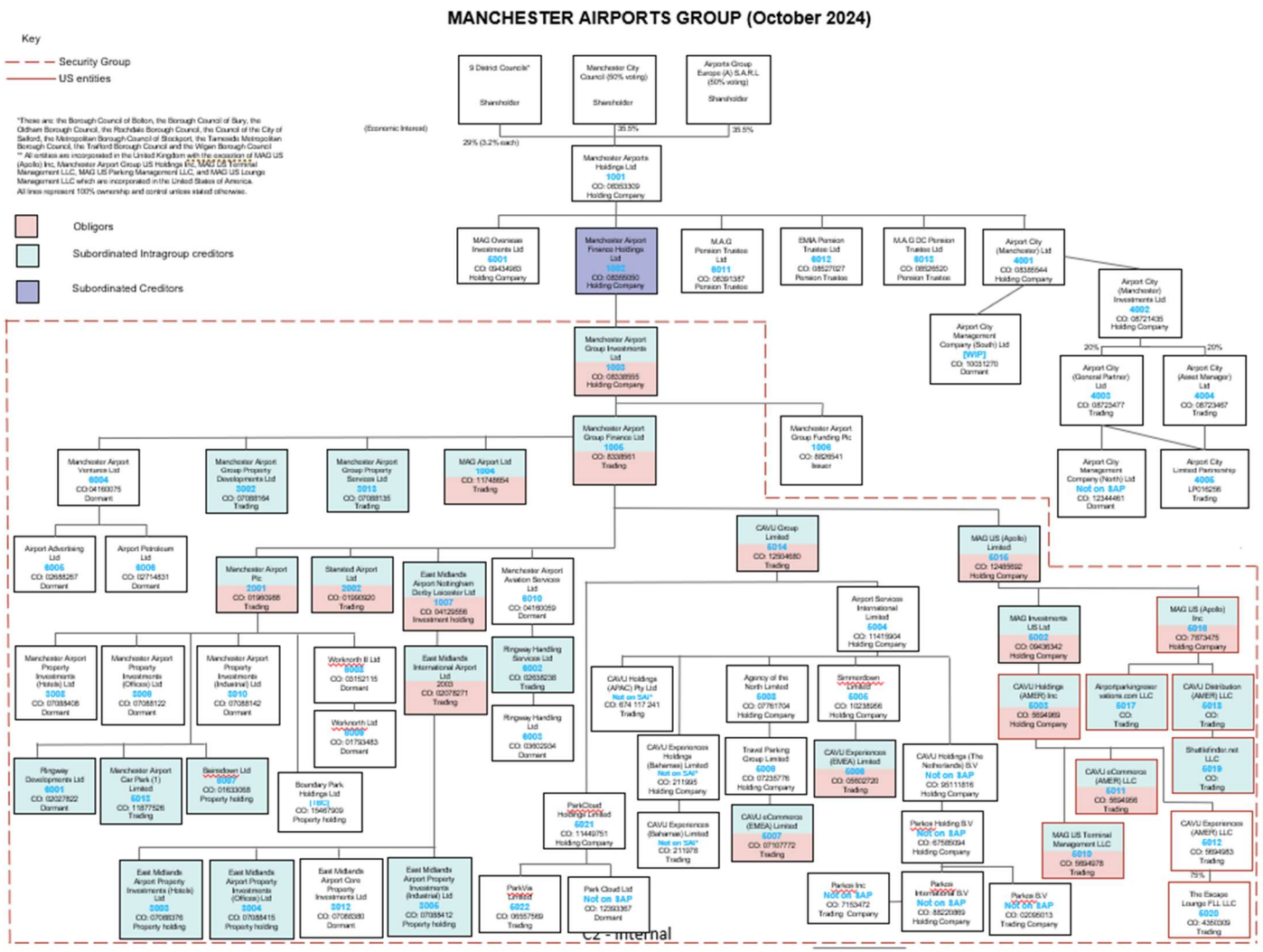


Notes: Simplified ring-fenced security group showing the companies that are obligors. Obligors not shown on this simplified structure are: (1) CAVU eCommerce (EMEA) Limited and CAVU Experiences (EMEA) Limited (both subsidiaries of CAVU Group Limited); (2) MAG

Investments US Ltd, MAG US (Apollo) Inc., CAVU Holdings (AMER) Inc., MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC (all subsidiaries of MAG US (Apollo) Limited

The Issuer is not an Obligor but does provide security to the Bondholders and other creditors of the issuer. Certain other companies that are part of the Group are not shown in this structure chart.

Figure 4 – Complete Group Structure Chart



Key Credit Strengths

MAG's key credit strengths are:

(a) experienced management team with a proven track-record;

(b) a national airport group with attractive and complementary catchment areas;

(c) diversified route mix;

(d) diversified airline mix;

(e) diversified revenue streams across aeronautical and non-aeronautical activities, including in-house capability, through CAVU, to distribute travel products from its marketplace to customers via its own, direct and indirect channels;

(f) well invested airport assets with spare runway capacity;

(g) focused investment plans to increase terminal capacity at MAN and STN and offer world class passenger facilities;

(h) predictable operating cost base; and

(i) stable and long-term shareholders.

A. Experienced management team with proven track-record

MAG has a strong management team with significant experience in the airport operations sector. The management team has continued to refine the operating model and direct the strategic focus of MAG. Key strategic areas of focus are:

- proactive engagement with low-cost carriers as well as full service scheduled and charter carriers;
- actively entering into new long term commercial agreements with its key airline customers where appropriate;
- continuing to enter into new incentivised commercial agreements with its retail customers;
- expansion and commercialisation of the car parking operations across MAG;
- develop and utilise CAVU's single platform, commercial expertise and expansive distribution network to help airports and other related businesses across the globe unlock value from the end-to-end passenger journey;
- introduction of operational and procurement efficiencies; and
- investment into the Airports to continue to develop terminal and associated facilities to take advantage of existing and future demand opportunities and provide a world-class experience for customers.

Directors and Senior Management

Set out below is a brief biography of each member of the executive management team of MAG.

Ken O'Toole FCA, Chief Executive Officer – Ken was appointed as Chief Executive Officer in 2023. Prior to this he was the Group's Deputy Chief Executive Officer, Chief Development Officer, the Chief Executive of London Stansted Airport, and the Chief Executive of Manchester Airport, having joined MAG in 2012 as Chief Commercial Officer. He spent six years with Ryanair Holdings plc, joining initially as Head of Revenue Management and latterly as Director of New Route Development. Ken is a qualified Chartered Accountant and his previous experience includes roles with Musgrave Group, a leading Irish and UK based retailer, and Credit Suisse First Boston.

Jan Bramall ACA, Chief Financial Officer – Jan joined MAG in 2018 as Group Finance Director before taking on the role as Chief Financial Officer in December 2020. She has previously held VP Finance roles across listed international businesses, including JCI and Tyco, with responsibility across Europe, North America, South America and Canada. Jan qualified with PwC and specialised in Corporate Finance and M&A transactions.

Jenny Cochrane, General Counsel and Company Secretary – Jenny was appointed General Counsel and Company Secretary in April 2020. She has been with MAG since 2013, having previously held the position of Legal Director with responsibility for the legal function across the Group. Prior to joining MAG, Jenny worked in private practice and specialised in Corporate Finance.

Nicholas Woods, Chief Information Officer – Nicholas Woods joined MAG in 2016 to lead Technology for the £1bn Manchester Transformation Programme. He was promoted to Chief Technology Officer in 2017 and was subsequently appointed Chief Information Officer in September 2018. Prior to joining MAG, Nicholas worked in consulting for Accenture, where he specialised in the delivery of complex systems integration and transformation programmes. He studied Computer Science and Management Science at the University of Edinburgh.

Chris Woodroofe, Managing Director, Manchester Airport – Chris was appointed Managing Director of Manchester Airport in June 2022. He previously served as Chief Operating Officer of London Gatwick Airport where he led numerous successful people, process and system change programmes. Prior to that, he held a number of senior positions at the airport including Head of Engineering and Head of Security. Chris is a chartered chemical engineer who left Imperial College, London, with a first class masters degree to join Nestlé UK's graduate scheme. He also holds an MBA with distinction from the University of Warwick.

Gareth Powell OBE, Managing Director, London Stansted Airport – Gareth was appointed Managing Director of London Stansted Airport in October 2022. Gareth joined MAG from Transport for London (TfL), where he spent 19 years. His most recent roles were Deputy Commissioner and Chief Customer and Strategy Officer, which saw him lead TfL's recovery from the COVID-19 pandemic. During his time at TfL, Gareth was also Managing Director of Surface Transport, Chief Operating Officer of London Rail and Director of Strategy and Service Development for London Underground, managing around £5bn of revenue and a workforce of more than 3,000 people, as well as maintaining key stakeholder relationships including with the Mayor of London. Prior to TfL Gareth worked for WS Atkins the infrastructure consultant and started his career as a customer operations graduate trainee for Thames Water.

Steve Griffiths, Managing Director, East Midlands Airport – Steve was appointed Managing Director of East Midlands Airport in October 2022. Prior to this, he was Managing Director at London Stansted Airport having joined MAG as the airport's Chief Operating Officer in 2018. He previously worked for Virgin Atlantic as Chief Operating Officer and was Chief Operating Officer at London Underground, where he was accountable for the safe, secure and efficient delivery of the London tube network operations and customer service. Steve is also a Non-Executive Director of a leading low-cost airline in Turkey.

Martin Jones, Chief Executive Officer, CAVU – Prior to being appointed as Chief Executive Officer of CAVU, Martin was CEO of MAG USA, where he led the opening of multiple Escape Lounges, and the acquisition of Airport Parking Reservations, ParkSleepFly.com, ShuttleFinder.com and AirportParking.com. Martin also held the role of Commercial Director and Deputy CEO at London Stansted Airport. Before joining MAG, Martin was UK Sales Director for Vodafone UK, and also spent 15 years at Marks and Spencer.

The business address of each member of the Executive Management and the Board of Directors above is Olympic House, Manchester M90 1QX, United Kingdom.

B. A national airport group with attractive and complementary catchment areas

MAN, STN and EMA serve densely populated catchment areas. More than 47 million people, constituting 70 per cent. of the population of the UK, live within a two-hour drive of the Airports. The Airports are well-connected by rail and road transport links. The catchment areas of the Airports cover counties with relatively high income per capita. The catchment areas of MAN and STN do not materially overlap, with each airport serving distinct markets in the UK.

The consolidated revenue and Adjusted EBITDA of MAG for the financial year ended 31 March 2024 were £1,237.7 million and £506.7 million respectively. Both revenue and Adjusted EBITDA in the year were the highest recorded in MAG's history. The key financial indicators of MAG for the financial year ended 31 March 2024, including passenger traffic, revenues, Adjusted EBITDA, catchment area and total number of destinations served are shown in Figure 5 below.

Figure 5 – Key Metrics Table

Year ended 31 March 2024	MAN	STN	EMA	CAVU	Group consolidation and other	Total
Passengers (millions)	28.8	28.5	4.0	n/a	n/a	**61.3**
Revenues (£ millions)	511.8	429.2	95.0	200.9	0.8	**1,237.7**
Adjusted EBITDA (£ millions)*	202.2	182.0	37.8	63.4	21.3	**506.7**
Catchment within 2 hours (millions)	>21	>24	>27	n/a	n/a	**>47**
Total Destinations	193	198	72	n/a	n/a	**283**

(Source: MAGIL Annual Report and Accounts 2023-24), Management Information)

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, gains and losses on sales and valuation of investment properties, and adjusted items*

Catchment Area of Manchester Airport

MAN handled 28.8 million passengers in the year ended 31 March 2024 and is the third busiest airport in the UK. 21.7 million people live within a two-hour drive of MAN (*source: Office for National Statistics*).

MAN is well-connected by road, bus, train, coach, and tram. The airport has an on-site ground transport interchange providing train, tram, bus and coach services serving over 100 towns and cities, including 12 direct services an hour to three Northern Powerhouse cities (*source: MAG)*. The connectivity of MAN was further extended when the £1.4 billion project to upgrade and extend the Metrolink tram network was completed in 2016, providing a tram every 12 minutes between MAN and Manchester city centre. The airport has junctions onto the motorway network via the M56, and the construction of the A555 Manchester Airport Relief Road has provided enhanced connectivity to the east.

This will be extended further with a Manchester Airport station proposed on the new high-speed railway between Manchester and Liverpool, which will also connect into the future Northern Powerhouse Rail network, providing better connectivity across the North, including to other major cities such as Leeds and Sheffield.

MAN serves as the global gateway to the North of England. Over 1.2 million visits were made per annum to Manchester from overseas in 2022 (*Source: Visit Britain, inbound visits and spend by UK town*) and 3.4 million visits were made per annum to the North West of England from overseas in 2023 (*Source: Visit Britain, international passenger survey 2023*). MAN handles a significant proportion of overseas visitors travelling to each of the local enterprise partnership areas across the North.

The principal attractions of MAN's catchment area include:

- it is located in the North of England, and Manchester is widely regarded as England's second city after London – crucially the catchment areas of Manchester and Heathrow are complementary with little overlap. Manchester was identified as 'the UK's second hub airport' by the previous UK Government at the launch of its aviation strategy, held at MAN, in July 2017;

- the catchment area of Manchester mirrors the Northern Powerhouse rail area and Manchester has been identified as the crucial long haul airport for the North (*Source: Transport for the North's Independent Economic Review*);

- the North West of England generated £220 billion of gross value added ("**GVA**") in the calendar year of 2022, which was the largest economic region outside of London and the South East of England and the fastest growing region overall *(source: Office for National Statistics 2025)*;

- Manchester represents the largest city region economy outside London, with a GVA of almost £90 billion in 2022 (*source: Office for National Statistics 2025*). In the decade to 2020, the economy grew by 39 per cent. from £53.9 billion to £74.9 billion and it has been one of the major UK city-regions driving job growth (84 per cent. between 2002-2015), at twice the rate of jobs growth of the north as a whole (*source: https://www.investinmanchester.com/why-manchester/our-economy/*);

- independent analysis by leading consultants Arup in 2023 identified significant growth potential for MAN over the next 25 years. Economic modelling scenarios showed that, in a positive scenario of supportive government policy and economic conditions, the number of long-haul routes and total passenger numbers at MAN could more than double by 2050 (*source: Arup 'A superhub for the North' report, 2023*);

- Cheshire (which is immediately to the south of the airport) has the fourth highest GDP per head of 41 sub-regions in the UK, at £42,699 per annum in 2022 (*source: Office for National Statistics 2023*);

- the North of England contains some of the foremost companies in the world from a range of industries including aerospace, automotive, chemical, financial, IT, media, pharmaceutical and retail;

- MAN is the closest major airport to MediaCityUK, which is a thriving creative, new media and digital district in Greater Manchester, in which a range of media outlets are located, including six BBC departments and ITV Studios;

- MAN is the closest international airport to The Lake District (in the county of Cumbria), England's largest National Park which was awarded UNESCO World Heritage status in 2017. The airport is connected to the Lake District by direct train (1 hour 25 minutes) and coach links and is just 1 hour 20 minutes by car. Cumbria attracted 42 million visitors per year in 2023 (*source: Visit Cumbria*);

- it has one of the largest student populations in Europe, with 104,000 students enrolled in the five Manchester universities as well as 402,000 students and 25 universities within a one-hour drive (*source:https://www.investinmanchester.com/why-manchester/access-to-talent/universities/*).

There is significant scope for the airport to attract more passengers from its strong catchment area. In 2023 there were 5.8 million passengers who travelled from the catchment area of MAN to fly from London Heathrow airport or London Gatwick airport (*Source: CAA 2023*). MAG is continuing to attract a share of these passengers by continuing with its growth strategy of expanding the number of routes and increasing the diversity of its airline customers (see "*Manchester Airport's Growth Strategy*" below).

Catchment Area of Stansted Airport

STN handled 28.5 million passengers in the year ended 31 March 2024 and is the fourth busiest airport in the UK (*Source: CAA*). STN is attractive to its airline customers compared with other airports serving London and the South East, due to its excellent transport links to London and Cambridge, its location in a large catchment area and competitive pricing. The principal attractions of STN's catchment area are:

- the catchment area is one of the UK's wealthiest regions, encompassing the London – Cambridge tech corridor (*Source: Office for National Statistics*);
- the South East region of the UK has the highest propensity to fly compared to other parts of the UK (*source: Airports Commission*); and
- there is a high level of global companies within the catchment area supported by its vicinity to London, the world's top financial centre (*source: Global Financial Centres Index published by Z/Yen and the China Development Institute*).

STN is 14 miles from London's orbital motorway (M25) and is adjacent to the M11 motorway and 24.1 million people live within a two-hour drive. STN has 24-hour availability of bus and coach services, which serve over 50 towns and cities across the UK (*source: Office for National Statistics and MAG business information*).

STN also boasts an impressive range of transport links that benefit from close proximity to the M11 and A120, as well as direct trains to London and Cambridge. Stansted is the UK's leading major airport, and one of the best-performing in Europe, for public transport use, with 48 per cent. of passengers travelling to and from the airport by public transport (*Source: CAA Passenger Survey 2023*).

STN has frequent trains running between (i) STN and central London, including the dedicated Stansted Express rail service to and from London's Liverpool Street Station (with a journey time of approximately 47 minutes departing every 15 minutes) and (ii) STN and Cambridge.

STN's catchment area is concentrated upon London, but also covers a wide spread of locations across the South East. STN serves:

- London's financial district in the City and Canary Wharf and the high-tech 'silicon roundabout' in east London;
- Cambridge, which is one of the top ten UK tourist attractions and is home to many innovative companies and the University of Cambridge; and
- the East of England, the population of which is forecast to increase by 5 per cent. in the ten years to 2028, combined with strong population growth in London (4.9 per cent) and the South East (4.4 per cent) (*source: Office for National Statistics Subnational population projections for England, 2018 based*).

Given its location, STN has a strong market penetration into the northern and eastern London boroughs, as well as the counties immediately surrounding the airport.

There is significant overlap in the catchment areas of STN, London Heathrow, Gatwick Airport and Luton Airport. MAG sees a strong opportunity to increase the market share of STN. In the year ended 31 December 2023, 26.7 million passengers that originated in the STN catchment area flew from Gatwick Airport and Luton Airport, 20.2 million of whom flew to destinations currently served by STN and 6.4 million of whom flew to destinations not currently served by STN (*source: CAA 2023*). MAG intends to grow STN's market share through a variety of means to seek to attract this traffic – see "*Stansted Airport's Growth Strategy*" below for more detail.

Catchment area for East Midlands

The EMA catchment area is the largest of all MAG airports, with over 27 million people living within a two-hour drive. EMA has an important dual role. It is the UK's largest pure cargo airport (*Source: CAA International and Domestic Freight September 2024*) and houses large established operators such as United Parcel Service, Federal Express and DHL. EMA's total 2024 cargo volume of 369,000 tonnes were ahead of pre-pandemic level reflecting EMA's high-quality freight facilities and central location within the UK. EMA plays a vital role in driving not just the regional economy in the Midlands, but the UK's international trade capability.

EMA's passenger traffic is also recovering from the pandemic. Passenger numbers increased by 260 per cent. from 1.1 million in the year to 31 March 2022 to 4.0 million in the year to 31 March 2024, reflecting the strong recovery in the low-cost sector. EMA's number of based aircraft increased to 21 in Summer 2024, with Jet2 now basing eight, Ryanair and Tui basing six each and Eastern basing one aircraft at EMA. Further connectivity has been achieved with new passenger routes to Newquay, Paris and Enfidha opening. Extra cargo connectivity has been achieved with One Air opening routes to Hong Kong and Muscat and New Delhi.

The EMA catchment further benefits from ONS forecasts that the East Midlands will be the fastest growing region in England by population with a growth of 7 per cent. between 2018 and 2028. This equates to an increase of 334,000 people living in the immediate vicinity of EMA (*Source: ONS subnational population projections for England*).

In March 2023, the East Midlands Freeport was officially designated by the Government. This is the UK's only Inland Freeport with three modes of transport – road, rail and air. The airport is the international 'port' of the Freeport as well as forming part of one of three designated tax sites – the East Midlands Airport and Gateway Industrial Cluster (EMAGIC). The site will be a key enabler for international business within the region. According to the UK Government it is expected to create 60,000 jobs, add £8.9 billion to the local economy over the next 30 years, and be an enabler for Government's levelling up agenda.

National airport group which enables it to provide growth opportunities and economies of scale

As a large scale national airport group, MAG is able to provide more commercial opportunities to its airline customers, resulting in more diverse airline customers and a higher volume of passengers. This is achieved by:

- realisation of group synergies;
- engaging strategically with its airline and retail partners and through its existing relationships to provide attractive and competitive terms; and
    - sharing its (a) best practice, (b) technology and (c) cost efficiency initiatives across its Airports. MAG uses its scale to drive operational efficiencies through a variety of initiatives such as:
    - technological innovation: investing in assets that enable operating cost reductions;
    - optimising the alignment of staff to demand profiles;
    - leveraging MAG's scale to drive supply chain efficiencies; and
    - centralising activities that are common across the Airports.

C. Diversified route mix

The Airports have a wide network of routes, with 283 destinations served in 2024. In comparison, Gatwick served 225 destinations in 2023 (*Source: 2023 Annual Report*) and Heathrow serves 214 destinations worldwide *(source: airport website)*.

Figure 5 – Map of Routes Served in 2024 from MAN, STN & EMA (source: OAG)

The most popular single route by passenger volume across the Airports in the 12 months ended 31 March 2024 was MAN to Dubai, which accounted for 1.7 per cent. of total passenger traffic across the Airports (*source: MAG Business Information*).

By way of comparison, the most popular single route by passenger volume from LGW was to Barcelona (3.1 per cent.), and from LHR was to New York (JFK) (3.9 per cent.) *(source: CAA)*.

The most popular destination across the Airports was to Dublin which accounted for 3.4 per cent. of total passenger traffic *(source: MAG Business Information)*. Figure 6 (*Top ten destinations across the Airports for the 12 months ended 31 March 2024*) shows the top ten destinations across MAG, LGW and LHR for the 12 months ended 31 March 2024. This shows that MAG's revenues are resilient to airline network and route changes (with MAG not reliant on a small number of key routes), and that MAG has no more exposure to destination concentration risk than either LHR or LGW.

Figure 6a: Top ten destinations across the MAG Airports for the 12 months ended 31 March 2024 (source: CAA)

Rank	Destination	Passengers (000's)	% of Total Passengers
1	Dublin	2,097	3.4
2	Tenerife South	1,827	3.0
3	Alicante	1,684	2.7
4	Palma	1,542	2.5
5	Dubai	1,464	2.4
6	Malaga	1,321	2.2
7	Faro	1,209	2.0
8	Amsterdam	1,171	1.9
9	Belfast	1,130	1.8
10	Barcelona	1,109	1.8

Figure 6b: Top ten destinations at LHR for the 12 months ended 31 March 2024 (source: CAA)

Rank	Destination	Passengers (000's)	% of Total Passengers
1	New York (JFK)	3,147	3.9
2	Dubai	2,488	3.1
3	Doha Hamad	1,791	2.2
4	Dublin	1,747	2.2
5	Los Angeles International	1,700	2.1

6	Madrid	1,488	1.8
7	Singapore	1,419	1.8
8	Amsterdam	1,401	1.7
9	Frankfurt Main	1,352	1.7
10	Delhi	1,336	1.7

Figure 6c: Top ten destinations at LGW for the 12 months ended 31 March 2024 (source: CAA)

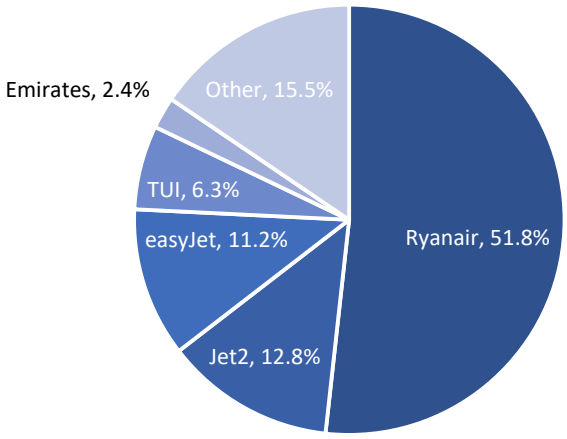
Rank	Destination	Passengers (000's)	% of Total Passengers
1	Barcelona	1,294	3.1
2	Dublin	1,275	3.1
3	Malaga	1,160	2.8
4	Dubai	940	2.3
5	Amsterdam	847	2.0
6	Faro	827	2.0
7	Rome (Fiumicino)	801	1.9
8	Geneva	770	1.8
9	Alicante	765	1.8
10	Antalya	730	1.8

D. Diversified airline mix

As of 31 March 2024, MAG had a spread of 81 airline customers, including low cost and full service carriers.

The chart in Figure 7 (Airline share in the year ending 31 March 2024) below shows the distribution of airline customers across the Airports in the year ending 31 March 2024.

Figure 7: Airline Share in the year ending 31 March 2024 (Source: MAG Business Information)



MAG's spread of airlines is comparable to Gatwick and Heathrow. The 52 per cent. share of passenger volumes carried by Ryanair compares to the 46 per cent. of Gatwick's passenger traffic carried by easyJet and the 46 per cent. of Heathrow's passenger traffic carried by British Airways and 49 per cent. for International Airline Group (British Airways, Iberia and Aer Lingus) at Heathrow *(source: CAA).*

MAG has demonstrated its resilience in responding to the risk of airline failure. Thomas Cook Airlines was placed into administration in 2019 and immediately ceased flying with the loss of c. 1.1 million passenger per annum to

MAG. The MAG aviation teams were able to backfill much of this capacity with Jet2 and easyJet by the following winter 19/20 season.

MAG is committed to pursuing opportunities to currently unserved markets, including destinations such as Bangkok and connecting India and Pakistan, along with hub connectivity to other long-haul destinations. There is also a focus on developing links to North America. This means engaging with key global airlines currently not serving the Airports, as well as developing proposals for growth by MAG's existing carriers. In addition, management is focussed on European and domestic growth with specific strategies for engagement with carriers such as Ryanair, TUI, easyJet and Jet2.

Ryanair as a key customer

Ryanair had a 52 per cent. share of MAG's total passenger volume in the financial year ended 31 March 2024. Correspondingly MAG is a 17 per cent. share of Ryanair's total passenger numbers for the same period (*Source: Ryanair FY24 Results, passengers: 184 million*).

Low cost carriers such as Ryanair are a vital part of MAG's growth strategy. MAG believes that the low cost carrier market is a robust market, which is fast growing and economically efficient. Ryanair is MAG's largest airline customer and STN is Ryanair's largest base (*source: Ryanair website)*. MAG believes that the following attributes of Ryanair benefit MAG:

- Ryanair has demonstrated the market advantage enjoyed by LCCs and has been able to significantly exceed pre-covid passenger numbers *(2024: 184 million; 2020: 148.6 million)*. Ryanair expect this growth to continue with a target of 300 million passengers by 2034 (*Source: Ryanair FY24 Results)*;

- Ryanair has interdependence and mutual benefit with STN. It has a significant presence at STN as it has a training facility and a maintenance hangar and has around 48 aircraft based there in summer 2024; and

- As at 31 March 2024, Ryanair operated 584 aircraft of which 146 were B737 Max 8 aircraft. Ryanair has ordered a further 300 B737 Max 10 aircraft which will see the number of seats increased from 189 (current B737-800) to 228 (B737- Max 10). This will further drive passenger growth at MAG Ryanair bases while decreasing per seat costs at Ryanair.

Despite Ryanair's positive attributes, dependence on Ryanair as a key customer is one of the principal risks monitored by the management of MAG. Ryanair's large share of the Airports' passenger volume presents a risk to MAG's revenues if the low cost carrier market reduces in volume, if Ryanair reduces its share of the low cost carrier market, or if Ryanair reduces its presence at the Airports. However, such circumstances are mitigated by:

- Ryanair's position as a growing airline business in Europe with a very strong recovery rate post-pandemic (*source: Ryanair 2024 Annual Report*);

- Ryanair's existing significant presence at STN and Ryanair having signed a long-term commercial agreement with MAG;

- MAG's existing good relationship with Ryanair;

- MAG's position as one of the most diversified airport groups with strong relationships with 81 airlines which provide it with a broad base of airline customers from which it could source replacement carriers in the case of the failure or decline of other carriers; and

- STN being the only airport in London which currently has sufficient meaningful capacity to accommodate Ryanair's existing traffic and planned growth.

E. Diversified revenue streams across aeronautical and non-aeronautical activities

MAG has diversified revenue streams which protect against downside risks in any one aviation sector, airline or route pair. Furthermore, a balanced mix of income from other activities supplements aviation activities.

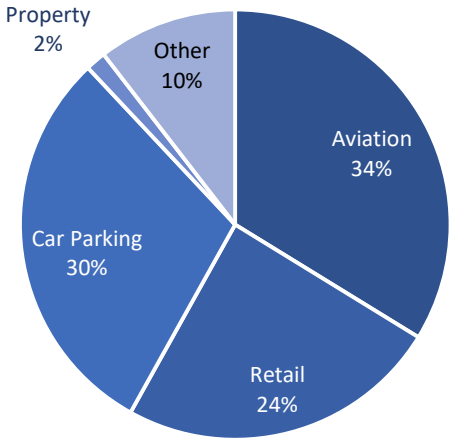
MAG generates two primary types of revenue:

(i) aeronautical revenue, which is generated from fees charged to the airlines for the use of the Airports' facilities for flight and passenger activities; and

(ii) non-aeronautical revenue, which is generated from retail, car parking and property.

In the financial year ended 31 March 2024, MAG's revenues were split in the proportion of 34 per cent. aeronautical, and 66 per cent. non-aeronautical revenues, as set out in Figure 9 (*Revenue Split*) below.

Figure 9 – Revenue Split[8]



Source: MAGIL Annual Report and Accounts 2023-24

Figure 10 (*Total Revenue Breakdown*) shows the split between aeronautical revenue and non-aeronautical revenue in the financial years ended 31 March 2024 and 31 March 2023.

Figure 10 – Total Revenue Breakdown

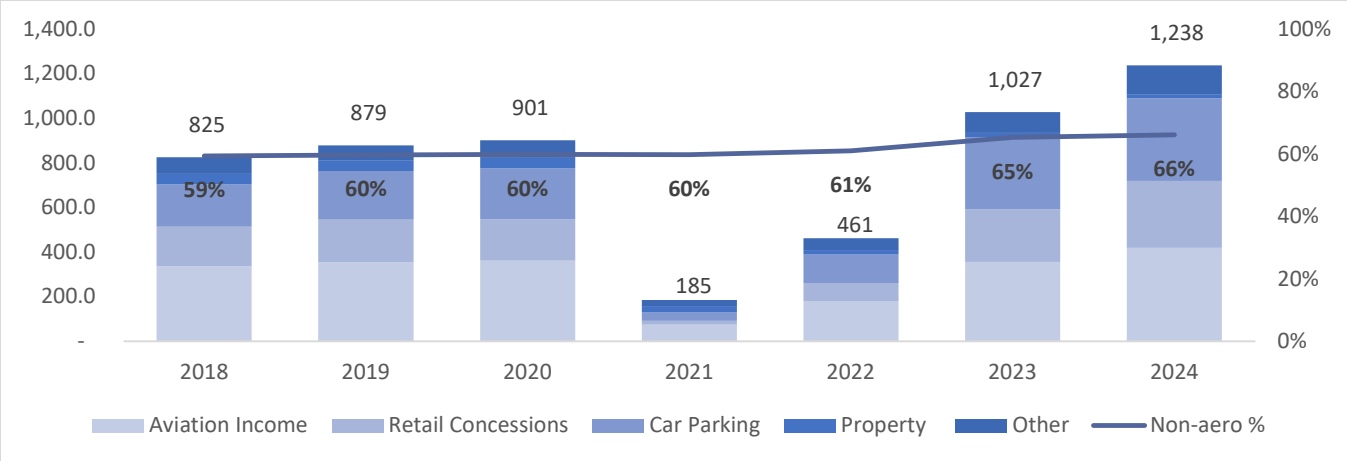
Revenue Stream (£ million)	**12 months ended 31 March 2024**	**12 months ended 31 March 2023**
Aviation income	418.1	355.9
Retail concessions	300.8	234.5
Car parking	370.3	325.1
Property & property related income	18.8	18.6
Other	129.7	93.3
Total revenue	**1,237.7**	**1,027.4**

Source: MAGIL Annual Report and Accounts 2023-24

[8] Figure 9 depicts the revenue breakdown set out in Figure 10 in diagrammatic form. The percentage contribution of each revenue sub-category to overall revenue is calculated by dividing each sub-category's revenue by the total revenue.

The split of revenues detailed above across aeronautical and non-aeronautical operations provides resilience and revenue diversification. As demonstrated in Figure 11 (*Total Revenue Breakdown 2018-2024*) below, gross revenue has increased year-on-year, other than in 2020-2022 following the impact of international travel restrictions as a result of the COVID-19 pandemic, together with the proportion of non-aeronautical revenue increasing.

Figure 11 – Total Revenue Breakdown 2018-2024[9]



Diversification of Aeronautical Revenue

The aeronautical revenue of the Airports is comprised of passenger facilities charges, passenger security charges, runway charges and air traffic services. The Airports have a combined customer portfolio of 81 airlines serving over 283 destinations and providing a resilient and diversified customer portfolio.

Strong O&D traffic

The Airports largely serve exclusively origin and destination traffic which refers to any traffic that is not transfer traffic and originates or terminates at a particular airport. Manchester Airport has now re-opened its transfer centre which augments the existing O&D traffic with further transfer passengers.

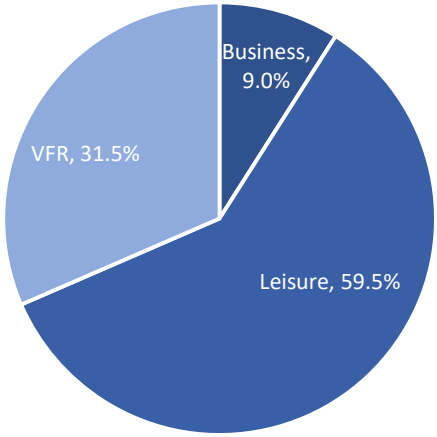
Compared to transfer passengers, O&D passengers are generally less dependent on airline decisions regarding airport choice. In the case of transfer passengers, the airport choice is often driven by airlines' network strategy and ease of connection. O&D traffic is less volatile than transfer traffic, and accordingly provides resilient stable revenues and the prospect of a stable rate of growth.

Leisure Focus

Figure 12 (*MAG Airports' Customers' Purpose of Travel in 2023*) shows the split of MAG's customers' purpose of travel across these segments in the calendar year. MAG's Airports have a Leisure or Visiting Friends and Relatives ("**VFR**") focus, with 91 per cent. of traffic in 2023 travelling for this purpose. This compares with 90 per cent. of traffic travelling for leisure or VFR purposes at Gatwick and 81 per cent. of traffic at Heathrow. MAG's portfolio of airlines and offerings is well suited to this price-sensitive leisure segment and management believes it will continue to grow. The remaining portion of travellers are business, which accounted for 9 per cent. of passengers in 2023.

[9] Figure 11 is a graphical representation of the revenue line items, including revenues from discontinued operations, from the MAGIL Annual Report and Accounts 2017-2018, 2018-19, 2019-20, 2021-22, 2022-23 and 2023-24.

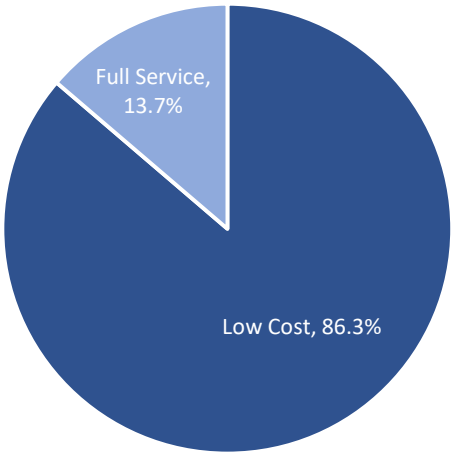
Figure 12 – MAG Airports' Customers' Purpose of Travel in 2023 (source: CAA)



Resilient customer portfolio mix

The mix of MAG's 81 airline customers leans towards low cost carriers with 86 per cent. of passengers travelling on one of these carriers. The LCC segment is a proven business model underpinned by generally stronger credit fundamentals (higher load factors, margins, and growth) than other segments and a contributor to growth for the Airports and the sector, with a number of Europe's leading airlines targeting this market segment. In order to reduce its growth risk, MAG has signed long-term contracts with growth incentive schemes for its key customers.

Figure 13 – MAG Airports' Airline mix in the year ended 31 March 2024 (source: MAG Business Information)



Diversification of Non-Aeronautical income

The growth of MAG's Non-Aeronautical revenues has been a result of targeted investments in retail and parking, and places MAG's Non-Aeronautical revenues (being £819.6 million for the financial year ended 31 March 2024),[10] second only to London Heathrow airport's Non-Aeronautical revenues (*source: MAGIL Annual Report and Accounts 2024 and other airports' Annual Reports).*

[10] The Non-Aeronautical revenue is calculated by adding the following line items in the MAGIL Consolidated Financial Statements for 12 months ending 31 March 2023: Retail, Car Parking, Property and property related income and Other.

The Non-Aeronautical revenue of the Airports is predominantly comprised of car parking charges and retail concessions, and property related income. In recent years MAG has successfully increased retail and car park yields ahead of inflation as a result of investment and strategic focus in these areas.

Diversified retail revenues

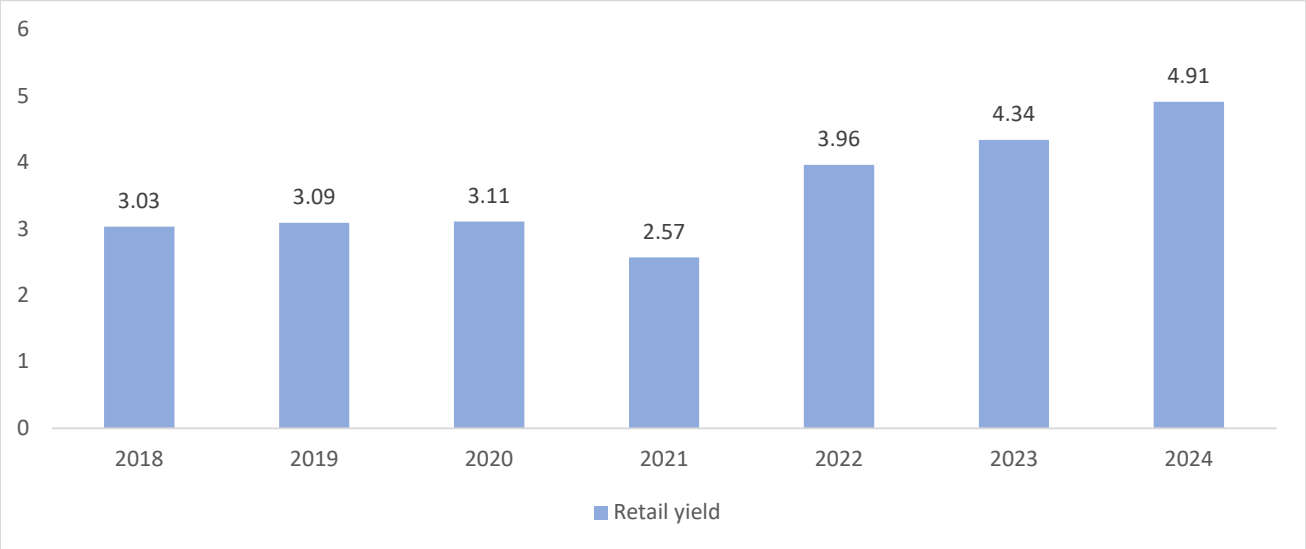
MAG has more than 39,000 square metres of retail space at its Airports, with around 30 retail partners and 145 shops, bars, restaurants and foreign exchange bureaux. MAG has a wide range of retail and food and beverage ("**F&B**") suppliers, including World Duty Free, WHSmith, Boots, Hugo Boss, Hamleys, InMotion, JDSports, M&S Foods, Boots, Pret a Manger, Caffe Nero, Costa Coffee and Jo Malone. MAG is therefore not dependent on any one retailer.

MAG has redeveloped retail space across all of its Airports to increase retail yields and revenues, and as part of the Manchester Airport Transformation Programme, MAN delivered a retail offering including local brands such as San Carlo, Pot Kettle Black and Archies.

Since 2018, retail revenues have increased by 69 per cent. to £300.8 million in the year to 31 March 2024 (2018: £178.4 million). On a yield per passenger basis the increase is 62 per cent. (2018: £3.03/pax, 2024: £4.91/pax) or 8.4 per cent. p.a. compound annual growth rate ("**CAGR**").[11]

MAG's retail strategy is to agree incentivised concession arrangements with retail customers across its Airports. These arrangements incentivise the retailers to make additional earnings as they pay a variable rent depending on their turnover. Approximately 90 per cent. of the retailers at MAG's airports are required to pay a guaranteed minimum sum to MAG under the terms of their arrangements.

Figure 14 –Retail yield per passenger 2018-2024



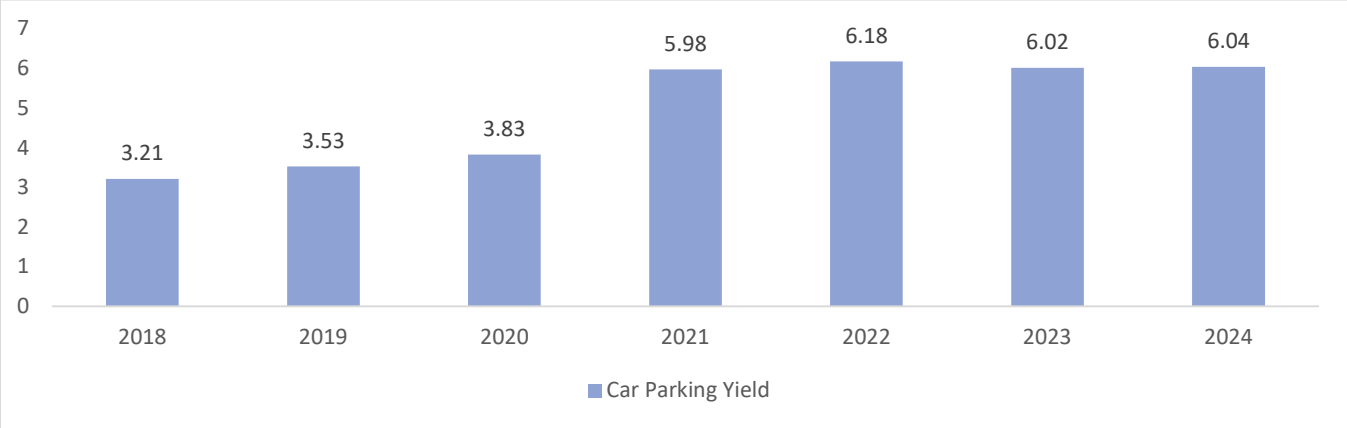
Source: MAGIL Annual Report and Accounts 2018-24.

[11] Group retail yield is calculated by dividing retail revenue found in the MAGIL Consolidated Financial Statements by passenger numbers.

Diversified Car Parking revenues

MAG has continued to invest in car parking, including investment in systems, online booking and new capacity and product mix, with a particular focus on "Meet & Greet" facilities. Since 2018, car parking revenues have increased by 96 per cent. to £370.3 million in the year to 31 March 2024 (2018: £189.1 million). On a yield per passenger basis the increase is 88 per cent. (2018: £3.21/pax, £6.04/pax) or 11.1 per cent. p.a. CAGR.

Figure 15 –Car parking yield per passenger 2018-2024



Source; MAGIL Annual Report and Accounts 2018-24.

Diversified Property Portfolio

MAG owns a diverse range of non-core property which has stable revenue from rental income (see "*MAG Commercial Activities and Airport City*" below for more detail).

CAVU

In March 2022 MAG created a new business in 2022 – CAVU – through the union of MAG-O (MAG's digital division), MAG-US and its direct-to-consumer distribution brands (e.g. Looking 4 Parking & SkyparksSecure).

CAVU provides services both to MAG airports and other airports across the world, offering products which complement air travel. CAVU distributes MAG's own car parking and lounge products, and has also secured deals to operate 31 lounges in the UK, US and Australia. CAVU distributes travel products from its marketplace to customers via its own, direct or indirect channels, spanning 49 countries and 400 airports.

In the twelve months to 31 March 2024 CAVU generated EBITDA of £63.4 million[12]. Commercial arrangements for trading MAG's Parking, Lounges and FastTrack were formalised in April 2022, putting in place an arm's length contract between CAVU and MAG's Airports. EBITDA growth outside of MAG is a focus for CAVU, evidenced in distribution revenues in the Americas and EMEA.

CAVU acquired Parkos in October 2024, a comparison and booking platform for airport parking, based in the Netherlands, with an inventory at 175 airports across 15 countries with over 1,200 parking providers. This inventory

12 The definition of EBITDA is set out on page 311. Effective from the year ended 31 March 2020, Manchester Airport Group Investments Limited adopted International Financial Reporting Standard (IFRS) 16 which, as with many companies, changed the way that it accounts for leases. This Accounting Standard Change has no economic impact on the Parent. In accordance with Schedule 2 (Security Group Covenants) Part 1 (Information Covenants) of the CTA, the Parent has provided notification to Recipients that the Accounting Standard Change shall not be taken into account when deriving or calculating the Ratios (Change of Basis Election). EBITDA excluding the impact of IFRS 16 was £468.2 million in the year ended 31 March 2024

scale across key European markets will further enhance CAVU's core proposition and accelerate session volume to the CAVU Marketplace.

See "MAG Commercial Activities and CAVU" below for more detail.

F. Well-Invested Airport Assets with Spare Runway Capacity

Manchester Airport Capital Expenditure

MAN already has a well-invested asset base with significant spare runway capacity and continues to invest in facilities to improve airline and passenger experience.

Currently there is no need to expand MAN's runway capacity as MAN's passenger volume for the year ended 31 March 2024 was 28.8 million passengers per annum, whereas the total runway capacity is 55 million passengers per annum.

The last major renewal of Runway 1 took place in 2012, with the next major runway resurfacing projects for Runways 1 and 2 planned between FY28 and FY30. Alongside this, a continuous programme of taxiway renewals is assumed, aligned to asset condition data and operational criticality assessments with planned reconstruction of Taxiways Lima and Alpha within the 5-year programme.

Notwithstanding MAN's spare runway capacity, sustained capital expenditure to ensure that the facilities are of sufficient scale and size to allow the airport to deal with all types of aircraft (including Code F aircraft such as Airbus A380s) provides a competitive advantage over airports which cannot accommodate such aircraft.

MAN's strategy in relation to operational and capital expenditure has been to pass costs on to airlines through price increases in consultation with its airline partners. The gross aviation income received from the airlines is invested in the commercial arrangements to drive passenger and revenue growth. Although MAN is de-designated by the CAA, it complies with good governance procedures and this strategy is consistent with the CAA's guidance on the EU airport charges directive (2009/12/EC).

Stansted Airport Capital Expenditure

The infrastructure at STN is well developed with available runway capacity for planned traffic growth. Passenger volume for the year ended 31 March 2024 was 28.5 million passengers per annum, making STN the fourth largest airport in terms of passenger numbers in the UK. The current planning consent permits growth to 43 million passengers per annum., which is less than the physical runway capacity, estimated at 50+ million. The facilities at STN are already sufficient to be able to deal with all types of aircraft (including Code F aircraft such as Airbus A380s) that may be used by its airline customers.

Like MAN, there has been focused capital investment in renewals across the airport estate focused on enhancing the passenger and airline experience including (i) a £31 million investment into a major runway resurfacing to support anticipated growth concluding in 2023 (ensuring the runway will not need further resurfacing for the next 15 to 20 years), (ii) a £12 million investment in the international departure lounge to enable our retail partners to refresh their offer and construction of an airbridge to support Emirates growth.

G. Focused investment plans to increase terminal capacity at MAN and STN and offer world class passenger facilities

MAN Transformation Programme

The Manchester Airport Transformation Programme ("**MANTP**") was strategically planned in modular phases so that management had the ability to pause and decelerate the programme in the event that the business case dynamics materially changed.

Phase 1 of MANTP commenced construction in July 2017, and was brought into use on 1 April 2021, building a new Terminal 2 in a greenfield build adjacent to the old Terminal 2, which continued to operate with minimal passenger disruption during the construction period. MAN's capacity was not reduced during this time. A modern, architecturally designed check in hall with provision for self-service bag drop was placed in front of a new purpose built security area with improved technology and services. Phase 1 also delivered a significant upgrade to existing baggage and sortation facilities, with the introduction of Hold Baggage Screening (HBS) Standard 3. The departure lounge is modern and fresh with a carefully selected range of high-quality food and beverage outlets, a number of speciality retail outlets and a 25,000 square foot world duty free. In total 6,000 new car parking spaces were added with a new multistorey car park.

Phase 2 of MANTP commenced in 2023 and aims to complete the transformation of the MAN campus into a world class operation, with significant further enhancements to current facilities and major improvements to the customer experience.

Phase 2 of the programme will refurbish and reconfigure old Terminal 2, adjacent to new Terminal 2, and then connect the adjacent terminals to become the airport's largest terminal building, with a single check-in hall and provision for self-service bag drop. The enlarged terminal, once completed, will benefit from a purpose-built security area with improved technology and processes, and also a redeveloped departure lounge with increased seating and enhanced WIFI and digital services.

Investment in new airside infrastructure will simplify the transfer process for passengers and will also make it easier for passengers to arrive and depart at MAN. Phase 2 will transform the airfield through the development of dual Code E taxiways in the main west apron, the tripling of the taxiway system at the entrance to the west apron and a significant reconfiguration of existing flows to improve aircraft flows to and from the runways. Phase 2 will also increase the number of aircraft stands and deliver enhancements to the design to future-proof airside operations, including the construction of a new airside road network and improved facilities for the storage of ground equipment.

Phase 2 also creates an important opportunity to create a new 'front door' to the airport for passengers, with expanded forecourts and car parks to improve passengers' experience of arriving and leaving the site. Alongside this there will also be significant enhancements to the landside road network.

Taking these enhancements together, MANTP will deliver a substantial improvement in the facilities and infrastructure at the airport, providing significant long-term benefits for passengers and airlines. MANTP will work to future-proof the airport so that it can accommodate new types of aircraft, new technologies and operating processes, as well as cater for growth in demand over the coming decades. These factors will be critical in enabling MAG to compete effectively with other airports across Europe to attract new airlines and passengers to MAN.

The substantial benefits for passengers and airlines from the transformation programme are strong drivers for MAG's investment in MANTP. The new facilities and infrastructure will enable MAG to achieve further growth in passenger volumes (up to the 55 million runway capacity), as well as improvements in commercial and operational performance.

The completion of Phase 2 will unlock the majority of the operational and commercial benefits arising as a consequence of the combined programme. The enlarged terminal will create efficiencies in security and customer service, a premium is expected from the enhanced retail offering, and customers will have an enhanced experience from a premium terminal.

Figure 16 – MANTP Phase 1 & 2

The programme's second phase will be delivered via 90 separate packages of work. This is a different approach to Phase 1, constructed using a single general contractor, Laing O'Rourke. The construction management approach, with a high number of trade package contractors provides greater control and influence over third parties with the strategy providing maximum flexibility to vary the pace of delivery in response to market changes.

Mace is engaged on Phase 2 to provide construction management services in relation to the refurbishment and reconfiguration of the existing Terminal 2, building the second pier and project management around baggage enabling and phase 2 of the main baggage works. In addition Mace is providing the programme management organisational services across the entirety of the programme.

Turner and Townsend has been engaged to develop a robust cost plan and will also provide a cost and procurement assurance role. Further external assurance has been obtained from Gardiner & Theobold who are providing a top-down view of the cost plan.

MANTP Phase 2 is expected to be brought into use in Summer 2025.

Stansted Transformation Programme

STN is the largest single-terminal airport in the UK. Following a period of sustained passenger growth and strong airline performance, the business is focused on planning ahead to transform the passenger experience, increase choice and connectivity, and cater for growing demand at the airport. At a time when London airports are nearing or at capacity, STN has a vital role to play over the next decade, with spare capacity on its runway, existing permission to serve up to 43 million passengers a year currently, and long-term forecasts for the airport's sustainable growth to between 48 and 51 million passengers a year in the 2040s.

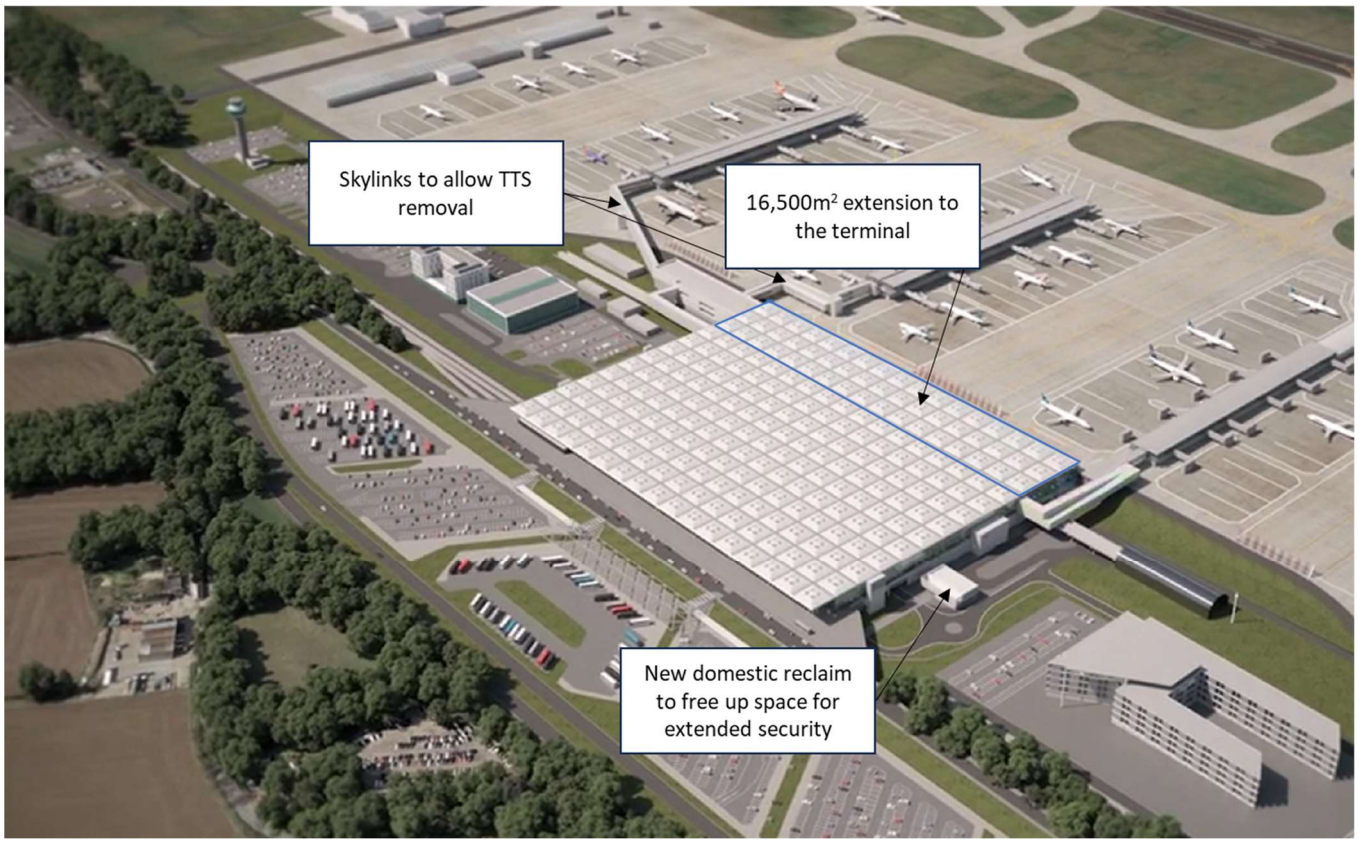
Aligned to the modular approach employed by Manchester planned further expansion of STN (the "**Stansted Transformation Programme**" or "**STP**") will be conducted in two phases. Phase 1 will begin with planning and

design in 2023 and is intended to provide infrastructure to meet forecast demand, optimise use of the single runway, create additional parking space and simplify passenger flows.

The initial phase of the Stansted Transformation Programme involves the northwards extension of the single Terminal building which will allow enhancement of check-in and security capacity and increased space in an enhanced, extended and reconfigured departure lounge with additional seats and retail offerings. Additionally, it will see the replacement of the track transit system with sky links, construction of six remote aircraft stands and new customer parking infrastructure supported with improved meet and greet facilities.

Planning permission was granted in 2023 for the extension to the North of the existing terminal. In January 2025, following a competitive tender process, contracts were awarded to the selected construction partners to finalise the design for the Skylinks and North extension.

Figure 17 – STP Phase 1



A subsequent phase will begin in 2028 and conclude in 2031, primarily involving an Eastern expansion to construct a dedicated passenger arrivals building, which received planning permission in April 2017, with over 33,000 m^2 of floor space and a second passenger security screening area and additional shoreline check-in.

In addition, STN anticipates that it will build new rapid access and exit taxiways to support an increase in two-way peak hour movements beyond 50 two-way movements per hour and add further remote aircraft stands to support demand for additional based aircraft and overnight parking.

Further customer car parking facilities are also planned.

STP Phase 1 is expected to cost a total of £0.6 billion.

Group Capital Expenditure

Other notable capex projects include:

Future Security Regulations (MAN, STN & EMA)

Across all three airports, MAG are making the necessary investments to introduce Future Security technology in line with agreed Government timescales. This will remove the need for passengers to take liquids, gels and large electrical items out of their hand luggage, significantly improving their airport experience. Investment has commenced and is expected to be completed in 2025. The expected cost of this investment is £196 million of which £95 million had been spent as at 31 December 2024 (*Source: MAG Business Information*).

EMA Runway capital investment

Over the next five years, MAG will undertake renewals of the runway, taxiways and aircraft stands which will enable both the continued growth in East Midland's cargo operations, as well as the commercial aviation to drive passenger growth.

Net zero capital investment – MAG commitment to reach net zero carbon by 2030

MAG has committed that by 2030, all airport infrastructure will be operating on renewable energy and will have transitioned onto Ultra Low Emission Vehicles ("**ULEV**") where suitable. This commitment reflects an ambition to meet net zero requirements well in advance of the UK government's legal strategy of 2050 target date.

In order to achieve this, there are investment plans covering four key areas to achieve net zero, comprising; (i) decarbonisation of heat within the airport infrastructure, (ii) vehicles and the fleet transition to ULEV, (iii) infrastructure to deploy ULEV strategy and (iv) other decarbonisation, for example reducing emissions from third parties, ground handling, business travel and offsite waste disposal.

All capital investment will enhance the role of MAG's airports as strategic economic assets in the regions they serve and increase the contribution they make to rebalancing economic growth, creating jobs and driving prosperity. MAG will continue to work closely with the Government on the policies and investments needed to ensure the economic potential of our airports is fully realised. MAG are keen to see projects such as Northern Powerhouse Rail, rail infrastructure in the South East and the East Midlands Freeport next to East Midlands Airport come to fruition in a timely manner.

H. Predictable operating cost base

MAG has a relatively stable, and predictable operating cost base. MAG has demonstrated its ability to reduce costs to maintain profits and liquidity throughout the duration of the last economic slowdown and most recently, through the COVID-19 pandemic. MAG was able to reduce operating costs by 24 per cent. between 31 March 2020 (£492.7 million) and 31 March 2022 (£372.4 million) excluding £18.2 million and £17.8 million of government support received in respect of Coronavirus Job Retention Scheme and the Airport and Ground Operations Support scheme) (*Source: MAGIL Financial Statements for the years ended 31 March 2020 and 31 March* 2022). Inclusive of Government support received, operating costs reduced by 32 per cent. Whilst cost mitigation measures employed included restructuring of the business to reflect demand levels, MAG was back to full resourcing levels during the year ended 31 March 2023. In the year ended 31 March 2024, following two years of increased passenger demand and full resourcing, MAGIL's operating costs increased by 18.5 per cent. to £731.0 million (2023: £617.0 million). In comparison, the increase in revenues over the same period was 20.5 per cent. (*Source: MAGIL Financial Statements for the years ended 31 March 2024*). The principal driver of the increase was increased cost of sales from increased CAVU lounge expenditure, pay per click and utility costs driven by macroeconomic forces.

Cost control remains a core focus of the management team. Future growth does not require significant additional operating expenditures and discretionary and core expenditure can be targeted in the event of a downturn to reduce costs if required.

MAG recognises three trade unions (Unite, Prospect & Unison) for its colleague population. MAG has a good, constructive and collaborative relationships with its employees that has enabled it, historically, to reach agreements on a range of matters impacting its colleagues including, inter alia, pay and COVID-19 measures. This has been as a result of the level of trust, understanding and respect it has built over a number of years. MAG holds annual engagement sessions between MAG senior leaders and external trade union officials and senior local representatives, in addition to local airport engagement sessions to facilitate two -way dialogue on topics of mutual interest. MAG will continue its focus on maintaining strong relationships with full-time union officials and building solid working relationships with representatives. Further details on the breakdown of MAG's operating costs can be found in MAGIL's financial statements, which are incorporated by reference into this Prospectus.

I. Manchester Airports Group has stable and long-term shareholders.

MCC and the Greater Manchester Borough Councils are long-term shareholders and retained their equity commitment to the Manchester Airports Group following the acquisition of STN and introduction of IFM. IFM is advised by IFM Investors Pty Ltd ("**IFM Investors**"), which is a leading investment manager with USD $76.1 billion in infrastructure funds under management and is a long-term investor in airports and other infrastructure assets (*Source: IFM website 30 September 2024*). As an open-ended fund manager, its focus is on long-term sustainable returns through a balance of capital growth and dividends and in acting in accordance with a long-term investment strategy.

IFM Investors, through its various funds, has invested in airports since 1997 and, in addition to the Manchester Airports Group, has interests in seven airport groups, including equity interests in Sydney Airport, Melbourne Airport, Brisbane Airport, Perth Airport, Adelaide Airport, Vienna Airport and NT Airports (Darwin, Alice Springs and Tennant Creek Airports). IFM Investors' other investments in the UK include interests in Anglian Water, Arqiva Limited (a leading broadband and wireless communications infrastructure company) and VTTI, an owner operator of marine terminals.

The shareholders are attracted to the strong and stable cash flows (after meeting capital expenditure and working capital needs) generated by the Manchester Airports Group. The management, backed by the shareholders, is committed to a conservative capital structure and prudent financial policy designed to support strong investment-grade ratings, strong liquidity and prudent risk management policies. All shareholders have agreed a dividend policy which supports a conservative capital structure and prudent financial policy. Dividends are set according to a range of principles, including:

- ensuring that the Manchester Airports Group maintains the appropriate and optimal financial and debt profile (by reference to various financial covenants and maintaining an investment grade credit rating);
- the Manchester Airports Group maintaining a conservative level of leverage (when compared to the wider airport infrastructure sector); and
- the Manchester Airports Group ensuring that sufficient funds are available to fund planned growth and capital requirements over the short, medium and long term.

If the rating of the Manchester Airports Group deteriorates, there is flexibility to adjust the level of dividends to allow the Manchester Airports Group to return to an investment grade rating on a phased trajectory.

During 2018 the shareholders injected £350 million of new capital in the form of shareholder loans to fund capital expenditure, demonstrating their commitment to investing in the Airports to support growth.

During 2020, the shareholders injected a further £300 million of new capital in the form of shareholder loans to provide liquidity and reduce leverage, in direct response to the COVID-19 pandemic, demonstrating their commitment to a conservative capital structure and maintenance of strong investment-grade ratings.

STRATEGIC PRIORITIES

In 2023 MAG established a new strategic framework which identified seven strategic priorities for the Group that will ensure the Group delivers sustainable growth in shareholder value, meet the needs of our customers and stakeholders, provide a great airport experiences and innovative travel services wanted by our customers, provide operational excellence, achieve sustainable growth and develop our people.

DELIVER GREAT CUSTOMER SERVICE AND OPERATIONAL EXCELLENCE

Make MAG's Airports the place where the excitement of a journey really begins by providing an experience that customers trust will be efficient, reliable and friendly – using technology and data to drive high levels of productivity and predictability.

MAG wants its Airports to be highly regarded for the mix of value, service and choice they provide. They will have a reputation for good customer service, delivered through operational excellence.

To achieve this, the use of technology and data will be embedded across all Airports, driving high levels of asset utilisation, productivity and colleague engagement.

GROW OUR CORE AIRPORTS BUSINESS

Maximise the commercial potential of the Airports by offering value and choice to our customers, making the best use of our airports' capacity.

Long-term commercial partnerships with MAG's airlines will drive growth by ensuring the Airports remain highly competitive and offer strong opportunities for network development. Manchester Airport will strengthen its role as the UK's second global hub through the completion of its £1.3bn Transformation Programme, helping secure a range of new global connections.

London Stansted will offer capacity to airlines seeking to serve growing demand for access to London, as well as playing a key role in supporting the growth of the East of England region.

East Midlands will work with major cargo operators to grow freight volumes and compete to attract airlines to serve regional passenger demand.

MAG will enhance the competitiveness and growth potential of the Airports by working with Government to deliver strategic rail investment in the North, and improved rail connectivity to London Stansted.

(*see 'Airport Growth Strategy' section below for further details*)

INVEST IN OUR AIRPORTS

Develop new facilities and infrastructure to meet long-term growth in demand and make optimal use of current runway capacity.

MAG plans to deliver Phase 2 of the Manchester Airport Transformation programme by 2025 to enable growth to around 45m passengers a year.

At London Stansted, plans have been unveiled to grow passenger capacity to 43m passengers a year. At East Midlands, we will explore funding options for investment in additional cargo capacity to meet long-term demand.

The Airports will invest in next generation security technology within agreed timescales.

(*see 'G. Focused investment plans to increase terminal capacity at MAN and STN and offer world class passenger facilities' for further details*)

DEVELOP AND SCALE CAVU

Use CAVU's single platform, commercial expertise and expansive distribution network to help airports and other related businesses across the globe unlock value from the end-to-end passenger journey, making airport travel seamless and enjoyable for everybody.

Growth will be delivered by increasing the volume and value of transactions flowing through our distribution network which will be increasingly powered by our new single platform, propel™.

This will be achieved by increasing the depth and breadth of the inventory offering within our marketplace and by adding more sessions to reach more customers in both existing and new channels.

CAVU will increase lifetime value and lower cost of sale by deepening our relationship with customers in a way that builds further loyalty and retention.

DECARBONISE AVIATION

MAG will continue to lead work with industry partners and governments to decarbonise air travel over the period to 2050 so that future growth in demand is sustainable and achievable.

MAG will progress the Net Zero Transition Plan to deliver net zero airport operations by 2038 through the implementation of a range of programmes to reduce emissions by 2030.

These include developing business cases for investment in renewable energy projects, negotiating a long-term power purchase agreement and incorporating embodied carbon assessments in capital delivery processes to ensure emissions are taken into account in design and development.

MAG will complete airspace modernisation programmes at all our airports by the late 2020s.

MAG will work with the UK Government – through its membership of the Jet Zero Council and other industry forums – to ensure the UK is on-track to achieve net zero by 2050. MAG will support the Government in maintaining global agreements on aviation decarbonisation and develop our own industry partnerships to secure investment in sustainable aviation fuel plants across the UK.

(*see 'Corporate Social Responsibility' section below for further details*)

ACHIEVE SUSTAINABLE GROWTH IN SHAREHOLDER VALUE

MAG will grow shareholder value by taking a responsible and sustainable approach to managing and developing our business, balancing the needs of our customers, passengers, colleagues and the communities in which we operate.

MAG's objectives are to retain strong investment grade credit ratings, and to secure efficient borrowing costs on planned bond issues. MAG will also work to ensure our core capex and mandatory capital schemes are aligned to our agreed funding model, achieve sustainable transformation efficiencies, finalise and implement a new aviation tariff strategy and explore new revenue streams to add shareholder value.

DEVELOP A BRILLIANT, DIVERSE AND INCLUSIVE TEAM OF PEOPLE WHO SHARE OUR VALUES

Create a high-performing team with the culture and capabilities that we need to deliver our strategic objectives and achieve our mission.

This priority underpins MAG's ability to deliver all the other elements of its strategy. Having worked with colleagues to co-develop a refreshed set of values that reflect and guide behaviour, MAG will work to improve employee engagement by embedding the new employee value proposition and ensuring the creation of a high-performance culture is a key focus for all leaders.

In line with MAG's Equity, Diversity and Inclusivity (ED&I) targets, we will seek to achieve a step change by implementing change programmes, with a particular focus on driving improvement at leadership level.

AIRPORT GROWTH STRATEGY

One of the key focuses of MAG's corporate strategy is to grow their Airports business through maximising the commercial potential of the Airports by offering value and choice to its customers and making the best use of its airports' capacity. The sections below set out in more detail on how MAG intends to unlock further capacity and growth opportunities.

A. Growth Strategy of MAG

MAG will use its strength as a Group to grow passenger traffic across the Airports, capitalising on underlying economic growth and creating new markets. MAG will achieve these aims by:

Deepening its engagement with carriers to create cross-opportunities between its Airports – MAG has an on-going process of account management with its airline customers to encourage its customers to add frequency, increase average aircraft size and introduce new routes and aircraft at the Airports where such customers are already based. This management enables MAG to utilise its relationships to encourage such airline customers to commence new services at its other Airports where such airline customers do not have a presence.

Aviation pricing strategy to encourage growth at the Airports – MAG will ensure pricing tariffs reflect the various factors necessary to profitably grow passenger traffic and profitability, as well as meet the competitive threat from other airports in the UK.

Developing and utilising MAG's understanding of the airline market – MAG will leverage its in-depth knowledge of the key economic and social drivers of demand at a route specific level, such as corporate travel demand, economic drivers, foreign student flows and factors impacting VFR. It will use its knowledge of local areas to more effectively market new routes to its airline customers.

Further target major alliances as well as individual airlines – MAG will continue to build on its existing relationships with more than 81 major airlines, including established and industry-leading low cost carriers, international full service airlines (including carriers from the three airlines alliances) and a wide range of charter, cargo and regional airlines that operate within its Airports, as well as creating relationships with potential new airline customers, to create new business opportunities.

Changing market perceptions of the Airports by active marketing – The perception of the Airports held by airline and retail customers informs the level of demand and the type of business that such customers have at the Airports. Currently, MAN and STN are regarded as primarily leisure markets. However, MAG airports are well located to capture business passengers, particularly STN, which provides good access to London, a leading financial centre. The Airports also are well placed to increase their long-haul flights enabling the Airports to be seen as more than low cost carrier bases.

Increased marketing to passengers – MAG will work with airlines on new and existing routes to market MAG as a gateway to the North-West and London.

Increasing cargo business – The ability for MAN and STN to hold all types of aircraft (including the larger Airbus A380s) will ensure that such airports retain a competitive advantage in the cargo market as more airline customers utilise bigger aircraft to increase freighter capacity. With STN being the only London airport with spare capacity, it is well placed to benefit from any increase in freight.

B. Manchester Airport's Growth Strategy

MAG's strategy has successfully accelerated the recovery from the pandemic and growth of the business at MAN through the following measures, demonstrating the success of management's approach:

Broadening the carrier network and the route base at Manchester Airport – The strategy of broadening the route base led to a focus on new markets such as Shanghai, Las Vegas and Kuwait, with further connectivity added through Aer Lingus' new long-haul aircraft base, serving New York, Orlando and Barbados.

MAG is committed to pursuing opportunities to currently unserved markets, engaging with key global airlines currently not serving MAN, and developing proposals for growth by MAG's existing airlines. Key full service airline targets include North American legacy carriers, Thai Airlines and Air India. The opening of new routes into new markets has reduced passenger leakage from MAN to airports in London as more passengers can now fly to their destinations from MAN rather than having to travel to London airports.

MAG recognises the importance of regaining lost connectivity as a result of the Covid pandemic and collapse of Thomas Cook Airlines. While capacity from Manchester in the calendar year 2024 was scheduled to be at 106% of 2019 levels, capacity to the United States remains at only 64% and Canada 59% of 2019 levels (*Source: OAG Schedules 2024*). MAG sees an opportunity to re-connect at a large scale the North of England with North America and drive the recovery and growth of long-haul passenger numbers.

MAG is incentivising its airline customers to operate more flights at off-peak times. This gives the airline customers an opportunity to increase their flight capacity, while also increasing passenger footfall and increasing the utilisation of the infrastructure of the Airports (including the retail areas) at times that usage would otherwise be lower.

Expansion of Low Cost Carrier services and new airline contracts – Prior to the economic downturn of 2008, MAG's strategy did not include a focus on the low cost carrier market. The new management team changed this policy and focussed on strengthening the relationship between MAG and the principal low cost carriers.

Low cost carrier performance and recovery has been strong. In the calendar year 2024 vs 2019, Ryanair was at 119% of scheduled, easyJet at 107%, Jet2 at 128% and Tui at 115%. MAG's focus on these carriers has enabled a quick recovery and continued growth (*Source: OAG Schedules*).

MAG intends to continue to: (i) deploy an attractive pricing strategy that encourages growth, focussing on the value of peak capacity at the Airports and reducing passenger volatility by retaining an off-peak pricing policy; and (ii) work with incumbent airlines to secure contracted accelerated growth (including Ryanair, easyJet, Jet2 and Tui).

Non-Aeronautical revenues – Since 2017 commercial yields have grown by 40 per cent at MAN (2024: £10.8/pax[13]; 2018: £7.7/pax) (*Source: MAHL Annual Report and Accounts 2018 and MAGIL Annual Report and Accounts 2024*). Yields have been improved with the opening of the new c. £1 billion Terminal 2 extension in 2021 helping to deliver income and yields above pre Covid-19 levels.

Terminal 2 phase 2 work is ongoing allowing MAN to optimise the retail mix and deliver a best in class experience for passengers.

MANTP Phase 2 – MAN is making further investments to complete the transformation of the MAN campus into a world class operation, with significant further enhancements to current facilities and major improvements to the customer experience. (Please refer to *"MAN Transformation Programme*" under the chapter *"Business of Manchester Airports Group"* for more detail).

[13] 2024 yield is net of commission paid to CAVU as part of the commercial arrangement for CAVU to distribute certain car parking and FastTrack products

C. Stansted Airport's Growth Strategy

Following the acquisition of STN in February 2013, strong revenue and passenger growth has been achieved, with passenger numbers of 28.5 million in the 12 months ended 31 March 2024, adding 11 million (63 per cent.) more passengers since acquisition.

MAG's strategy to grow passenger numbers at STN is to compete with London airports for airlines, routes and passengers through a value proposition based on service quality, underpinned by a strong catchment area, and in so doing grow STN's market share.

Increasing STN's market share

In order for STN to grow market share, it seeks to take advantage of the shortage of spare capacity in London, which pre-pandemic was the largest in the world (*source: Cirium*). Market share growth will continue to be driven by existing carriers such as Ryanair, Jet2. Pegasus, easyJet and Turkish Airlines.

As presented in the table below STN market share has increased. from pre-pandemic, 2019 levels to now constituting 16.7 per cent of London traffic. At the time of acquisition STN's share of the London market was 12.9 *per cent*.

Figure 16 – London Market Passenger Traffic (Year ending 31 March, source: CAA data)

Passengers (million)	**2013**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Heathrow	*70.3*	80.3	77.6	9.1	27.3	69.2	80.7
Gatwick	*34.1*	46.4	44.4	2.8	9.9	36.5	41.7
STN	*17.5*	28.4	26.9	3.1	10.3	25.5	28.5
Luton	*9.6*	17.2	17.5	2.9	6.3	14.6	16.4
London City	*3.1*	4.9	4.8	0.1	1.1	3.4	3.5
Southend	0.8	1.5	2.1	0.1	0.1	0.1	0.2
Total London market	**135.4**	**178.7**	**173.2**	**18.1**	**54.9**	**149.2**	**170.9**
STN market share	**12.9%**	**15.9%**	**15.5%**	**16.9%**	**18.7%**	**17.1%**	**16.7%**

***Increasing passenger growth at STN* –** MAG intends to continue passenger growth at STN by:

- *Broadening the carrier network and widening the route base* - MAG will utilise the strong airline relationships it has to encourage new routes to be opened from STN and create a greater variety of airlines operating at STN. In the calendar year 2023, 26.7 million passengers that originated in the STN catchment area flew from Gatwick Airport and Luton Airport. 20.2 million passengers flew to destinations currently served by STN, which creates the potential to attract such passengers to STN. 6.5 million passengers flew to cities not served by STN which creates further potential to increase passenger numbers by expanding the routes served by STN. There is significant demand from STN's catchment area for short-haul destinations in Europe, and long-haul destinations in North America, the Middle East and Asia.

- *Improving Non-Aeronautical revenues* – Since 2017 commercial yields have grown by 30 per cent. at STN (2024: £9.0/pax; 2018: £6.9/pax) (*Source: MAHL Annual report and Accounts 2018 and MAGIL Annual Report and Accounts 2024)*. STN commercial yield growth in 2024 was primarily delivered from strong performance of duty-free and food and beverage offerings. Retail planning is now underway as progress with the London Stansted Transformation Programme continues.

- *Harnessing Low Cost Carriers by incentivising them to grow passenger volume* - Ryanair remains the largest carrier at STN and STN is its largest base. In 2021, STN signed its latest long-term agreement with Ryanair to March 2028 (see "*Stansted Long-Term Commercial Agreements*" below). Since commencing operations in 2017, Jet2 has expanded its base at STN from six aircraft to 17 for the summer 2024 season, with 2.4 million passengers in the year ending 31 March 2024. Pegasus Airlines delivered 860,000

passengers last year and serves multiple destinations in Turkey, with Istanbul (Sabiha Gokcen) their main base.

- *Incentive structures to drive growth in capacity* - STN is the only London airport which has additional material runway capacity and over time demand will exceed supply, and MAG therefore expects discounts to be reduced over time as the incentive to drive growth changes. Management has made STN highly competitive in the London catchment area and is exploring different pricing structures to drive growth.

- *Implementing operating efficiencies* - MAG will also continue to use its experience of growing MAN to implement operating efficiencies by (a) the transfer of best practice; and (b) obtaining cost savings through group synergies.

- *Stansted Transformation Programme* – Rapid traffic growth has led to terminal capacity constraints during peak periods. The terminal extension will provide the space and capacity STN needs to provide a great passenger experience at every touchpoint and will enable STN to grow within its approved passenger limit of 43 million passengers, making best use of the single runway.

Stansted Long-Term Commercial Agreement – Since its acquisition by MAG, STN has put in place a long-term commercial agreement with its principal airline customer, Ryanair. Under the terms of the commercial agreement, Ryanair is incentivised to increase certain key metrics such as passenger traffic. If the airline meets set targets, it will obtain certain financial rebates. These agreements therefore provide greater confidence for future revenue generation.

STN has commercial agreements with most of its major carriers that range in length from between three and seven years. Airlines are at different stages of these agreements and some new agreements are currently being negotiated.

D. East Midlands Airport's Growth Strategy

East Midlands Airport is the UK's premier cargo hub for pure freight aircraft flying more tonnes than any other UK airport. Throughout the pandemic, EMA was a key destination for cargo with strong year-on-year growth leading to a record 455,000 tonnes of air freight passing through EMA in the year ending 31 March 2024. Whilst air cargo volumes have normalised to 369,000 tonnes of freight in the year ending 31 March 2024 (still ahead of pre-pandemic volumes), EMA is well positioned to take advantage of further growth in this market.

Competitive environment – With the closure of Doncaster Airport, EMA is now positioning itself to be the ad-hoc charter destination of choice for the UK. With spare capacity and experienced ground crews, EMA expects this to be a growing segment. Heathrow's removal of ad-hoc slots from freight aircraft has driven further cargo flying volume to EMA.

Established operators - UPS, DHL and FedEx have all made sizeable investments into EMA's cargo campus and are well established on the airport property. EMA is well placed to continue to grow cargo tonnes in co-operation with these three operators.

European hub connectivity – With significant leakage to long haul destinations, passengers located in EMA's catchment are forced to drive to other airports before connecting to a hub for onward travel. In 2023, of the 6.2 million passengers who live in the EMA catchment but flew from another airport, over 560,000 of them had a final destination in North America (*CAA passenger Survey, 2022*). Bringing in a carrier with worldwide connections is a key goal to capture those passengers.

MAG COMMERCIAL ACTIVITIES AND AIRPORT CITY

MAG Commercial Activities

MAG owned investment property with a market value of £166.1 million as at 31 March 2024 (the "**Investment Property**") and which is held by companies within the Security Group (*Source: MAGIL Annual Report and Accounts 2023-24*). The MAG property division manages the investment portfolio comprising offices and cargo properties across the three Airport sites. The division also manages the operational properties across the estate, including in terminal properties (offices, ticket desks, ramp accommodation, executive lounges) – the revenues are relatively stable, reflecting a mature asset and tenant base; and in the year ended 31 March 2024 in aggregate, income totalled £19.1 million. The tenant base is diverse, including some of MAG's airline customers, cargo operators, but also numerous examples of non-aviation related customers who see the benefit of locating next to strong transport links.

On 7 August 2020, the Group completed the sale of the majority of its non-core property portfolio and a 50% shareholding in its Airport City joint venture to Columbia Threadneedle Investments and received net proceeds at the time of sale of £352.8 million. The Group also sold the residual elements of the non-core property portfolio for a further £59.2 million in October 2020. (*Source: MAHL Annual Report and Accounts 2020-21*)

MIX Manchester Investment (formerly Airport City)

Airport City (Manchester) Limited holds property outside of the Security Group (see "*Overview of Manchester Airports Group and the Programme*" for more details as to the position of Airport City in the Manchester Airports Group structure). The Manchester Airports Group holds a 20 per cent. share in the MIX Manchester development at MAN, reflected as a balance of £7.7 million held as an investment in associate as at 31 March 2024. (*Source: MAHL Annual Report and Accounts 2023-24*)

MIX Manchester, formerly Airport City Manchester, is a joint venture project between the Manchester Airports Group, Columbia Threadneedle Investments ("**CTI**"), Beijing Construction Engineering Group International ("**BCEGI**"), and the Greater Manchester Pension Fund ("**GMPF")**, that was formally constituted on 8 October 2014.

During 2025, the development was relaunched as MIX Manchester, in order to reposition the development within the market from an office development to focus on science, innovation and manufacturing, replacing the Airport City Manchester brand going forward. MIX Manchester has the capacity to deliver 2 million square feet of high-quality advanced manufacturing, R&D, laboratory and office space, together with on-site amenities including hotels, leisure facilities and public spaces. (*Source: mix-manchester.com website*)

The scheme can broadly be categorised between North (advanced manufacturing, hotels and offices) and South (logistics). The South site is complete following anchor tenants being secured on two major road fronting sites resulting in the sale of the remainder of the South site completed in July 2017.

Infrastructure works to unlock the North site are well progressed, with the link road "Enterprise Way" completed in 2018 and pedestrian bridge linking to the main airport completed in 2020. There is strong hotel demand at Manchester, with both Holiday Inn Express and Ibis completing in 2022 and Tribe hotel completing in 2024. Deals to develop further hotel beds on site are well progressed with both Premier Inn and Dakota Hotels submitting planning applications during 2024. The advanced manufacturing and office elements of the site will be focused on demand from the life sciences manufacturing sector.

CAVU

In March 2020 CAVU was created from the union of MAGO (MAG's digital division), MAG US and MAG's direct-to-consumer distribution brands including, Looking4Parking, Skyparksecure Airport Parking Reservations.com and ParkSleepFly. Separately, these companies have driven MAG's role as an airport innovator

across three continents since 2015. CAVU subsequently acquired additional distribution branks Parkvia in May 2023 and Parkos in October 2024, further growing its inventory and channels.

CAVU operates as an agency serving MAG Airports and external clients around the world. The organisation helps airports and others within the sector to develop solutions to enhance their offering to travellers. CAVU focuses on delivering products including E-commerce platforms, digital marketing services and the deployment of premium passenger experiences such as lounges.

Over the last decade, CAVU has established a strong track-record for developing and expanding its offering both directly to passengers and through the services we provide to partners in the travel sector. CAVU has developed a commercial agility, digital skillset and a deep understanding of the passenger that enables us to stimulate demand and grow revenues at our airports. This capability creates new opportunities for growth on a global scale.

CAVU enable their client (airports and other related businesses within the sector including MAG), to create better travel experiences and increase revenue by helping them stimulate demand for their products and services through its global distribution network. Enabled, by propel™, CAVU's new proprietary e-commerce platform supported with a range of commercial products and services, CAVU helps clients unlocking value from the end-to-end passenger journey.

Propel™ enables customers to buy a bundle of products (parking, transfers, hotels etc) by putting them into a single basket and checking out with a seamless transaction via any one of its distribution channels.

CAVU's operations are split across 2 distinct divisions; Marketplace and Experiences. Both operate globally across 3 regions, the Americas ("**AMER**"), Europe, Middle East and Africa ("**EMEA**") and Asia Pacific ("**APAC**") together served by a centralised head office function based in the UK.

The principal activities for the two divisions are as follows:

Marketplace connects travel product operators (e.g. car parks) to end consumers via an online marketplace and booking agent through own channels (CAVU owned and branded websites, e.g. Looking4Parking), direct channels (websites which CAVU manages on behalf of a client via contract, e.g.: Manchester Airport) or indirect channels (third party websites in which bookings are taken relating to CAVU inventory, e.g. an airline booking flow).

Marketplace products span 40 countries, 400 airports and 3,421 individual products as at the date of this Prospectus.

Building on its proven track record for driving above market yield growth at MAG Airports through unique revenue management, AI based pricing tools and digital marketing capabilities, CAVU productised its eCommerce trading expertise and sells it as a commercial service to multiple airports and partners across EMEA, AMER and APAC.

Experiences reflects CAVU's physical operations, operating Airport passenger lounges under concession agreements with Airports across the US, UK and Australia.

In the twelve months to 31 March 2024 CAVU generated EBITDA of £63.4 million. CAVU's ambition is to develop into a £150+ million EBITDA business over the medium term. To achieve this, CAVU will adopt a 'buy and build' strategy to accelerate growth, achieve necessary scale and market share.

CAVU has already been successful in scaling the business in its two divisions through organic and inorganic growth.

Marketplace

In EMEA, CAVU's distribution brands of Looking4Parking ("**L4P**") and Skyparksecsure ("**SPS**") were acquired in 2018, with SPS covering the UK, and L4P delivering inventory across Europe and Australia. In addition, CAVU acquired Parkvia in May 2023 and Parkos in October 2024, to further complement its existing channels, inventory and expertise in Europe.

CAVU's arms-length intelligent performance contract with each of the MAG Airports was established in 2022, and sees it provide e-commerce trading services, digital marketing and a booking platform in exchange for a market facing commission, which incentivise growth and a partnership approach between CAVU and the Airports.

In AMER, MAG acquired its distribution brands in 2020 – Airport Parking Reservations, Park Sleep Fly, and Shuttle Finder, serving the lucrative US travel market.

CAVU has expanded its operations in the APAC region with contracts with Airports and parking providers in Australia and New Zealand and is pressing ahead with further expansion in this area.

Experiences

In EMEA, CAVU operates the Escape and 1903 lounges at the MAG Airports (five lounges at MAN and one each at STN and EMA), together with the self-operated F&B units of 'Hangar' at MAN. CAVU opened its first UK lounges outside of MAG Airports in 2023 after winning the Bristol Airport lounge concession, and has also transformed the 'PremiAir' brand at Manchester into the 'aether' brand which offers a premium travel experience and opened in November 2024. A new lounge at Edinburgh Airport is contracted and will open to passengers in February 2025.

Following the opening of lounges at Fort Lauderdale and Columbus in the year to 31 March 2023, and most recently Syracuse in June 2023, CAVU now operates 15 lounges in the US at 13 different airport locations. Progress has been made during 2024 to expand the revenue channels in the US with a new Priority Pass access deal and several new airline contracts. In the first quarter of 2025, a further 5 locations will go live at Portland, Kansas City, Tulsa, Northwest Arkansas and San Juan. Work continues to pursue opportunities to further increase its footprint, with RFPs coming to the market frequently and a number of direct deals with airports in the pipeline.

CAVU's first lounge outside of the US and UK will open to passengers in April 2025 after winning a competitive tender with Brisbane Airport, Australia. Other opportunities are being pursued within the APAC region to further grow the Escape brand.

SUPPLIERS

MAG's procurement and contracts team work closely with budget holders to balance the operational needs of the business with the need for best value and the adherence to all relevant regulations, including the Utilities Contracts Regulations 2016. A procurement and contracts policy, containing ten key procurement principles, is in place to ensure that all activities follow best practice processes and promote the necessary governance and controls, as well as being aligned with MAG's corporate vision and strategic intent.

MAG's "Procurement and Contracts Sourcing Process" has achieved external accreditation from the Chartered Institute of Procurement and Supply. Suppliers are sourced in accordance with this gated process. Where possible and advantageous, contracts are leveraged across MAG.

Other Material Suppliers

MAG has many key suppliers operating within a category management structure. All material suppliers contract with entities within the Security Group. All contracts are completed in accordance with MAG's procurement and contracts policy. Key contracts are in place with partnering suppliers across all categories; "Capital and Construction", "Facilities Management" and "Engineering" and "Professional Services" and "IT" for the provision of goods, works and services including "NATS", "Utilities", "Police Services", "Insurance" and "Security and Screening Equipment". These are supported by several framework agreements which have been procured to support the efficient and compliant management of the capital spend across MAG.

UK Power Networks (formerly EDF Energy PLC) ("**UKPN**") provides all of the electrical power distribution and maintenance of the distribution systems at STN. STN transferred the electricity distribution systems to EDF Energy PLC in 1993 by way of a 90-year lease expiring in 2083 and with an annual fee that is linked to volume and investments made by UKPN in the power distribution systems. MAN has retained ownership of its electrical power distribution system and accordingly no similar arrangement exists.

PENSIONS AND EMPLOYEES

Pensions

MAG Pension Savings Plan

MAG participates in Legal & General's Mastertrust which is a multi-employer trust-based defined contribution pension scheme for all qualifying employees. The scheme is the MAG Pension Savings Plan (the "**DC Plan**"). A board of professional independent trustees are in place to manage the DC Plan. The assets of the scheme are held separately from those of MAG in funds under the control of trustees.

The total cost charged to income of £13.3 million in the year ended 31 March 2024 (2023: £12.5 million) represents contributions payable to these schemes by MAG at rates specified in the rules of the plans.

The DC Plan has been used as the vehicle to provide pension benefits for all new employees at MAG since 1 April 2020.

Prior to this MAG operated an occupational pension scheme (M.A.G Defined Contribution Pension Scheme – the "**DC Scheme**") established under trust. The sponsoring employers together with the trustees decided that the DC Scheme should close and that future contributions and existing investment monies would be transferred to the Legal & General Mastertrust. Accordingly, the final contributions to the DC Scheme were in respect of the March 2020 payroll. The majority of investment monies of members were transferred to the DC Plan on 11 August 2020. Monies held in a property fund in March 2020, temporarily suspended dealing until 26 October 2020, similar with many property funds. Following the lifting of the trading suspension, these monies were disinvested and paid to the DC Plan on 3 November 2020. The DC Scheme was subsequently wound up.

There were 6,539 active members of the DC Plan as at 31 March 2024 with a further 5,823 deferred members, with approximately £185 million assets under management.

There are three main sections in the DC Plan as outlined below:

Section	Employee contribution rate (Pensionable Pay)	Employer contribution rate (Pensionable Pay)
Auto Enrolment	3%	6%
Colleague*	3% - 6%	6% - 10%
Leadership	5%	11%

*Some employees remain on a legacy contribution structure of 2.5% employee and 5.5% employer contribution rates.

The "Leadership" section is available to a closed group of senior employees at MAG. From 1 April 2025, employees will only be eligible to join the "Colleague" section.

Employees that satisfy the government's eligibility criteria are automatically placed in the "Auto Enrolment" section of the Plan. Employees are free to join the "Colleague" section to take advantage of the higher life assurance option that is provided to those individuals who elect to join the DC Plan and higher contribution rates.

Following the acquisition of STN, employees who were members of BAA's Defined Contribution Scheme were offered the option to join the M.A.G Defined Contribution Pension Scheme on existing BAA contribution rates. This section is closed to new entrants and was transferred to the DC Plan with all members of the DC Scheme.

As part of MAG's risk management strategy and following consultation with scheme members, the defined benefit schemes were closed to future accrual in the year to 31 March 2022. Individuals who voluntarily elected to leave the defined benefit schemes on 30 September 2019 or at the date of scheme closure, are entitled to enhanced contribution rates. This section is closed to new entrants.

Pensionable Pay, for the majority of employees, in relation to the DC Plan is basic salary plus shift allowance.

Defined benefit schemes

During the year, MAG participated in four defined benefit pension schemes as follows:

- The Greater Manchester Pension Fund ('GMPF');
- M.A.G (STAL) Pension Scheme ('STAL');
- E.M.I.A. Pension Scheme ('EMIA'); and
- Airport Ventures Pension Scheme ('AVPS'),

collectively the "**Schemes**".

In the FY24 disclosures, AVPS and GMPF were collectively shown on the ground of materiality and labelled as 'Other'.

Under the Schemes, the employees are entitled to retirement benefits based on salary and length of service at the time of leaving the Schemes, payable on attainment of retirement age (or earlier withdrawal or death). No other post-retirement benefits are provided.

Total regular employer's pension contributions for the Schemes across MAG during the year ended 31 March 2024 amounted to £0.4 million (2023: £7.4 million) and there were no one-off contributions during this period (2023: nil).

All Schemes are closed to new entrants. AVPS was previously closed to the future accrual of benefits, and the GMPF, STAL and EMIA were closed to the future accrual of benefits during the year to 31 March 2022.

In FY23, MAG settled the deferred debt agreement (DDA) it had entered into with GMPF the previous year. At that time, MAG's obligations to GMPF ceased other than the ongoing commitment of unfunded liabilities. At 31 March 2024, those unfunded liabilities amounted to £3.6 million (2023: £3.9 million).

Summary of changes in aggregate IAS19 pension fund surplus

	Total (£ million)
Net surplus as at 31 March 2023	86.6
Administration expenses	(1.2)
Contributions	0.4
Other financial incomes	4.1
Actuarial loss	(12.1)
Net surplus as at 31 March 2024	**77.8**

(Source: MAGIL Annual Report and Accounts 2023-24)

M.A.G (STAL) Pension Scheme

On 28 February 2013, the Group acquired the entire share capital of Stansted Airport Limited. A condition of the purchase was that a new defined benefit pension scheme was set up to provide comparable benefits to those employees who had previously participated in the BAA pension scheme prior the acquisition. Current employees transferred their accrued benefits to STAL, but no liability for pensioners or deferred members was transferred. STAL was closed to future accrual during FY22.

The last full actuarial valuation of STAL was carried out by the Scheme Actuary on 30 September 2022. The aggregate market value of the assets was updated by a full valuation and at the date of that actuarial valuation was £197.9 million (previous valuation £198.8 million), which represented approximately 124% (previous valuation 89.3%) of the present value of the liabilities. STAL was valued using the projected unit method. There are no expected future contributions for the year ending 31 March 2025.

Other Schemes

The last full actuarial valuation of EMIA was carried out by the Scheme Actuary on 6 April 2023.

The aggregate market value of the assets in EMIA at the date of the actuarial valuation was £68.8 million (previous valuation £60.6 million), which represented approximately 107% (previous valuation 67%) of the present value of the liabilities. EMIA was valued using the projected unit method. There are no expected future contributions for the year ending 31 March 2025.

The other schemes are not significant to the Group and details of their valuations have not been included.

On 31 July 2024, AVPS merged into EMIA, on a non-sectionalised basis. As part of this, the principal employer of AVPS has transferred from Manchester Airport Limited, who have taken on responsibility for the transferring AVPS liabilities. Due to immateriality reasons, the AVPS and EMIA have not been remeasured at 31 July 2024. The merger has been treated as a transfer of assets and liabilities from AVPS to EMIA. Following the transfer of assets and liabilities to EMIA, the AVPS had nil liabilities and assets.

IAS 19 Accounting Assumptions

The numerical disclosure provided below for the defined benefit schemes is based on the most recent actuarial valuations disclosed above, which have been updated by independent qualified actuaries to take account of the requirements of IAS 19. The key financial assumptions used are as follows:

	STAL 2024	**EMIA 2024**	**Other 2024**
Rate of increase of pensions in payment*	3.05%	3.10%	3.25%
Discount rate	4.90%	4.90%	4.90%
RPI inflation	3.15%	3.20%	3.20%
CPI inflation	2.55%	2.50%	2.70%

*key pension increase assumption for each respective scheme

Employees

The average number of persons (including Executive Directors) employed by MAG as at 31 March 2023 and 2023 was:

Airport	**2024**	**2023**
Manchester Airport	3,224	2,716
London Stansted Airport	1,935	1,759
East Midlands Airport	682	601
CAVU	702	533
Total	**6,543**	**5,609**

Manchester Airport includes Head Office, Looking4Parking and SkyParkSecure as well as operational employees, based on where these employees are geographically located. Group employees are allocated proportionately across the three airports based on headcount. The calculation for the average number of employees for both 2024 and 2023 reflects full-time equivalent ("**FTEs**") employees.

RELATED PARTY TRANSACTIONS

MAG has entered into, and may from time to time in the future enter into, transactions with certain affiliates of MAG and its shareholders. All such contracts are and will be negotiated on an arm's length basis and, where applicable, are subject to the requirements of EU and UK legislation. The principal related party transactions are with (a) MCC which owns 35.5 per cent. of the share capital of Manchester Airports Holdings Limited, the ultimate parent company of MAG, (b) nine local authorities which own 29 per cent. of the share capital of Manchester Airports Holdings Limited and (c) IFM Investors which owns 35.5 per cent. of the share capital of Manchester Airports Holdings Limited.

Included in external charges are charges for rent and rates amounting to £17.2 million (2023: £37.3 million) and other sundry charges of £0.2 million (2023: £0.1 million). The majority of these amounts are due to MCC. The remainder are collected by MCC and distributed to other local authorities.

MCC Land Lease

The majority of the land at MAN is held under leases which were granted by MCC between 1986 and 2007. Key properties under these lease arrangements include: Terminal 1, Terminal 2, Runway 1, Runway 2, the MAN railway station and rail link and other miscellaneous lands.

Ground rent leases are a base fee of £2.8 million, and this element of the lease contributed £52.1 million to the closing lease liability in land and buildings as at 31 March 2024.

Further minimum amounts are payable under the main lease agreement with MCC, one element is variable based on turnover, and one element based on rental value of a number of properties at Manchester Airport. The minimum amounts due on the turnover element are based on a percentage of the prior rent paid. Management have concluded that these minimum percentage payments qualify as an in-substance fixed lease payment. Together the two elements contributed £138.6 million to the closing lease liability as at 31 March 2024.

In 2021 the sale of the non-core property portfolio represented a trigger event on additional supplementary lease to the main agreements. In the year ended 31 March 2024, this contributed £11.2 million to the closing lease liability.

Shareholder Loans

As at 31 March 2024 shareholder loans to MCC, IFM Investors and the other nine local authorities for £901.9 million (2023: £901.9 million) were outstanding, together with £276.9 million (2023: £277.4 million) of accrued interest on loans deferred between March 2020 and September 2022) but the borrower (Manchester Airport Finance Holdings Limited) is outside of the Security Group.

Insurance

MAG's insurance department (supported by insurance brokers and the insurers' appointed claims handlers) provides risk management, insurance and claims handling services to MAG, arranging both an annually renewable insurance programme and specific one-off cover as required.

The majority of current programme is renewable from 1 April 2025, and includes the following insurance cover for MAG (all subject to relevant limits and deductibles):

- Property Damage including Terrorism
- Business Interruption including Terrorism
- Employers' Liability and non-aviation Public Liability

- Airport Owners and Operators Liability
- Excess Aviation War and Terrorism (AVN52G)
- OCIP Airport Contractors' Public Liability
- OCIP Contract Works Including Terrorism
- Directors' and Officers' Liability
- Motor Fleet and Motor Trade
- Personal Accident and Travel
- Engineering Inspection and Insurance
- Contractors Plant (including terrorism)
- Cyber and Data Risks
- Professional Indemnity

The following policies have other annual renewal dates as noted below:

- Stansted - Property Owners including Terrorism (May)
- Manchester - Property Owners including Terrorism (September)
- Pension Fund Disability Benefit (October)
- Airport City and Victoria PI (July)
- Technology PI (July)

Insurance cover is provided by a diverse number of insurance market entities.

LITIGATION

In June 2023, MAG received notification from the Environment Agency ("**EA**") that they intend to prosecute EMA for alleged breaches of EMA's surface water permit for its discharge point into the River Trent during the period from 2020 to 2022. The EA is continuing to investigate further alleged breaches after this period. A trial is due to take place in May 2025. EMA has pleaded not guilty to all charges. If found guilty, it is likely EMA will be subject to formal undertakings for remediation works and/or fines determined with reference to the sentencing guidelines, MAG's turnover and the severity of the alleged breaches. MAG is continuing to co-operate with the EA in relation to their investigations. The potential proceedings are not expected to have a significant effect on the financial position or profitability of any of the Obligors and their respective subsidiaries. There are no, and have not been, any other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the relevant Obligor is aware) in each case within a period of 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of any of the Obligors and their respective subsidiaries.

There are no, and have not been, any other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in each case within a period of 12 months

preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

CORPORATE SOCIAL RESPONSIBILITY

MAG's Corporate Social Responsibility ("**CSR**") strategy is an important and integral part of our business strategy which is designed to enable us to deliver growth in a way that benefits local and regional communities and minimises the impacts associated with our operations.

MAG wants to focus on making an impact, and hope that by looking at wider issues such as education, skills and the environment; it can build a business that serves the interests of our neighbours and the wider area.

MAG believes that sustainable and resilient growth of the aviation sector is a positive force for a prosperous UK economy.

MAG are determined to support the communities and regions that we serve through decent and equitable job opportunities for all. MAG's 2020–2025 (CSR) Strategy, 'Working Together for a Brighter Future'[14], sets out MAG's ambitions and what it plans to achieve across Manchester, East Midlands and London Stansted Airports over this five-year period.

The strategy embodies MAG's commitment to creating a brighter future for all, leaving a sustainable legacy and acting as an environmentally and socially responsible organisation. MAG's Strategy is guided by consultation and collaboration with its stakeholders and founded on the principles of materiality. Since the publication of its strategy, MAG consulted stakeholders through a sustainability materiality assessment in 2020 and again in 2022, ensuring the strategy continues to address the issues that are most important to its stakeholders. A re-evaluation of its priorities has assured MAG that the bold commitments it set back in 2020 remain valid and continue to drive sustainability throughout MAG's business and wider industry. Following a further materiality assessment, undertaken in 2024, MAG is currently developing a refreshed Sustainability Strategy which will be published later in 2025.

Each year MAG publishes a full CSR report, modern slavery statement and gender pay gap report. Further information on MAG's CSR policy[15] and reports[16] can be found on its website.

MAG has received external recognition of its long standing commitment to corporate social responsibility. Since joining the programme in 2021, MAG has received and retained a five star Environment, Social Governance (ESG) rating in the Global Real Estate Sustainability Benchmark. In 2024, MAG also joined the EcoVadis ESG programme – which it is using to support engagement with supply chain partners. In its first year of participation, MAG achieved a Gold Medal from EcoVadis, placing MAG within the top 5% of rated organisations.

Sustainability Commitments

MAG's CSR Strategy adopts a holistic approach to sustainability, outlining comprehensive commitments across three strategic priorities: Zero Carbon Airports, Opportunity For All and Local Voices. The commitments within

[14] https://www.magairports.com/responsible-business/csr-reports/
[15] https://magairports.com/work-with-us/policies-and-statements/
[16] https://magairports.com/work-with-us/corporate-social-responsibility-reports/

each of these priorities are designed to drive sustainable development at each of our airports and address the issues that matter most to our local communities. Delivering on these commitments will position MAG well to meet its flagship target of achieving net zero carbon operations no later than 2038 – 12 years ahead of the Government's national commitment.

Zero Carbon Airports

This pillar includes initiatives to achieve MAG's flagship target of transitioning to net zero carbon operations (Scope 1 & 2) by 2038, and also to address important environmental topics such as energy use, embodied carbon, waste, water use and pollution prevention.

As founding members of the Jet Zero Council, now the Jet Zero Taskforce, MAG is working closely with the Government and aviation industry partners to support the decarbonisation of the sector. MAG marked the publication of the Jet Zero Strategy in July 2022 by issuing five Jet Zero Pledges relating to education, research, technology, Sustainable Aviation Fuel ("**SAF**") and airspace, to support delivery of the Council's goals.

Building on the UK aviation industry's world-leading 2020 commitment, MAG welcome the historic adoption by International Civil Aviation Organisation member states of the objective to reach net zero by 2050, a crucial development for our sector.

MAG has taken meaningful action towards decarbonisation, including announcement in November 2022 of a partnership with HyNet, and in September 2023 of a partnership with East Midlands Hydrogen, which could direct supply of hydrogen fuel to power future flight. These initiatives complement MAG's partnership with Fulcrum BioEnergy in relation to SAF.

At East Midlands Airport, DHL are investing more than €60m in SAF which could reduce CO_2 emissions by around 70,000 tonnes. Furthermore, Ryanair signed a Memorandum of Understanding with Shell to advance the supply of SAF, with the potential to save over 900,000 tonnes in CO2 emissions. Ryanair is focusing on one of its largest bases, London Stansted Airport, for this project. Similar initiatives have been launched by other airline partners, including Jet2.com who announced a blend of SAF on flights from Stansted Airport in 2024. The volume of SAF used at MAG airports is expected to increase over coming years following the introduction by Government of a national SAF mandate, which increases from 2% in 2025 to 10% in 2030 and 22% in 2040. SAF is a drop-in fuel and compatible with both existing aircraft and airport infrastructure.

As MAG works to reduce the emissions of its operations, it has secured planning permission for a 14.3MW solar farm at London Stansted Airport, with construction due to begin in early 2025.

MAG supports the UK Government's decision to introduce mandatory climate risk reporting in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**"). Recognising the importance of climate change and the need to understand and mitigate climate risk, MAG began reporting against the TCFD recommendations in 2021. An overview of climate-related risks and opportunities and the financial impact of key climate-related risks is included in MAG's Annual Report[17].

Opportunity for All

MAG's 'Opportunity for All' pillar highlights its dedication to fostering a safe, inclusive, and diverse work environment, and creating high quality employment opportunities for everyone.

Each of MAG's airports provides an Airport Academy. The Airport Academies provide a free hub for anyone – from entry level to senior roles – to begin, progress or change their career within the aviation sector. Airport Academy courses include preemployment and upskilling courses across aviation, including diversity and inclusion, customer services and mental wellbeing. Each of MAG's airports has a strategic relationship with a partner college

[17] https://www.magairports.com/work-with-us/investor-relations/

to devise and deliver free, tailored and fully accredited courses relevant to the aviation industry. In the year to March 2024, MAG provided fully-accredited pre-employment training for more than 14,900 jobseekers and free upskilling training for existing colleagues.

MAG worked closely with the Department for Transport on the launch of 'Generation Aviation' recruitment campaign and are using its expertise and specialised education facilities to create a pipeline of future talent for its sector.

During the year to March 2024, more than 5,500 young people visited the MAG Connect Aerozones, which offer high quality, free and engaging learning experiences to local schools and are instrumental in inspiring the next generation of aviation professionals. During the year, MAG opened a new premises for its Aerozone and Airport Academy at East Midlands Airport, with MAG's programmes supporting the education of more than 17,500 children and young people aged four to 18.

By championing Equity, Diversity, and Inclusion ("**ED&I**") in our workplace, MAG can foster a sense of belonging and unleash the full potential of its team members, ultimately driving success for the business. To advance MAG's work in this area MAG established an ED&I forum and has also introduced Colleague Resource Groups (CRGs) including Fly with Pride (LGTBQIA+), EmbRACE (race & ethnicity), the Women's Network, the Disability CRG, the Mental Health CRG and the Parent and Carers' Network.

To ensure that businesses local to MAG's airports also benefit as much as possible from MAG's success, MAG invites local businesses to 'Meet the Buyers' events which are held at each airport. In the year ending March 2024, MAG held Meet the Buyer events at all three airports – with an event held at East Midlands Airport for the first time. In total, more than 500 businesses participated in the Meet the Buyers programmes, generating more than £7.5 million in new contracts for local businesses.

In November 2023, MAG was accredited as a Real Living Wage employer, gaining formal recognition that all people directly employed by MAG receive at least the Real Living Wage and will continue to do so.

Local Voices

MAG's 'Local Voices' pillar outlines our commitment to listening to local communities and responding to local priorities to improve the areas closest to MAG's airports.

The lifting of COVID-19 restrictions in March 2022 meant MAG were physically able to return to the communities around it and re-establish our outreach programme, including attendance at local events and giving talks to communities.

Complemented by the continued use of online channels, MAG's hybrid engagement model enables improved accessibility and reach in working with our stakeholders.

MAG's Airport Consultative Committee meetings provide a key forum for listening to local voices and supporting the management of our Community Funds. During the year to March 2024, MAG held 37 meetings with more than 450 attendees.

MAG understands the value of actively seeking out diverse perspectives, and in October 2022 announced the launch of Youth Forums at each MAG airport to amplify the voices of young people and gather their perspectives. In March 2024, MAG hosted its first Youth Summit, bringing together 70 young people from Youth Forums at each of its airports for a Summit at the East Midlands Airport.

Following the 20th anniversary of East Midlands Airport Community Fund in 2022, MAG celebrated the 25th anniversary of Manchester Airport Community Trust Fund in 2023 and also saw the relaunch of the London Stansted Community Fund. MAG's Community Funds continue to be a core element of our work, and MAG are proud to

have contributed more than £790,000 to support local charitable organisations and community groups in the year to March 2024.

AIRSPACE MODERNISATION

The Civil Aviation Authority ("**CAA**") and the Department for Transport ("**DfT**") are co-sponsors of a national change programme to introduce the airspace modernisation strategy, with the focus out to 2040. The programme benefits include relieving congestion, improving operating resilience, reducing fuel burn and emissions, and mitigating the effects of aircraft noise. The vision is to deliver quicker, quieter and cleaner journeys and more capacity benefiting UK airspace users and those affected.

MAG has introduced its Future Airspace Programme to support the airspace modernisation strategy. This Future Airspace Programme is systematically reviewing and updating flight paths to and from MAG's Airports.

Changes to airspace are regulated by the CAA, under CAP1616 (version five effective from January 2024), a seven stage, four gateway process. This requires the submission of a 'Statement of Need', followed by an iterative design process, which is informed by stakeholder engagement and consultation. At four stages of the design process a gateway approval from the CAA is required before a change project can proceed to the next stage.

Manchester Airport, Stansted Airport and East Midlands Airport have all passed Gateway 2 of the CAP1616. Stage 3 will undertake detailed evaluation of the options developed so far to allow full and public consultation to take place.

A joint DfT and CAA consultation on a proposal for creating a UK Airspace Design Service (UKADS) took place in late 2024, with the first phase (UKADS1) considering airspace change proposals to modernise the London airspace. Stansted will be part of this first phase and, pending confirmation following consultation, this new operating model is anticipated to commence in Q2 2025. Changes at Stansted Airport will be introduced as part of a coordinated plan with other airports in the London area, with implementation planned for the early to mid-2030s. The second phase (UKADS2), which running in parallel albeit on a longer timeframe, would be to establish end-state operating model, responsible for sponsoring and progressing all airspace change proposals in the UK.

Manchester Airport and East Midlands Airport are part of the Manchester Terminal Manoeuvring Area (MTMA) with deployments currently anticipated in the late 2020s.

FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The commentary in this section should be read in conjunction with the financial statements appearing in the section "*Documents Incorporated by Reference*".

Results from Operations

For the 12 months ended 31 March 2024.

Passenger numbers for the year were 61.3 million, up from 54.0 million passengers in the previous year. This equated to 103% of pre-pandemic levels (12 months ended 31 March 2020).

Demand was particularly strong in the low cost, short-haul segment, with seat capacity and passenger volumes exceeding pre-Covid levels for the financial year. This pattern was seen across the industry, however, the rate of recovery across MAG typically outpaced that of other UK airports, with Stansted becoming the first major UK airport to surpass pre-pandemic volumes in June 2023 (*Source: MAGIL Annual Report and Accounts 2023-24, CAA*). MAG's performance reflects the strength of demand within the catchment areas of our airports as well as our close relationships with airlines, based on a mutual desire to provide the best value and choice to the customers we jointly serve.

Passengers	**12 months ended 31 March 2024 (million)**	**12 months ended 31 March 2023 (million)**	**Change (%)**
Manchester	28.8	25.2	14.3%
London Stansted	28.5	25.5	11.8%
East Midlands	4.0	3.3	21.2%
Total	**61.3**	**54.0**	**13.5%**

Source: MAGIL Annual Report and Accounts 2023-24

MAGIL revenue increased to £1,237.7 million, which resulted in an Adjusted EBITDA of £506.7 million, an increase of £96.3 million (23.5 per cent.). MAGIL delivered an operating profit of £240.8 million for the year ended 31 March 2024 (2023: £28.1 million). The result in 2023 was heavily impacted by a one-off adjusted item charge of £119.7 million following the extinguishment of the Group's deferred debt agreement ("**DDA**") for the exit from the Greater Manchester Pension Fund ("**GMPF**") pension scheme. The GMPF settlement also gave rise to a £116.7 million increase in reserves and therefore an overall net movement of £3.0 million. The split of the net movement between income statement and reserves is in accordance with the requirements of IAS 19. All of MAG's defined benefit pension schemes are now closed to future accrual.

Key Financials	**12 months ended 31 March 2024 (£ million)**	**12 months ended 31 March 2023 (£ million)**	**Change (%)**
Revenue	1,237.7	1,027.4	20.5%
Adjusted EBITDA*	506.7	410.4	23.5%
Adjusted EBITDA*(excluding impact of IFRS 16)	468.2	376.9	24.2%
Operating profit/(loss) (before adjusted items)	255.4	169.3	50.9%
Operating profit	240.8	28.1	756.9%
Profit/(Loss) before taxation	218.4	(59.4)	n/a

Source: MAGIL Annual Report and Accounts 2023-24

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, gains and losses on sales and valuation of investment properties, and adjusted items*

Financial Review[18]

Total revenue increased by 20.5 per cent. to £1,237.7 million in the 12 months to 31 March 2024 (2023: £1,027.4 million). The increases in the airport divisions were driven largely by passenger footfall through the Airports, with passenger numbers increasing by 7.3 million (13.5 per cent). Revenue increased beyond the growth in passenger numbers with strong yield improvement across Aviation and Retail.

Revenue by Division (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
Manchester Airport	511.8	429.0	19.3%
London Stansted Airport	429.2	373.2	15.0%
East Midlands Airport	95.0	81.3	16.9%
CAVU	200.9	142.1	41.4%
Group, consolidation and other	0.8	1.8	(55.6)%
Total revenue	**1,237.7**	**1,027.4**	**20.5%**

Source: MAGIL Annual Report and Accounts 2023-24

Revenue Stream (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
Aviation income	418.1	355.9	17.5%
Retail concessions	300.8	234.5	28.3%
Car parking	370.3	325.1	13.9%
Property & property related income	18.8	18.6	1.1%
Other	129.7	93.3	39.0%
Total revenue	**1,237.7**	**1,027.4**	**20.5%**

Source: MAGIL Annual Report and Accounts 2023-24

Adjusted EBITDA increased by £96.3 million to £506.7 million, driven by the £210.3 million (20.5 per cent.) passenger-driven revenue uplift, whilst the MAG's operating cost base increased by only £113.9 million (18.5 per cent.).

EBITDA by Division (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
Manchester Airport	202.2	157.3	28.5%
London Stansted Airport	182.0	164.5	10.6%
East Midlands Airport	37.8	32.8	15.2%
CAVU	63.4	35.2	80.1%
Group, consolidation and other	21.3	20.6	3.4%
Total adjusted EBITDA	**506.7**	**410.4**	**23.5%**

Source: MAGIL Annual Report and Accounts 2023-24

Aeronautical revenue

Aeronautical income increased by £62.2 million to £418.1 million during the 12 months ended 31 March 2024 (2023: £355.9 million). The 17.5 per cent. increase is primarily due to increase passenger numbers, supported by an increase in yield to £6.82/pax in the year ended 31 March 2024 (2023: £6.59/pax).

[18] Yield per passenger has been derived for the MAG Airports by dividing the particular revenue stream for the 12 month period by the number of passengers in the same period. Passengers in the year ended 31 March 2024 were 61.3 million (2024: 54.0 million) MAGIL Annual Report and Accounts 2023-24.

Aeronautical income (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
MAG	418.1	355.9	17.5%
Yield per passenger (£)	*6.82*	6.59	*3.5%*

Source: MAGIL Annual Report and Accounts 2023-24

Non-Aeronautical revenue – retail income

Retail income increased by £66.3 million to £300.8 million during the 12 months ended 31 March 2024 (2023: £234.5 million) primarily as a result of passenger volume increases supported by a 13.0 per cent. year-on-year increase in retail yield to £4.91/pax (2023: £4.34/pax) with the largest contributions coming from duty-free, food and beverage, and newsagents.

Retail income (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
MAG	300.8	234.5	28.3%
Yield per passenger (£)	*4.91*	*4.34*	*13.0%*

Source: MAGIL Annual Report and Accounts 2023-24

Non-Aeronautical revenue – car parking income

Car parking income at the Airports increased by £45.2 million to £370.3 million during the 12 months ended 31 March 2024 (2023: £325.1 million). Car parking yields increased by £0.02/pax to £6.04/pax during the period ended 31 March 2024 (2023: £6.02/pax) with the increase in income being driven by increased passenger numbers.

Car parking income (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
MAG	370.3	325.1	13.9%
Yield per passenger (£)	*6.04*	*6.02*	*0.3%*

Source: MAGIL Annual Report and Accounts 2023-24

Non-Aeronautical revenue – property and other income

Property and other income at the MAG Airports increased by £36.6 million to £148.5 million during the 12 months ended 31 March 2024 (2023: £111.9 million). The aggregate 32.7 per cent. increase is attributable to property income increasing slightly by £0.2million to £18.8 million (2023: £18.6 million) and other income increasing by £36.4 million to £129.7 million (2023: £93.3 million), with passenger-related activities such as retail travel services, refuelling and check-in desk rental providing the main year-on-year increases.

Property and other income (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
MAG	148.5	111.9	32.7%

Source: MAGIL Annual Report and Accounts 2023-24

Operating costs – employee costs

Employee costs increased by £39.8 million to £331.5 million during the 12 months ended 31 March 2024 (31 March 2023: £291.7 million), resulting from the ramping up of headcount which enabled MAG to meet the increase in passenger demand. Employee costs were flat at £5.41/pax in the year ended 31 March 2024 (2023: £5.40/pax).

Employee costs (£ million)	**12 months ended 31 March 2024**	**12 months ended 31 March 2023**	**Change (%)**
Employee Costs	331.5	291.7	13.6%
Yield per passenger (£)	*5.41*	*5.40*	*0.1%*

Source: MAGIL Annual Report and Accounts 2023-24

Operating costs – non-employee costs[19]

Non-employee costs at the MAG Airports increased by £74.2 million to £399.5 million during the 12 months ended 31 March 2024 (2023: £325.3 million) due to increased energy costs, increases in costs of maintenance, airfield costs and marketing, Non-employee costs per passenger increased by £0.49/pax to £6.52/pax passenger during the period ended 31 March 2024 (2022: £6.02/pax).

Non-employee costs (£ million)	**12 months ended 31 March 2024**	**12 months ended 31 March 2023**	**Change (%)**
Non-employee Costs	399.5	325.3	22.8%
Yield per passenger (£)	*6.52*	*6.02*	*8.2%*

Source: MAGIL Annual Report and Accounts 2023-24

[19] Non-staff costs excludes depreciation, amortisation and profit on disposal of property, plant and equipment.

Capital investment

Capital expenditure at MAG increased by £116.6 million to £308.7 million during the 12 months ended 31 March 2024 (2023: £192.1 million). The 60.7 per cent. increase is largely driven by the ongoing work on the final phase of MANTP, the investments to introduce Future Security technology and renewals of runways and taxiways at all three airports.

Capital investment (£ million)	12 months ended 31 March 2024	12 months ended 31 March 2023	Change (%)
MAG	308.7	192.1	60.7%

Source: MAGIL Annual Report and Accounts 2023-24

UPDATE FOR SIX MONTHS ENDED 30 SEPTEMBER 2024

UNAUDITED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The section below sets out an update on performance for the half year results to the six months ended 30 September 2024.

The commentary in this section should be read in conjunction with the interim financial statements appearing in the section "*Documents Incorporated by Reference*".

Results from Operations
For the six months ended 30 September 2024.

A total of 37.3 million passengers travelled through the Airports during the six months ended 30 September 2024 (30 September 2023: 34.9 million).

MAG handled more passengers between April and September than ever before in its history. Both Manchester and Stansted recorded the busiest individual days and months since they began operations, and that growth is reflected in the strong passenger numbers see in the six months ended 30 September 2024.

Passengers	**6 months ended 30 September 2024**	**6 months ended 30 September 2023**	**Change (%)**
Manchester	17.8	16.4	8.5%
London Stansted	16.7	15.8	5.7%
East Midlands	2.8	2.7	3.7%
Total	**37.3**	**34.9**	**6.9%**

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Financial Review [20]

Aeronautical revenue

Aeronautical income increased by £28.0 million to £268.2 million during the six months ended 30 September 2024 (30 September 2023: £240.2 million). The 11.7 per cent. increase is due to passenger traffic growth described above in addition to an increase in aviation yields by £0.31 per passenger from £6.88 in the six months ended 30 September 2023 to £7.19 in the six months ended 30 September 2024.

Aeronautical income (£ million)	**6 months ended 30 September 2024**	**6 months ended 30 September 2023**	**Change (%)**
MAG	268.2	240.2	11.7%
Yield per passenger (£)	*7.19*	6.88	*4.5%*

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Non-aeronautical revenue – retail income

Retail income increased by £19.7 million to £188.9 million during the six months ended 30 September 2024 (30 September 2023: £169.2 million). The 11.6 per cent. year-on-year increase is due to increased passenger traffic together with a 4.5 per cent. increase in retail yield. This has been primarily driven by the strong

[20] Yield per passenger has been derived for the Airports by dividing the particular revenue stream for the 6 month period by the number of passengers in the same period. Passengers in the 6 months ended 30 September 2024 were 37.3 million (30 September 2023: 34.9 million) MAGIL Interim Report and Accounts for the six months ended 30 September 2024.

performance of duty free-free and food and beverage across the MAG portfolio.

Retail income (£ million)	6 months ended 30 September 2024	6 months ended 30 September 2023	Change (%)
MAG	188.9	169.2	11.6%
Yield per passenger (£)	5.06	*4.85*	*4.5%*

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Non-aeronautical revenue – car parking income

Car parking income at the Airports increased by £16.3 million (7.4 per cent.) to £237.3 million during the six months ended 30 September 2024 (30 September 2023: £221.0 million). The increase in car parking income was driven by increased passenger numbers, with yield per passenger broadly flat, increasing by £0.03 to £6.36 in the six months to 30 September 2024 (30 September 2023: £6.33).

Car parking income (£ million)	6 months ended 30 September 2024	6 months ended 30 September 2023	Change (%)
MAG	237.3	221.0	7.4%
Yield per passenger (£)	*6.36*	*6.33*	*0.5%*

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Non-aeronautical revenue – property and other income

Property and other income at the Airports decreased by £0.9 million to £74.0 million during the six months ended 30 September 2024 (30 September 2023: £74.9 million). The 1.2 per cent. decrease is attributable to both property income and other income, decreasing by £0.2 million and £0.7 million respectively.

Other income consists primarily of miscellaneous revenue streams associated with the provision of check-in desks, refuelling, in-flight catering, motor transport, viewing parks, baggage handling, and other rechargeable services.

Property and other income (£ million)	6 months ended 30 September 2024	6 months ended 30 September 2023	Change (%)
MAG	74.0	74.9	(1.2%)

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Operating costs –employee costs

Staff costs increased by £28.4 million to £189.8 million during the six months ended 30 September 2024(30 September 2023: £161.4 million). The 17.6 per cent. increase is reflective of the increase in headcount to meet customer demand, coupled with wage increases. Employee costs increased from £4.62 per passenger in the period ended 30 September 2023 to £5.09 per passenger in the year ended 30 September 2024.

Employee costs (£ million)	6 months ended 30 September 2024	6 months ended 30 September 2023	Change (%)
Employee Costs	189.8	161.4	17.6%
Yield per passenger (£)	*5.09*	*4.62*	*10.0%*

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Operating costs – non-employee costs[21]

Non-employee costs across the group increased by £2.6 million to £200.7 million during the six months ended 30 September 2024 (30 September 2023: £198.1 million). The 1.3 per cent. increase reflects strong cost control, with increases in maintenance, information security and airfield costs, partially offset by savings in rates and utilities.

Non-employee costs (£ million)	6 months ended 30 September 2024	6 months ended 30 September 2023	Change (%)
Non-employee Costs	200.7	198.1	1.3%
Yield per passenger (£)	*5.38*	*5.68*	*(5.2%)*

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

Capital expenditure

Capital expenditure at MAG increased by £159.6 million to £290.5 million during the six months ended 30 September 2024 (2023: £130.9 million). The 121.9 per cent. increase is largely driven by the ongoing work on the final phase of MANTP, the investments to introduce Future Security technology and renewals of runways and taxiways at all three airports

Capital investment (£ million)	6 months ended 30 September 2024	6 months ended 30 September 2023	Change (%)
MAG	290.5	130.9	121.9%

Source: MAGIL Interim Report and Accounts for the six months ended 30 September 2024

[21] Non-staff costs exclude depreciation, amortisation and profit on disposal of property, plant and equipment.

AIRPORT REGULATION

The Civil Aviation Authority

The Civil Aviation Authority (the "**CAA**") is the UK's specialist aviation regulator, responsible for airspace policy, consumer protection, safety regulation and economic regulation. The CAA uses international, European and UK legislation to protect passengers, including by protecting competition. The UK Government has made clear its intention to mirror current European airport charges regulation into UK law following its departure from the EU.

The most significant UK legislation employed by the CAA is detailed in the Civil Aviation Act 2012 (the "**2012 Act**") which, *inter alia*, provides the framework for the economic regulation of airports in the UK; and the Air Navigation Order 2016, which governs aerodrome licensing (amongst other things). The CAA is also responsible for ensuring UK airports comply with the provisions of the Airport Charges Regulations 2011. The CAA has powers under the 2012 Act for the economic regulation of operators of airports in the UK.

The prime focus of the CAA's economic regulation work is to promote consumer interests by ensuring that airports with substantial market power do not exploit their position as monopoly service providers. The economic regulation measures contained in the 2012 Act provide the CAA with a primary duty to further the interests of passengers and owners of cargo in the provision of airport operation services and, where appropriate, promote competition in those services. The 2012 Act provides a more flexible and targeted set of regulatory tools (including a licensing regime), and provides for an appeal system to provide judicial oversight of the CAA's decisions.

The 2012 Act confers certain aviation security functions on the CAA, including the review of aviation security directions, advice and assistance to industry and compliance. The Secretary of State remains responsible for aviation security policy and giving aviation security directions under the Aviation Security Act 1982 and can also give directions regarding airport operations under the Airports Act 1986 (the "**1986 Act**").

Economic regulation

Historical regulatory regime

Since the privatisation of the British Airports Authority ("**BAA**") in the late 1980s, the CAA has economically regulated UK airports deemed to have substantial market power, setting price controls to prevent airports charging unreasonably high prices or providing unreasonably low levels of service quality. Airports with substantial market power are considered not to be constrained by competition with other airports to moderate their behaviour and there is a risk of them abusing that power to the detriment of passengers, or air cargo owners. As such, the CAA has powers to regulate such airports by means of an economic licence to ensure that, ultimately, passengers' interests are protected.

The 2012 Act contains measures which reform the legislative framework for the regulation of UK airports and the legislative framework of the CAA, and by conferring certain aviation security functions on the CAA.

The Civil Aviation Act 2012 (Commencement No. 1, Transitional, Transitory and Saving Provisions) Order 2013 established that the main operative provisions of Part 1 of the 2012 Act would take effect on 6 April 2013, with the 2012 Act coming wholly into force by 1 April 2014.

The previous regulatory regime was governed by the 1986 Act. Under the 1986 Act, the Secretary of State was responsible for deciding which airports should be "designated" for price-cap regulation (so-called "**designated airports**"). The CAA was then responsible for regulating these airports by setting the maximum amount the airport operator could charge airlines over a five-year period. The CAA set the level of the price cap by means of an RPI+/-X approach, in which the price cap remained in place for five years with its level being indexed annually by a formula linked to the rate of inflation.

Most recently, the airports designated for price control under the 1986 Act were Heathrow, Gatwick and STN. MAN was de-designated from April 2009 and has not been subject to a price control regime since that date. STN was deregulated in 2014 under the regulatory framework provided by the 2012 Act. East Midlands Airport has never been designated for price control regulation. Since the CAA started price regulating airports in 1986, it has completed six price control reviews with the latest price control period (known as Q6) having commenced on 1 April 2014, as explained further below.

It was widely considered that the previous framework for economic regulation provided by the 1986 Act did not meet the standards expected from a modern regulatory regime. In particular, the regulatory regime for airports lacked the flexibility to allow the CAA to address issues in a proportionate manner, or to intervene between price control reviews. Reform to the economic regulation of airports was also prompted by the significant changes that have taken place in the aviation sector since the enactment of the 1986 Act, including large increases in passenger volumes, the expansion of regional airports, entry by low-cost airlines and the break-up of BAA.

Current regulatory regime and de-designation of the STN Passenger Market & STN Cargo Market

Under the 2012 Act, operators of "dominant areas" located at "dominant airports" require a licence (an "**Economic Licence**") to levy charges for airport operation services ("**AOS**"). The new Economic Licence regime came into effect on 1 April 2014. Under the 2012 Act, where the CAA finds that each of the three limbs of the following test is met, an airport operator will require an Economic Licence issued by the CAA to be able to levy airport charges:

(a) the relevant operator has, or is likely to acquire, substantial market power ("**SMP**") in a market, either alone or taken with such other persons as the CAA considers appropriate;

(b) competition law does not provide sufficient protection against the risk that the relevant operator may engage in conduct that amounts to an abuse of that SMP; and

(c) for users of air transport services, the benefits of regulating the relevant operator by means of an Economic Licence are likely to outweigh the adverse effects.

As noted above, until 1 April 2014, Heathrow, Gatwick and STN were designated under the 1986 Act. As explained in "*Risk Factors*", the CAA completed the three-limb test outlined above to assess whether these three airport operators required an Economic Licence under the 2012 Act.

On 10 January 2014, the CAA published its final decision on economic regulation at Heathrow and Gatwick between April 2014 and 2019. In relation to STN, the CAA concluded that the airport currently operates in two distinct markets:

(i) the STN passenger market as determined by the CAA (comprising the provision of AOS to passenger airlines covering a geographic market that includes STN, Luton and Southend) (the "**STN Passenger Market**"); and

(ii) the STN cargo market as determined by the CAA (comprising the provision of AOS to cargo aircraft covering a geographic market at least as wide as the south east of England, being the London area (including Stansted, Luton, Heathrow and Gatwick airports), plus Manston airport ("**STN Cargo Market**")).

The CAA determined that STN does not have SMP in the STN Passenger Market and no economic regulation was therefore imposed in this market from 1 April 2014. This decision was based on a wide range of evidence, including the fact that, after having acquired STN, MAG signed long-term agreements with some of its passenger airlines, including Ryanair and easyJet (the two main customers of the airport accounting for about 90 per cent. of passenger traffic at the time) for their use of STN. The terms of these agreements include

reductions to prices in return for passenger commitments and growth in passenger numbers and offer charges that were below the prevailing level of the regulated price cap. The CAA stated that, if growth targets are met, it considered that these agreements offer the potential for significantly lower charges than base levels. The lower charges were within the range of what the CAA considered to be a competitive level.

The CAA under a separate assessment also determined that STN does not have SMP in the STN Cargo Market and no economic regulation was therefore imposed in this market either from 1 April 2014. The CAA decision was again based on a wide range of evidence, which included noting that whilst BAA owned STN it may have had a strategy of ensuring STN did not cannibalise cargo markets at other BAA owned airports, whereas upon purchase MAG committed to a strategy of developing strong relationships with both existing and new cargo operators to compete with other airports. At the time of the assessment the STN share of the cargo market was considered by the CAA to be around 12 percent, which was deemed inconsistent with any finding of dominance.

As a result of its SMP determinations, the CAA did not require STN to have an Economic Licence in relation to either the STN Passenger Market or the STN Cargo Market from 1 April 2014.

In January 2020 MAG was notified by the CAA that it would be carrying out a Market Power Determination (MPD) at MAN later in the calendar year following a request from an airline group. This was paused throughout the COVID-19 pandemic while MAG and the airline group entered a period of constructive engagement. Following this engagement, in July 2024, the airline group formally withdrew their complaint and the CAA decided not to initiate the MPD.

Other Regulatory Factors

Aviation Strategy Consultation

On 17 December 2018, the Government launched a public consultation with regards to developing a new UK Aviation Strategy to help shape the future of the UK aviation industry to 2050 and beyond. This includes (amongst other things) considering how to make best use of existing capacity at all airports around the country whilst balancing growth with environmental issues. Following the consultation, the Government published a partial consultation response in October 2019 and 'Flightpath to the future' in May 2022, a strategic framework that builds upon the consultation responses received, setting out the Government's ambitions and commitments for aviation over the next 10 years. The strategic framework focuses, among others, on supporting sustainable growth in airport capacity following Brexit, and includes a commitment to review the existing slot allocation system in the UK to ensure slot capacity is used effectively. It is not possible to determine the impact that such a review may have on the business of MAG or the regulatory framework applicable to the MAG's Airports.

Aerodrome Licensing

From June 2014 until the end of 2017, aerodrome licensing for all aerodromes with a paved runway of 800m or above in length (which includes all MAG Airports) has been transitioning from the jurisdiction of the CAA to the European Aviation Safety Agency ("**EASA**").

All MAG Airports have now successfully made the transition and been issued with an EASA aerodrome certificate. An EASA aerodrome certificate is issued without an expiry date and remains in force until it is varied, suspended or revoked.

The EASA regime allowed National Aviation Authorities ("**NAAs**") and airports to convert their existing aerodrome licenses to the new EASA certificate. The CAA remains the primary regulatory point of contact for MAG Airports and continues to have a responsibility to conduct audits of the airport in its capacity as an NAA. Following the UK's exit from the European Union on 31 December 2020, the CAA has confirmed that the EASA certificate will remain valid.

The Airport Charges Regulations 2011

The Airport Charges Regulations 2011 (the "**2011 Regulations**") implement in the UK Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges. The regulations came into force on 10 November 2011. The purpose of the 2011 Regulations is to require transparency, user consultation and the application of the principle of non-discrimination by airports when calculating charges levied on users. It also requires the CAA as the relevant independent authority to arbitrate and settle disputes. The 2011 Regulations apply only to airports located in the UK that have more than five million passenger movements per year, which currently includes MAN and STN. EMA does not yet meet the five million passenger movement threshold.

The 2011 Regulations establish the level of information which airport users and airport operators are required to provide to each other on an annual basis. Airport users must provide annual traffic and fleet composition forecasts, development projects and requirements from the airport. In turn, operators must consult annually with airport users on future charges, service quality levels and the underlying information on which the charges level has been based. The CAA can investigate complaints that an airport has not complied with the 2011 Regulations and penalties may be imposed for non-compliance with these provisions.

The Airport (Groundhandling) Regulations 1997

The Airports (Groundhandling) Regulations 1997 implement Council Directive 96/67/EC of 15 October 1996 on access to the groundhandling market at Community airports, which was intended to liberalise handling at EU airports. Airports with over 2 million passengers a year cannot limit the number of self-handlers or third-party suppliers of ground handling services without permission from the CAA. Limitations can only be granted on the grounds of specific safety, security, capacity or available space constraints. In respect of both MAN and STN, determinations have been made by the CAA under Regulation 14 reserving to the airport itself the management of various centralised infrastructure.

Secretary of State's ability to give directions under the Airports Act 1986

The Secretary of State enjoys a number of powers under the 1986 Act that gives him or her the power to make directions in respect of the operations of airports in the UK. Specifically:

- Section 30 of the 1986 Act gives the Secretary of State the power to give directions to airport operators in the interests of national security. The directions can require airport operators to take, or refrain from taking, particular action specified in the direction.

- The Secretary of State, having regard to advice from the CAA, has the power under section 31 of the 1986 Act to make traffic distribution rules for UK airports (the "**Traffic Distribution Rules**") for UK airports. There are currently no Traffic Distribution Rules in place at the MAG Airports.

Section 32 allows the Secretary of State to limit aircraft movements at certain airports. No limitation is currently in place at the MAG Airports under this provision.

DESCRIPTION OF THE ISSUER

Manchester Airport Group Funding PLC

Manchester Airport Group Funding PLC (the "**Issuer**") is a public limited company which was incorporated in England and Wales on 27 December 2013. The Issuer was incorporated under the Companies Act, as a public limited company. Its registered number is 08826541.

The Issuer's registered office is at 6th Floor, Olympic House, Manchester Airport, Manchester, M90 1QX, United Kingdom, where the Issuer's register of members is kept. The memorandum and articles of association of the Issuer may be inspected at the registered office of the Issuer.

The Issuer is wholly owned by Manchester Airport Group Investments Limited. The Issuer has no subsidiaries.

Directors and Secretary

The Directors of the Issuer and their respective addresses and other principal activities are:

Name	Nationality	Business Address	Other Principal Activities
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, MFL, MAGAL, CAVU Group Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, SAL, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd

The Secretary of the Issuer is Jenny Francesca Cochrane.

The directors of the Issuer may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Issuer, regardless of any other directorship he or she may hold.

None of the directors of the Issuer has any actual or potential conflict between their duties to the Issuer and their private interests or other duties as listed above.

Principal Activities

The Issuer was established as a public limited company for the purpose of issuing the Bonds. Its principal activities are acquiring, holding and managing its rights and assets under the Issuer Loan Agreements following the issue of Bonds in connection with the execution and performance of the Issuer Documents, the execution and performance of all documents to which it is expressed to be a party and the exercise of related rights and powers and other activities reasonably incidental thereto.

Management and Control

The Issuer is managed and controlled in the United Kingdom.

Share Capital

The share capital of the Issuer is 50,000 ordinary shares of nominal or part value of £1.00 each, fully paid up. All of the issued ordinary shares are held by Manchester Airport Group Investments Limited.

Auditors

The auditors of the Issuer are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

DESCRIPTION OF THE OBLIGORS

Manchester Airport Group Finance Limited

General

Manchester Airport Group Finance Limited ("**MFL**"), is a private limited company which was incorporated in England and Wales on 20 December 2012. MFL was incorporated under the Companies Act, as a private limited company. Its registered number is 08338561 and its legal entity identifier number is 213800IU37OVVT5ZXP41

MFL's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where MFL's register of members is kept. The memorandum and articles of association of MFL may be inspected at its registered office.

MFL is wholly owned by Manchester Airport Group Investments Limited.

Directors and Secretary

The Directors of MFL and their respective addresses and other principal activities are:

Name	Nationality	Business Address	Other Principal Activities
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, the Issuer, MAGAL, CAVU Group Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, the Issuer, Man Air, EMANDLL, East Midlands International Airport Limited, SAL, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd

The directors of MFL may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of MFL, regardless of any other directorship he or she may hold.

None of the directors of MFL has any actual or potential conflict between their duties to MFL and their private interests or other duties as listed above.

Principal Activities

The principal activities of MFL are the drawing of Senior Debt and the application of the proceeds thereof in or towards the lawful purposes of the Security Group, the execution and performance of the Transaction Documents, the execution and performance of all documents to which it is expressed to be a party, and the exercise of related rights and powers and other activities reasonably incidental thereto.

MFL has covenanted to observe certain restrictions on its activities which are set out in the Common Terms Agreement. See further "*Summary of the Common Documents*".

Management and Control

MFL is managed and controlled in the United Kingdom.

Share Capital

The share capital of MFL is 310,005 ordinary shares of a nominal or par value of £1.00 each, fully paid up. All of the issued ordinary shares are held by Manchester Airport Group Investments Limited.

Auditors

The auditors of MFL are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

Manchester Airport Group Investments Limited

General

Manchester Airport Group Investments Limited (the "**Parent**"), is a private limited company which was incorporated in England and Wales on 20 December 2012. The Parent was incorporated under the Companies Act, as a private limited company. Its registered number is 08338555.

The Parent's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where the Parent's register of members is kept. The memorandum and articles of association of the Parent may be inspected at its registered office.

The Parent is wholly owned by Manchester Airport Finance Holdings Limited, a private limited company, which was incorporated in England and Wales on 10 January 2013, with registered number 08355050.

Directors and Secretary

The Directors of the Parent and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of MFL, the Issuer, MAGAL, CAVU Group Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Issuer, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, SAL, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd

The directors of the Parent may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Parent, regardless of any other directorship he or she may hold.

None of the directors of the Parent has any actual or potential conflict between their duties to the Parent and their private interests or other duties as listed above.

Principal Activities

The Parent was established as a private limited company and its principal activities are the ownership, operation and development of airport facilities in the United Kingdom.

Management and Control

The Parent is managed and controlled in the United Kingdom.

Share Capital

The share capital of the Parent is 175,300,008 ordinary shares of a nominal or par value of £1.00 each, fully paid up. All of the issued ordinary shares are held by Manchester Airport Finance Holdings Limited.

Auditors

The auditors of the Parent are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

MAG Airport Limited

General

MAG Airport Limited ("**MAGAL**"), is a private limited company which was incorporated in England and Wales on 3 January 2019. MAGAL was incorporated under the Companies Act, as a private limited company. Its registered number is 11748654.

MAGAL's registered office is at 6th Floor, Olympic House, Manchester Airport, Manchester, M90 1QX, United Kingdom. The memorandum and articles of association of MAGAL, together with its register of members, may be inspected at its registered office.

MAGAL is wholly owned by MFL.

Directors and Secretary

The Directors of MAGAL and their respective addresses and other principal activities are:

Name	Nationality	Business Address	Other Principal Activities
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, the Issuer MFL, Man Air, EMANDLL, East Midlands International Airport Limited, SAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, the Issuer and MFL

The directors of MAGAL may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of MAGAL, regardless of any other directorship he or she may hold.

None of the directors of MAGAL has any actual or potential conflict between their duties to MAGAL and their private interests or other duties as listed above.

Principal Activities

MAGAL was established as a private limited company and its principal activities are to act as a head office function providing group services to the other operating entities, as well as acting as the principal contracting entity in respect of group contracts.

Management and Control

MAGAL is managed and controlled in the United Kingdom.

Share Capital

The share capital of MAGAL is 101 ordinary shares of a nominal or par value of £1.00 each, fully paid up. All of the issued ordinary shares are held by MFL.

Auditors

The auditors of MAGAL are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

Manchester Airport Plc

General

Manchester Airport Plc ("**Man Air**"), is a public limited company which was incorporated in England and Wales on 18 November 1985. Man Air was incorporated under the Companies Act, as a private limited company. Its registered number is 01960988.

Man Air's registered office is at Manchester Professional Services Limited, PO BOX 532, Town Hall, Manchester, M60 2LA, United Kingdom. The memorandum and articles of association of Man Air, together with its register of members, may be inspected at its registered office.

Man Air is wholly owned by MFL.

Directors and Secretary

The Directors of Man Air and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
Janine Bramall	British	PO Box 532, Town Hall, Albert Square, Manchester, United Kingdom, M60 2LA	Director of the Parent, MFL, the Issuer, EMANDLL, East Midlands International Airport Limited, SAL, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Chris Woodroofe	British	PO Box 532, Town Hall, Albert Square, Manchester, United Kingdom, M60 2LA	None

The Secretary of Man Air is Manchester Professional Services Limited, a private limited company which was incorporated in England and Wales with its registered office at Manchester Town Hall, PO Box 532, Albert Square, Manchester, Greater Manchester, M60 2LA, United Kingdom, with its registered number being 01997391.

The directors of Man Air may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of Man Air, regardless of any other directorship he or she may hold.

None of the directors of Man Air has any actual or potential conflict between their duties to Man Air and their private interests or other duties as listed above.

Principal Activities

Man Air was established as a public limited company and its principal activities are the ownership, operation and development of Manchester Airport.

Management and Control

Man Air is managed and controlled in the United Kingdom.

Share Capital

The share capital of Man Air is 204,380,003 ordinary shares of a nominal or par value of £1.00 each, fully paid up. All of the issued ordinary shares are held by MFL.

Auditors

The auditors of Man Air are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

East Midlands Airport Nottingham Derby Leicester Limited

General

East Midlands Airport Nottingham Derby Leicester Limited ("**EMANDLL**"), is a private limited company which was incorporated in England and Wales on 18 December 2000. EMANDLL was incorporated under the Companies Act, as a private limited company. Its registered number is 04129556.

EMANDLL's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where EMANDLL's register of members is kept. The memorandum and articles of association of EMANDLL may be inspected at its registered office.

EMANDLL is wholly owned by MFL.

Directors and Secretary

The Directors of EMANDLL and their respective addresses and other principal activities are:

Name	Nationality	Business Address	Other Principal Activities
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, MFL, Man Air, the Issuer, East Midlands International Airport Limited, SAL, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Steve Mark Griffiths	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of East Midlands International Airport Limited

The Secretary of EMANDLL is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of EMANDLL may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of EMANDLL, regardless of any other directorship he or she may hold.

None of the directors of EMANDLL has any actual or potential conflict between their duties to EMANDLL and their private interests or other duties as listed above.

Principal Activities

EMANDLL was established as a private limited company and its principal activities are acting as, and in connection with being, a holding company.

Management and Control

EMANDLL is managed and controlled in the United Kingdom.

Share Capital

The share capital of EMANDLL is 138,849,316 ordinary shares of a nominal or par value of £1.00 each, fully paid up. All of the issued ordinary shares are held by MFL.

Auditors

The auditors of EMANDLL are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

East Midlands International Airport Limited

General

East Midlands International Airport Limited, is a private limited company which was incorporated in England and Wales on 27 November 1986. East Midlands International Airport Limited was incorporated under the Companies Act, as a private limited company. Its registered number is 02078271.

East Midlands International Airport Limited's registered office is at Pathfinder House, Castle Donnington, Derby, East Midlands, DE74 2SA, where East Midlands International Airport Limited's register of members is kept. The memorandum and articles of association of East Midlands International Airport Limited may be inspected at its registered office.

East Midlands International Airport Limited is wholly owned by EMANDLL.

Directors and Secretary

The Directors of East Midlands International Airport Limited and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
Janine Bramall	British	Pathfinder House, Castle Donington, Derby, England DE74 2SA	Director of the Parent, MFL, Man Air, EMANDLL, the Issuer, SAL, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Steve Mark Griffiths	British	Pathfinder House, Castle Donington, Derby, England DE74 2SA	Director of EMANDLL

The Secretary of East Midlands International Airport Limited is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of East Midlands International Airport Limited may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of East Midlands International Airport Limited, regardless of any other directorship he or she may hold.

None of the directors of East Midlands International Airport Limited has any actual or potential conflict between their duties to East Midlands International Airport Limited and their private interests or other duties as listed above.

Principal Activities

East Midlands International Airport Limited was established as a private limited company and its principal activities are the ownership, operation and management of East Midlands Airport.

Management and Control

East Midlands International Airport Limited is managed and controlled in the United Kingdom.

Share Capital

The share capital of East Midlands International Airport Limited is 17,614,008 ordinary shares of a nominal or par value of £1.00 each, fully paid up and 17,614,008 cumulative redeemable preference shares of a nominal or par value of £1.00 each, fully paid up. All of the issued ordinary shares and the cumulative redeemable preference shares are held by EMANDLL.

Auditors

The auditors of East Midlands International Airport Limited are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

Stansted Airport Limited

General

Stansted Airport Limited ("**SAL**"), is a private limited company which was incorporated in England and Wales on 19 February 1986. SAL was incorporated under the Companies Act, as a private limited company. Its registered number is 01990920.

SAL's registered office is at Enterprise House, Bassingbourn Road, Stansted Airport, Essex, United Kingdom, CM24 1QW, where SAL's register of members is kept. The memorandum and articles of association of SAL may be inspected at its registered office.

SAL is wholly owned by MFL.

Directors and Secretary

The Directors of SAL and their respective addresses and other principal activities are:

Name	Nationality	Business Address	Other Principal Activities
Janine Bramall	British	Enterprise House, Bassingbourn Road, Stansted Airport, Essex, CM24 1QW	Director of the Parent, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, the Issuer, MAGAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Gareth William Powell	British	Enterprise House, Bassingbourn Road, Stansted Airport, Essex, CM24 1QW	None

The Secretary of SAL is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of SAL may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of SAL, regardless of any other directorship he or she may hold.

None of the directors of SAL have any actual or potential conflict between their duties to SAL and their private interests or other duties as listed above.

Principal Activities

SAL was established as a private limited company and its principal activities are developing, owning and managing Stansted Airport. The principal objects of SAL are set out in its memorandum of association and

include carrying on the business of a general commercial company and to carry on any trade or business whatsoever.

Management and Control

SAL is managed and controlled in the United Kingdom.

Share Capital

The share capital of SAL is 503,900,002 ordinary shares of a nominal or par value of £1.00 each, each fully paid up. All of the issued ordinary shares are held by MFL.

Auditors

The auditors of SAL are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CAVU Group Limited

General

CAVU Group Limited is a private limited company which was incorporated in England and Wales on 9 March 2020. CAVU Group Limited was incorporated under the Companies Act, as a private limited company. Its registered number is 12504680.

CAVU Group Limited's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where CAVU Group Limited's register of members is kept. The memorandum and articles of association of CAVU Group Limited may be inspected at its registered office.

CAVU Group Limited is wholly owned by MFL.

Directors and Secretary

The Directors of CAVU Group Limited and their respective addresses and other principal activities are:

Name	Nationality	Business Address	Other Principal Activities
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, MFL, the Issuer, MAGAL, MAG US (Apollo) Limited and MAG Investments US Ltd
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of the Parent, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, the Issuer, MAGAL, SAL, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Martin Jones	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc., MAG US Terminal Management LLC, CAVU eCommerce (AMER)

			LLC and MAG US (Apollo) Inc.

The Secretary of CAVU Group Limited is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of CAVU Group Limited may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of CAVU Group Limited, regardless of any other directorship he or she may hold.

None of the directors of CAVU Group Limited have any actual or potential conflict between their duties to CAVU Group Limited and their private interests or other duties as listed above.

Principal Activities

CAVU Group Limited was established as a private limited company and its principal activities to act as a head office function for the CAVU entities, providing centralised services to the other CAVU entities, as well as acting as the principal contracting entity in respect of global contracts and ownership of the CAVU intellectual property rights

Management and Control

CAVU Group Limited is managed and controlled in the United Kingdom.

Share Capital

The share capital of CAVU Group Limited is 3 ordinary shares of a nominal or par value of £1.00 each, each fully paid up. All of the issued ordinary shares are held by MFL.

Auditors

The auditors of CAVU Group Limited are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CAVU Experiences (EMEA) Limited

General

CAVU Experiences (EMEA) Limited is a private limited company which was incorporated in England and Wales on 25 October 2005. CAVU Experiences (EMEA) Limited was incorporated under the Companies Act, as a private limited company. Its registered number is 05602720.

CAVU Experiences (EMEA) Limited's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where CAVU Experiences (EMEA) Limited's register of members is kept. The memorandum and articles of association of CAVU Experiences (EMEA) Limited may be inspected at its registered office.

CAVU Experiences (EMEA) Limited is wholly owned by Simmerdown Limited.

Directors and Secretary

The Directors of CAVU Experiences (EMEA) Limited and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of the Parent, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, the Issuer, MAGAL, SAL, CAVU Group Limited, MAG US (Apollo) Limited and MAG Investments US Ltd
Martin Jones	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of CAVU Group Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. Chief Executive Officer and President of CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. President of MAG US Terminal Management

			LLC and CAVU eCommerce (AMER) LLC

The Secretary of CAVU Experiences (EMEA) Limited is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of CAVU Experiences (EMEA) Limited may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of CAVU Experiences (EMEA) Limited, regardless of any other directorship he or she may hold.

None of the directors of CAVU Experiences (EMEA) Limited have any actual or potential conflict between their duties to CAVU Experiences (EMEA) Limited and their private interests or other duties as listed above.

Principal Activities

CAVU Experiences (EMEA) Limited was established as a private limited company and its principal activities are the operation of common-use lounges in the EMEA region.

Management and Control

CAVU Experiences (EMEA) Limited is managed and controlled in the United Kingdom.

Share Capital

The share capital of CAVU Experiences (EMEA) Limited is 1001 ordinary shares of a nominal or par value of £0.001 each, each fully paid up. All of the issued ordinary shares are held by Simmerdown Limited.

Auditors

The auditors of CAVU Experiences (EMEA) Limited are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CAVU eCommerce (EMEA) Limited

General

CAVU eCommerce (EMEA) Limited is a private limited company which was incorporated in England and Wales on 17 December 2009. CAVU eCommerce (EMEA) Limited was incorporated under the Companies Act, as a private limited company. Its registered number is 07107772.

CAVU eCommerce (EMEA) Limited's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where CAVU eCommerce (EMEA) Limited's register of members is kept. The memorandum and articles of association of CAVU eCommerce (EMEA) Limited may be inspected at its registered office.

CAVU eCommerce (EMEA) Limited is wholly owned by Travel Parking Group Limited.

Directors and Secretary

The Directors of CAVU eCommerce (EMEA) Limited and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
Nolan Charles Hough	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	None
Martin Jones	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. Chief Executive Officer and President of CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC

The Secretary of CAVU eCommerce (EMEA) Limited is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of CAVU eCommerce (EMEA) Limited may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of CAVU eCommerce (EMEA) Limited, regardless of any other directorship he or she may hold.

None of the directors of CAVU eCommerce (EMEA) Limited have any actual or potential conflict between their duties to CAVU eCommerce (EMEA) Limited and their private interests or other duties as listed above.

Principal Activities

CAVU eCommerce (EMEA) Limited was established as a private limited company and its principal activities are contracting for the provision of digital services to third parties and the sale of travel related products to consumers.

Management and Control

CAVU eCommerce (EMEA) Limited is managed and controlled in the United Kingdom.

Share Capital

The share capital of CAVU eCommerce (EMEA) Limited is 901 ordinary shares of a nominal or par value of £1.00 each, each fully paid up. All of the issued ordinary shares are held by Travel Parking Group Limited.

Auditors

The auditors of CAVU eCommerce (EMEA) Limited are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

MAG US (Apollo) Limited

General

MAG US (Apollo) Limited is a private limited company which was incorporated in England and Wales on 26 February 2020. MAG US (Apollo) Limited was incorporated under the Companies Act, as a private limited company. Its registered number is 12485692.

MAG US (Apollo) Limited's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where MAG US (Apollo) Limited's register of members is kept. The memorandum and articles of association of MAG US (Apollo) Limited may be inspected at its registered office.

MAG US (Apollo) Limited is wholly owned by MFL.

Directors and Secretary

The Directors of MAG US (Apollo) Limited and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, MFL, the Issuer, MAGAL, CAVU Group Limited and MAG Investments US Ltd
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of the Parent, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, the Issuer, MAGAL, SAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited and MAG Investments US Ltd
Martin Jones	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc.

			Chief Executive Officer and President of CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC

The Secretary of MAG US (Apollo) Limited is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of MAG US (Apollo) Limited may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of MAG US (Apollo) Limited, regardless of any other directorship he or she may hold.

None of the directors of MAG US (Apollo) Limited have any actual or potential conflict between their duties to MAG US (Apollo) Limited and their private interests or other duties as listed above.

Principal Activities

MAG US (Apollo) Limited was established as a private limited company and its principal activities are acting as, and in connection with being, a holding company.

Management and Control

MAG US (Apollo) Limited is managed and controlled in the United Kingdom.

Share Capital

The share capital of MAG US (Apollo) Limited is 104 ordinary shares of a nominal or par value of £1.00 each, each fully paid up. All of the issued ordinary shares are held by MFL.

Auditors

The auditors of MAG US (Apollo) Limited are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

MAG Investments US Ltd

General

MAG Investments US Ltd is a private limited company which was incorporated in England and Wales on 12 February 2015. MAG Investments US Ltd was incorporated under the Companies Act, as a private limited company. Its registered number is 09436342.

MAG Investments US Ltd's registered office is at 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom, where MAG Investments US Ltd's register of members is kept. The memorandum and articles of association of MAG Investments US Ltd may be inspected at its registered office.

MAG Investments US Ltd is wholly owned by MAG US (Apollo) Limited.

Directors and Secretary

The Directors of MAG Investments US Ltd and their respective addresses and other principal activities are:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
John Kenneth O'Toole	Irish	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Director of the Parent, MFL, the Issuer, MAGAL, CAVU Group Limited and MAG US (Apollo) Limited
Janine Bramall	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of the Parent, MFL, Man Air, EMANDLL, East Midlands International Airport Limited, the Issuer, MAGAL, SAL, CAVU Group Limited, CAVU Experiences (EMEA) Limited and MAG US (Apollo) Limited
Martin Jones	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom,	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc.

			Chief Executive Officer and President of CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC

The Secretary of MAG Investments US Ltd is Jenny Cochrane whose business address is 6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom.

The directors of MAG Investments US Ltd may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of MAG Investments US Ltd, regardless of any other directorship he or she may hold.

None of the directors of MAG Investments US Ltd have any actual or potential conflict between their duties to MAG Investments US Ltd and their private interests or other duties as listed above.

Principal Activities

MAG Investments US Ltd was established as a private limited company and its principal activities are acting as, and in connection with being, a holding company.

Management and Control

MAG Investments US Ltd is managed and controlled in the United Kingdom.

Share Capital

The share capital of MAG Investments US Ltd is 7 ordinary shares of a nominal or par value of £1.00 each, each fully paid up. All of the issued ordinary shares are held by MAG US (Apollo) Limited.

Auditors

The auditors of MAG Investments US Ltd are Ernst & Young LLP with a registered office at 2 St. Peters Square, Manchester, M2 3EY United Kingdom.

Ernst & Young LLP is a registered auditor and is authorised by and is a member of the Institute of Chartered Accountants in England and Wales to practise in England and Wales.

CAVU Holdings (AMER) Inc.

General

CAVU Holdings (AMER) Inc. is a Delaware corporation which was incorporated in the State of Delaware on 18 February 2015. CAVU Holdings (AMER) Inc. was incorporated under the General Corporation Law of the State of Delaware, as a limited liability company. Its company number is 5694969.

CAVU Holdings (AMER) Inc.'s registered office is at Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808, where CAVU Holdings (AMER) Inc.'s register of members is kept. The Certificate of Incorporation and by-laws of CAVU Holdings (AMER) Inc. may be inspected at its registered office.

CAVU Holdings (AMER) Inc. is wholly owned by MAG Investments US Ltd.

Directors

The sole Director of CAVU Holdings (AMER) Inc. and his address and other principal activities is:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
Martin Jones	British	Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd and MAG US (Apollo) Inc. Chief Executive Officer and President of MAG US (Apollo) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC

The sole director of CAVU Holdings (AMER) Inc. does not have any actual or potential conflict between his duties to CAVU Holdings (AMER) Inc. and his private interests or other duties as listed above.

Officers

The Officers of CAVU Holdings (AMER) Inc. and their respective addresses and other principal activities are:

Name	**Office**	**Nationality**	**Business Address**	**Other Principal Activities**

Martin Jones	Chief Executive Officer and President	British	Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd and MAG US (Apollo) Inc. Chief Executive Officer and President of MAG US (Apollo) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC
Jane Hart	Treasurer	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Treasurer of CAVU eCommerce (AMER) LLC, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc.
Jenny Cochrane	Secretary	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Secretary of MAG US (Apollo) Inc.

None of the officers of CAVU Holdings (AMER) Inc. have any actual or potential conflict between their duties to CAVU Holdings (AMER) Inc. and their private interests or other duties as listed above.

Principal Activities

CAVU Holdings (AMER) Inc. was established as a Delaware corporation and its principal activities are acting as, and in connection with being, a holding company.

Management and Control

CAVU Holdings (AMER) Inc. is managed and controlled in the State of Delaware.

Share Capital

The common stock of CAVU Holdings (AMER) Inc. is 200 common stock at par value of $0.01 each, each fully paid up. All of the issued common stock is held by MAG Investments US Ltd.

MAG US Terminal Management LLC

General

MAG US Terminal Management LLC is a Delaware limited liability company which was incorporated in the State of Delaware on 18 February 2015. MAG US Terminal Management LLC was incorporated under the Delaware Limited Liability Company Act, as a limited liability company. Its company number is 5694978.

MAG US Terminal Management LLC's registered office is at Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808, where MAG US Terminal Management LLC's register of members is kept. The Certificate of Formation and Limited Liability Company Agreement of MAG US Terminal Management LLC may be inspected at its registered office.

MAG US Terminal Management LLC is wholly owned by CAVU Holdings (AMER) Inc. and CAVU Holdings (AMER) Inc. is the sole member of MAG US Terminal Management LLC.

Officers

The Officers of MAG US Terminal Management LLC and their respective addresses and other principal activities are:

Name	**Office**	**Nationality**	**Business Address**	**Other Principal Activities**
Martin Jones	President	British	Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. Chief Executive Officer and President of CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. President of CAVU eCommerce (AMER) LLC

Jane Hart	Treasurer	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Treasurer of CAVU eCommerce (AMER) LLC, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc.

None of the officers of MAG US Terminal Management LLC have any actual or potential conflict between their duties to MAG US Terminal Management LLC and their private interests or other duties as listed above.

Principal Activities

MAG US Terminal Management LLC was established as a limited liability company and its principal activities are the bidding on terminal operation opportunities in the USA.

Management and Control

MAG US Terminal Management LLC is managed and controlled in the State of Delaware.

Share Capital

All of the membership interest in MAG US Terminal Management LLC is held by CAVU Holdings (AMER) Inc.

CAVU eCommerce (AMER) LLC

General

CAVU eCommerce (AMER) LLC is a Delaware limited liability company which was incorporated in the State of Delaware on 18 February 2015. CAVU eCommerce (AMER) LLC was incorporated under the Delaware Limited Liability Company Act, as a limited liability company. Its company number is 5694956.

CAVU eCommerce (AMER) LLC's registered office is at Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808, where CAVU eCommerce (AMER) LLC's register of members is kept. The Certificate of Formation and Limited Liability Company Agreement of CAVU eCommerce (AMER) LLC may be inspected at its registered office.

CAVU eCommerce (AMER) LLC is wholly owned by CAVU Holdings (AMER) Inc. and CAVU Holdings (AMER) Inc. is the sole member of CAVU eCommerce (AMER) LLC.

Officers

The Officers of CAVU eCommerce (AMER) LLC and their respective addresses and other principal activities are:

Name	**Office**	**Nationality**	**Business Address**	**Other Principal Activities**
Martin Jones	President	British	Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. Chief Executive Officer and President of CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc. President of MAG US Terminal Management LLC

Jane Hart	Treasurer	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Treasurer of MAG US Terminal Management LLC, CAVU Holdings (AMER) Inc. and MAG US (Apollo) Inc.

None of the officers of CAVU eCommerce (AMER) LLC have any actual or potential conflict between their duties to CAVU eCommerce (AMER) LLC and their private interests or other duties as listed above.

Principal Activities

CAVU eCommerce (AMER) LLC was established as a limited liability company and its principal activities are contracting for the provision of digital services to third parties.

Management and Control

CAVU eCommerce (AMER) LLC is managed and controlled in the State of Delaware.

Share Capital

All of the membership interest in CAVU eCommerce (AMER) LLC is held by CAVU Holdings (AMER) Inc.

MAG US (Apollo) Inc.

General

MAG US (Apollo) Inc. is a Delaware corporation which was incorporated in the State of Delaware on 27 February 2020. MAG US (Apollo) Inc. was incorporated under the General Corporation Law of the State of Delaware, as a corporation. Its company number is 7873475.

MAG US (Apollo) Inc.'s registered office is at Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808, where MAG US (Apollo) Inc.'s register of members is kept. The Certificate of Incorporation and Bylaws of MAG US (Apollo) Inc. may be inspected at its registered office.

MAG US (Apollo) Inc. is wholly owned by MAG US (Apollo) Limited.

Director

The sole Director of MAG US (Apollo) Inc. and his address and other principal activities is:

Name	**Nationality**	**Business Address**	**Other Principal Activities**
Martin Jones	British	Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. Chief Executive Officer and President of CAVU Holdings (AMER) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC

The sole director of MAG US (Apollo) Inc. does not have any actual or potential conflict between his duties to MAG US (Apollo) Inc. and his private interests or other duties as listed above.

Officers

The Officers of MAG US (Apollo) Inc. and their respective addresses and other principal activities are:

Name	Office	Nationality	Business Address	Other Principal Activities
Martin Jones	Chief Executive Officer and President	British	Corporation Service Company, 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware, 19808	Director of CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc. Chief Executive Officer and President of CAVU Holdings (AMER) Inc. President of MAG US Terminal Management LLC and CAVU eCommerce (AMER) LLC
Jane Hart	Treasurer	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Treasurer of CAVU eCommerce (AMER) LLC, MAG US Terminal Management LLC and CAVU Holdings (AMER) Inc.
Jenny Cochrane	Secretary	British	6th Floor Olympic House, Manchester Airport, Manchester, Greater Manchester, M90 1QX, United Kingdom	Secretary of CAVU Holdings (AMER) Inc.

None of the officers of MAG US (Apollo) Inc. have any actual or potential conflict between their duties to MAG US (Apollo) Inc. and their private interests or other duties as listed above.

Principal Activities

MAG US (Apollo) Inc. was established as a Delaware corporation and its principal activities are acting as, and in connection with being, a holding company.

Management and Controls

MAG US (Apollo) Inc. is managed and controlled in the State of Delaware.

Share Capital

The common stock of MAG US (Apollo) Inc. is 102 common stock at par value of $1 each, each fully paid up. All of the issued common stock held by MAG US (Apollo) Limited.

SUMMARY OF THE COMMON DOCUMENTS

The following is a summary of certain provisions of the principal documents relating to the transactions described in this Prospectus.

General overview

The Authorised Credit Parties (which includes the Issuer) all benefit from common terms under their relevant debt instrument and a common security package granted by the Obligors. It is a requirement of the CTA that any future provider of an Authorised Credit Facility must accede to and be bound by the terms of the CTA (see "*Common Terms Agreement*" below) and the intercreditor arrangements contained in the STID (see "*Security Trust and Intercreditor Deed*" below). The Issuer, as provider of each loan to the Borrower corresponding to the proceeds of an issuance of Bonds, is also a party to and bound by the CTA and the STID.

The CTA sets out the common terms applicable to each Issuer Loan Agreement and each other Authorised Credit Facility (other than a Liquidity Facility and each Obligor Hedging Agreement) into which the Borrower enters. Save for certain limited exceptions, no Authorised Credit Party can have additional representations, covenants or Obligor events of default beyond the common terms deemed to be incorporated by reference into their Authorised Credit Facilities through their execution of, or accession to, the CTA.

The STID regulates among other things: (i) the claims of the Obligor Secured Creditors; (ii) the exercise and enforcement of rights by the Obligor Secured Creditors; and (iii) the giving of instructions, consents and waivers and, in particular, the basis on which votes of the Obligor Secured Creditors will be counted.

All agreements listed below and non-contractual obligations arising out of or in connection with them will be governed by English law and subject to the exclusive jurisdiction of the English courts.

Common Terms Agreement

General

Each of the Obligors and the Issuer entered into the CTA on the Initial Issue Date with, among others, the Obligor Security Trustee, the Issuer Security Trustee, the Bond Trustee and the Security Group Agent. The CTA sets out the representations, covenants (positive, negative and financial) and Obligor Events of Default which apply to each Authorised Credit Facility (including for the avoidance of doubt each Issuer Loan Agreement and any other document entered into in connection with an Authorised Credit Facility).

It is a term of the CTA that any representation, covenant or Obligor Event of Default contained in any document which is in addition to those in the CTA and any other Common Document will be unenforceable (save for limited exceptions which, among other things, include tax representations or representations under a Liquidity Facility Agreement or given to PP Debtholders (including, among other things, representations with respect to U.S. law and/or tax law issues) 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, information undertakings, indemnities, covenants to pay, voluntary prepayments, cash sweep, equity cure rights, mandatory prepayments or mandatory "clean-down" provisions (other than upon or following the occurrence of any event of default howsoever worded in an Authorised Credit Facility) and covenants relating to remuneration, costs and expenses) unless they are also offered to all of the parties to the Common Terms Agreement on the same basis and for the duration of the relevant facility. In addition, subject to certain conditions, further representations may be included where they are extended to all of the Authorised Credit Parties including the Issuer.

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

The CTA contains certain indemnities of the Obligors to the Authorised Credit Parties in respect of losses caused, *inter alia*, by Obligor Events of Default.

A summary of the representations, covenants and Obligor Events of Default included in the CTA is set out below.

Representations

On the Initial Issue Date, each Obligor made a number of representations in respect of itself to each Authorised Credit Party. These representations included (among others and subject, in some cases, to agreed exceptions and qualifications as to materiality and reservations of law and certain other permitted exceptions (as to which see "*Permitted exceptions*" below) representations as to:

(a) *Status, power and authority*

Its due incorporation, power and authority; (i) to enter into and perform its obligations under the Obligor 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.

(b) *Binding obligations*

Its obligations under the Obligor Documents being legal, valid, binding and enforceable and each Obligor Security Document to which it is a party creates the Security Interest which that Obligor Security Document purports to create and that Security Interest is valid and effective.

(c) *Non-conflict with other obligations*

Its entry into and performance under the Transaction Documents not conflicting with any document or agreement which is binding upon it, its constitutional documents or any applicable law or regulation.

(d) *Validity*

All relevant consents, authorisations, licences and approvals for entry into and performance by it of the transactions contemplated by the Obligor Documents being in full force and effect.

(e) *Insolvency*

The absence of any insolvency event, creditor process or corporate action, legal proceeding or other procedure or step in relation to a composition, compromise, assignment or similar arrangement with any creditor.

(f) *Taxation*

(i) No stamp or registration duty or similar tax or charge is payable in the United Kingdom in respect of any Obligor Document and (ii) no requirement to make any deduction for or on account of Tax from any payment it may make under any Obligor Document to an Authorised Credit Party where the payment made a Qualifying Payment.

(g) *No default*

No Obligor Event of Default has occurred and is continuing or will result from the execution of, or the performance of any transaction contemplated by, any Obligor Document and no other event is outstanding which constitutes a default under any document which is binding on it or any of its Subsidiaries or any of its or its Subsidiaries assets.

(h) *Information in relation to Prospectus and Written Information*

The accuracy, completeness and due preparation of certain information including financial statements and this Prospectus.

(i) *No proceedings pending or threatened*

The absence of litigation, arbitration, governmental or other investigations, proceedings or disputes.

(j) *No breach of laws*

The absence of any breach of any law or regulation.

(k) *Security, ranking and Financial Indebtedness*

(i) No security over its assets or those of any member of the Security Group other than as permitted by the Obligor Documents, (ii) the Obligor Security is not subject to any prior ranking or *pari passu* ranking Security Interest and (iii) no Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

(l) *Good title to assets*

Good title to assets, or valid leases or licences of and all appropriate authorisations necessary to carry on it business.

(m) *Legal and beneficial ownership*

(i) It and each of its Subsidiaries is the sole legal and beneficial owner of the respective assets over which it purports to grant the Obligor Security and (ii) MAG (as defined in the CTA) owns all the issued share capital of the Issuer.

(n) *Group Structure Chart*

Accuracy of the group structure chart delivered pursuant to the CP Agreement.

(o) *Sanctions*

It is not the subject of any Sanctions nor is it located, organised or resident in a country or territory that is the subject of Sanctions.

(p) *Issuer*

The Issuer having not carried on any business or owned any assets other than in connection with matters relating to its incorporation and in contemplation of its entry into the Transaction Documents.

(q) *Status of Bonds*

The Bonds will constitute direct, secured and unconditional obligations of the Issuer and will at all times rank *pari passu* and rateably without preference or priority amongst themselves.

(r) *Centre of main interests and establishment*

The location of each Obligors centre of main interest being in the jurisdiction in which it was incorporated.

(s) *Choice of law*

Enforceability of the choice of governing law and jurisdiction in the Obligor Documents.

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 Obligor will repeat certain of such representations (the "**Initial Date Representations**").

On each Payment Date, on each date of a request for a borrowing under any Authorised Credit Facilities and, on the first date of each borrowing under any Authorised Credit Facilities, each Obligor shall make certain repeating representations (the "**Repeated Representations**"). An Obligor acceding to an Authorised Credit Facility shall make the Repeated Representations on the date of such accession.

Covenants

The CTA contains certain covenants from each of the Obligors. A summary of the covenants is set out below.

Information Covenants

(a) *Provision of Financial Statements*

The Security Group Agent must deliver to the Obligor Security Trustee, the Issuer Security Trustee, the Bond Trustee, each Facility Agent, each PP Debtholder, each Hedge Counterparty and the Rating Agencies:

(i) as soon as they are available, but in any event within 150 days after the end of each Financial Year the Parent's audited consolidated financial statements, and related accountants' reports, for that Financial Year; and

(ii) as soon as they are available, but in any event within 120 days after the end of the first Financial Half-Year in each Financial Year, the Parent's consolidated unaudited financial statements for that Financial Half-Year.

(b) *Form of Financial Statements*

The Security Group Agent must ensure that:

(i) each set of Financial Statements supplied by it (A) is prepared in accordance with Accounting Standards, (B) includes a cashflow statement, a profit and loss account and a balance sheet, (C) in the case of any Annual Financial Statements only, is audited and (D) in the case of any Annual Financial Statements 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);

(ii) it notifies the Obligor Security Trustee, the Issuer Security Trustee, the Bond Trustee, each Facility Agent, each PP Debtholder and each Hedge Counterparty of any material change on the basis on which its audited consolidated Financial Statements of the Parent are prepared; and

(iii) if any financial ratio results in or could reasonably be expected to result in a deviation equal to or greater than 3 per cent. from the result of the calculation of such financial ratio if such change had not occurred, the Security Group Agent may, or if the deviation is equal to or greater than 5 per cent. the Security Group Agent shall appoint an international firm of auditors approved by the Obligor Security Trustee to enter discussions with a view to amending the Distribution Ratios and/or the Default Ratios.

(c) *Notification of Default*

Unless the Obligor Security Trustee has already been so notified by another Obligor, each Obligor (or the Security Group Agent on its behalf) shall notify the Obligor Security Trustee of any Obligor Default relating to it (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(d) *Delivery of Compliance Certificate*

The Security Group Agent:

(i) shall, with each set of Financial Statements; and

(ii) may, at any other time,

deliver a Compliance Certificate to the Obligor Security Trustee, the Issuer Security Trustee, the Bond Trustee, each Facility Agent, each PP Debtholder, each Hedge Counterparty and the Rating Agencies.

Each Compliance Certificate delivered shall be accompanied by a confirmation confirming:

(A) in respect of the Relevant Historic Period to which the Compliance Certificate relates, the ratios which are required to be calculated under the CTA and calculations thereof in reasonable detail;

(B) whether the Distribution Condition in respect of the Relevant Forward Looking Period to which the Compliance Certificate relates is satisfied;

(C) summary details of any acquisition or disposal of Subsidiaries or interests in any Permitted Joint Venture by any member of the Security Group and of any company or business or material disposals by any member of the Security Group, in each case since the previously delivered Compliance Certificate (or, if none, the Initial Issue Date);

(D) the amounts of any Distribution made since the date of the previous Compliance Certificate;

(E) that:

I. the aggregate of the Gross Assets of the Guarantors taken as a whole is equal to or exceeds 80 per cent. of the Gross Assets of the Security Group; and

II. the aggregate of the amount of EBITDA attributable to each Guarantor is equal to or exceeds 80 per cent. of the EBITDA of the Security Group;

(F) the aggregate amount of all accretions by indexation to the original notional amounts of any inflation linked Hedging Agreement as a percentage of Total Net Debt;

(G) that no Obligor Default has occurred or is continuing, or if an Obligor Default has occurred and is continuing, steps (which shall be specified) are being taken to remedy such Obligor Default; and

(H) that the Security Group is in compliance with the Hedging Policy.

(e) *Delivery of Investor Reports*

The Security Group Agent shall, with each set of Annual Financial Statements, deliver, to the Obligor Security Trustee, the Issuer Security Trustee, each Facility Agent, each Hedge Counterparty, the Rating Agencies and the Bond Trustee, an Investor Report.

Each Investor Report must include:

(i) the historical ratios which are required to be calculated under the CTA and calculations thereof in reasonable detail;

(ii) a general update of the status of the business of the Security Group;

(iii) confirmation of the amount of any Distribution 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 Obligor Default has occurred and is continuing, or if an Obligor Default has occurred and is continuing, steps (which shall be specified) are being taken to remedy such Obligor Default; and

(C) the Security Group is in compliance with the Hedging Policy.

(f) *Annual Presentation to Secured Creditors*

The Security Group Agent must hold each year an open one-way investor update conference call presentation made by the Security Group Agent to the Secured Creditors (including the Bondholders) in respect of the on-going business and financial performance of the Security Group and the Issuer.

(g) *Update of Prospectus*

Each Obligor shall ensure that the Prospectus of the Issuer is updated as required under applicable laws or market practice before the Issuer seeks to issue any further series or tranches of Bonds after the validity period following the filing of the latest update (or, if none, the original filing of the Prospectus) has expired.

(h) *Provision of Obligor Information*

So far as permitted by any applicable law, regulation, order or any binding confidentiality obligations, each Obligor must supply to the Obligor Security Trustee, the Issuer Security Trustee, the Bond Trustee, each Facility Agent, each PP Debtholder, each Hedge Counterparty and the Rating Agencies:

(i) at the same time as they are dispatched, copies of all documents dispatched by the Security Group Agent or any Obligor to its creditors generally (or any class of them);

(ii) promptly upon becoming aware of them, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Security Group and which, if adversely determined, would have or would be reasonably likely to have a Material Adverse Effect;

(iii) promptly upon receipt, copies of all notices and correspondence from any governmental authority or regulator received by any member of the Security Group which would, or would be reasonably likely to, have a Material Adverse Effect;

(iv) promptly upon becoming aware of the relevant claim, the details of any disposal or insurance claim which will require a prepayment under an Obligor Document of any Obligor Secured Debt;

(v) promptly, such information as the Obligor Security Trustee may reasonably require about the Obligor Charged Property and compliance of the Obligors with the terms of any Obligor Security Documents;

(vi) promptly on request, such material information (including hedging information) about the business and financial condition of the Security Group and the Issuer which can be requested by the Obligor Security Trustee on the instructions of Qualifying Obligor Secured Creditors holding at least 10 per cent. by value of the Qualifying Obligor Senior Debt, provided that, at any time when no Obligor Event of Default has occurred and is subsisting, a maximum of two such requests for information may be made, in any 12 month period;

(vii) if the Distribution Condition is not satisfied on four consecutive Calculation Dates, the Obligor Security Trustee may (on receipt of instructions to do so obtained in accordance with the STID), at the cost of the Obligors:

(A) commission an independent review to be conducted by an independent expert as may be agreed between the Security Group Agent and the Obligor Security Trustee; and

(B) require that the Security Group Agent (on behalf of the other Obligors) provides to each recipient (other than the Rating Agencies) written proposals to ensure that the circumstance which gave rise to its not being able to satisfy the Distribution Condition will be remedied as at the next Calculation Date.

(i) *Use of Websites*

The Security Group Agent may maintain an open access investor website (the "**Designated Website**") on which information that is required to be delivered under the CTA shall be published.

(j) *"Know Your Customer" Checks*

In the circumstances provided in the CTA, each Obligor and any new Obligor shall promptly upon the request of any Authorised Credit Provider or its agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the relevant Authorised Credit Provider's agent (for itself or on behalf of such Authorised Credit Provider) or any Authorised Credit Provider in order for the Authorised Credit Provider's agent, such Authorised Credit Provider or any prospective new Authorised Credit Provider, to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Obligor Documents.

Financial Information Covenants

(a) *Confirmations Regarding Calculations*

The Obligors shall, in each Compliance Certificate and Investor Report:

(i) confirm that the relevant Compliance Certificate or Investor Report (as applicable) is accurate in all material respects;

(ii) confirm that each of the Ratios referred to in paragraph (b) (*Financial Ratios*) below has been calculated, specify the results of such calculations and provide a copy of the computations made in respect of the calculation of such ratios in reasonable detail;

(iii) in respect of the applicable Relevant Historic Period, specify the results of such calculations and provide a copy of the computations made in respect of the calculation of such ratios in reasonable detail; and

(iv) in respect of the applicable Relevant Forward Looking Period, confirm whether the Distribution Ratios have been satisfied.

(b) *Financial Ratios*

The ratios to be calculated by each Reporting Date by reference to the most recent Calculation Date are as follows:

(i) the Interest Coverage Ratio in respect of the applicable Relevant Historic Period and the applicable Relevant Forward Looking Period; and

(ii) the Leverage Ratio in respect of the applicable Relevant Historic Period and the applicable Relevant Forward Looking Period.

General Covenants

Pursuant to the CTA, the Obligors have given covenants which are customary for a financing of the type (with customary carve-outs, thresholds, reservations and caveats and certain other permitted exceptions (as to which see "*Common Terms Agreement – Permitted exceptions*" below)) including in relation to compliance with laws, conduct of business and maintenance of licences and authorisations. In particular, the Obligors have given the following covenants:

(a) *Maintenance of Authorisations*

Each Obligor shall promptly obtain, comply with and maintain in full force and effect any material Authorisation required under any law or regulation of its Relevant Jurisdiction to: (i) enable it to perform its obligations under the Obligor Documents; (ii) ensure the legality, validity and enforceability of any Obligor Document; and (iii) carry on its business, in each case where failure to do so would have or would be reasonably likely to have a Material Adverse Effect.

(b) *Compliance with Laws*

Each Obligor shall (and the Security Group Agent shall procure that each member of the Security Group will) comply in all respects with all laws (including in respect of pensions, Tax, Environmental Law and anti-corruption laws) to which it may be subject, if failure so to comply would have or would be reasonably likely to have a Material Adverse Effect.

(c) *Restrictions on Merger*

No Obligor shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than under an intra-Group reorganisation of any Obligor (other than the Borrower) on a solvent basis, including by way of scheme of arrangement under Part 26 of the Companies Act 2006, where any payments or assets distributed as a result of such solvent liquidation or reorganisation are distributed to an Obligor or under any Permitted Transaction or Permitted Share Issue.

(d) *No Change of Business*

No Obligor shall (and the Security Group Agent shall ensure that no other member of the Security Group will) carry on any business other than Permitted Business or any business falling within the Permitted Business Limits.

(e) *Restrictions on Acquisitions*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will):

(i) acquire or invest in a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or

(ii) incorporate a company,

other than in respect of a Permitted Acquisition or a Permitted Transaction.

(f) *Restrictions on Joint Ventures*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will):

(i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(ii) transfer any assets or lend to or guarantee or give an indemnity for or give any Security Interest for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing),

other than in respect of a Permitted Joint Venture, a Permitted Acquisition, a Permitted Disposal, a Permitted Loan, Permitted Security or a Permitted Transaction.

(g) *Activities of Holding Companies*

Neither the Parent nor East Midlands Airport Nottingham Derby Leicester Limited shall trade, carry on any business, own any assets or incur any liabilities except for:

(i) the provision of administrative services (excluding treasury services) to other members of the Security Group or the Issuer of a type customarily provided by a holding company to its Subsidiaries;

(ii) ownership of shares in its Subsidiaries, intra-Security Group debit balances, intra-Security Group credit balances and other credit balances in bank accounts, cash and Cash Equivalent Investments but only if those shares, credit balances, cash and Cash Equivalent Investments are subject to the Obligor Security;

(iii) any liabilities under the Obligor Documents to which it is a party (which, in each case, are consistent with the type of liabilities customarily incurred by a holding company) and professional fees and administration costs in the ordinary course of business as a holding company;

(iv) the carrying out of those activities contemplated or required by the Obligor Documents which, in each case, are consistent with activities customarily carried out by a holding company;

(v) being the creditor or borrower under intercompany loans between a member of the Security Group and itself;

(vi) incurring Financial Indebtedness and granting guarantees under the Obligor Documents; and

(vii) incurring obligations or liabilities in respect of their engagement of professional advisers or any Rating Agency on behalf of any member of the Security Group or the Issuer.

(h) *Maintenance of Pari Passu Ranking*

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of an Obligor Secured Creditor against it under the Obligor Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

(i) *Negative Pledge and Security Interests*

(i) No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) create or permit to subsist any Security Interest over any of its assets other than in respect of any Security Interest or (as the case may be) Quasi-Security, which is Permitted Security, a Permitted Disposal or a Permitted Transaction; and

(ii) No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will):

(A) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;

(B) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(C) 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

(D) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset, other than in respect of any Security Interest or (as the case may be) Quasi-Security, which is Permitted Security, a Permitted Disposal or a Permitted Transaction.

(j) *Restrictions on Disposals*

(i) No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) enter into a single transaction or a series of transactions, whether related or not and whether voluntary or involuntary, to sell, lease, transfer or otherwise dispose of any asset other than in respect of a Permitted Disposal or a Permitted Transaction.

(ii) Notwithstanding the provisions of paragraph (i) above, no Obligor shall be permitted to dispose of all or substantially all of the assets and business constituting MAN or STN (whether by way of asset or share sale).

(k) *Restrictions on Distributions*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) make any Distribution other than a Permitted Distribution or a payment, repayment, prepayment, distribution, redemption, repurchase, defeasement, issue of shares or retirement made to an Obligor, as to which see "*Summary of the Common Documents – Common Terms Agreement – Distributions*" below.

(l) *Restrictions on Financial Indebtedness*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) incur or allow to remain outstanding any Financial Indebtedness other than Permitted Financial Indebtedness.

(m) *Restrictions on Loans and Credit*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) be a creditor in respect of any Financial Indebtedness other than a Permitted Loan.

(n) *Restrictions on Guarantees and Indemnities*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person other than in respect of a Permitted Guarantee or a Permitted Transaction.

(o) *Arm's Length Basis*

No Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) enter into any material transaction with any person, except on arm's length terms and for fair market value, other than in respect of:

(i) any transaction required by law or regulation to the extent such transaction is required not to be for fair market value or on terms which are not arm's length (as applicable) and, in the case of any disposal, provided such disposal is a Permitted Disposal which is permitted to be on terms which are not arm's length in accordance with the definition thereof;

(ii) a Permitted Transaction;

(iii) other transactions expressly permitted by the Obligor Documents to be on terms which are not arm's length; and

(iv) transactions between members of the Security Group which are not otherwise prohibited by the terms of the Obligor Documents.

(p) *Maintenance of Insurance*

Each Obligor shall maintain insurances on and in relation to its business and assets against those risks and to the extent as is commercially prudent in accordance with good industry practice for such assets for companies carrying on the same or a substantially similar business.

(q) *Access*

If an Obligor Event of Default has occurred and is continuing or the Obligor Security Trustee reasonably suspects that an Obligor Event of Default has occurred and is continuing, each Obligor shall (and the Security Group Agent shall procure that each member of the Security Group will), permit the Obligor Security Trustee and/or accountants or other professional advisers, agents and contractors of the Obligor Security Trustee free access at all reasonable times and on reasonable notice at the risk and cost of the Security Group Agent to:

(i) the premises, assets, books, accounts and records of any member of the Security Group; and

(ii) meet and discuss matters with senior management of any member of the Security Group.

(r) *Compliance with Hedging Policy*

Each Obligor shall (and the Security Group Agent shall procure that each member of the Security Group and the Issuer will) comply with the Hedging Policy and no Obligor shall (and the Security Group Agent shall procure that no member of the Security Group will) enter into any Treasury Transaction, other than the hedging transactions documented by the Hedging Agreements or in accordance with the Hedging Policy.

(s) *Further Assurance*

(i) Each Obligor shall (and the Security Group Agent shall procure that each member of the Security Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Obligor Security Trustee may reasonably specify (and in such form as the Obligor Security Trustee may reasonably require in favour of the Obligor Security Trustee or any of its nominees):

(A) to perfect the Security Interests created or intended to be created under or evidenced by the Obligor Security Documents (which may include the execution of a mortgage, charge, assignment or other Security Interest over all or any of the assets which are, or are intended to be, the subject of any Obligor Security Document) or for the exercise of any rights, powers and remedies of the Obligor Security Trustee or the Obligor Secured Creditors provided by or pursuant to the Obligor Documents or by law;

(B) to confer on the Obligor Security Trustee or confer on the Obligor Secured Creditors, Security Interests over any property and assets of that Obligor (as applicable) located in any jurisdiction equivalent or similar to the Security Interests intended to be conferred by or pursuant to any Obligor Security Document; and/or

(C) to facilitate the realisation of the assets which are, or are intended to be, the subject of any Obligor Security Document.

(ii) Each Obligor shall (and the Security Group Agent shall procure that each member of the Security Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interests conferred or intended to be conferred on the Obligor Security Trustee or the Obligor Secured Creditors by or pursuant to the Obligor Documents.

(t) *Maintenance of Credit Rating*

Each Obligor shall use reasonable endeavours to maintain a credit rating from at least one Rating Agency for the Bonds issued by the Issuer and each Obligor shall cooperate with the 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 the Rating Agencies after the Initial Issue Date.

(u) *Guarantor coverage*

(i) If:

(A) the aggregate of the Gross Assets of the Guarantors taken as a whole is less than 80 per cent. of the Gross Assets of the Security Group; or

(B) the aggregate of the amount of EBITDA attributable to each Guarantor is less than 80 per cent. of the EBITDA of the Security Group,

the Security Group Agent shall ensure that any one or more members of the Security Group who are not Obligors ("**Non-Obligor Member**") accede to the Common Documents as a Guarantor and an Obligor within 20 Business Days of the date of the relevant Compliance Certificate to ensure that, had the ratios set out in paragraphs (A) and (B) above been calculated taking into account each such Non-Obligor Member, such ratios would have been satisfied.

(ii) The Security Group Agent shall ensure that each member of the Security Group which is a Material Subsidiary shall, as soon as reasonably practicable, and in any event within 30 days, after becoming a Material Subsidiary, become a Guarantor in accordance with the terms of the STID.

(v) *Sanctions*

No Obligor will, directly or indirectly, apply any amount borrowed under any Obligor Document, or lend, contribute or otherwise make available such amounts to any Subsidiary, joint venture partner or other person, to fund:

(i) any activities of or a business with any person; or

(ii) any business in Burma/Myanmar, Cuba, Iran, North Korea, Syria, Sudan or in any other country or territory,

which, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, adviser, investor or otherwise) of Sanctions.

(w) *Operation of Accounts*

(i) Each Obligor shall ensure that all of the Obligor Accounts (other than an Obligor Liquidity Standby Account) are held with an Acceptable Bank and are subject to the Obligor Security.

(ii) The Borrower shall, if and when required to do so under the terms of the Liquidity Facility Agreement, open an Obligor Liquidity Standby Account with the Liquidity Facility Provider or, if the Liquidity Facility Provider does not have the Minimum Long Term Rating, an Acceptable Bank under paragraph (a) or paragraph (b) of the definition thereof and shall ensure that the Liquidity Facility Agent has all rights, powers and discretions required to operate any such Obligor Liquidity Standby Account.

(iii) Any member of the Security Group may invest in Cash and/or Cash Equivalent Investments from the amounts standing to the credit of any of the Obligor Accounts (other than an Obligor Liquidity Standby Account) from time to time as is prudent provided that each Obligor must (and the Security Group Agent shall procure that each member of the Security Group will) only invest in Cash Equivalent Investments that are subject to the Obligor Security.

Permitted exceptions

As more fully set out above in "*Common Terms Agreement – Representations*" and "*Common Terms Agreement – Covenants*" above, certain of the representations and covenants provided by the Obligors pursuant to the Common Terms Agreement are subject to permitted exceptions. These permitted exceptions are defined in full in the Glossary and include, but are not limited to: Permitted Acquisitions, Permitted Additional Financial Indebtedness, Permitted Business, Permitted Disposals, Permitted Distributions, Permitted Financial Indebtedness and Permitted Guarantees. Each of these terms is set out below in full:

"**Permitted Acquisition**" means:

(a) any acquisition of assets made in the ordinary course of trade;

(b) an acquisition by a member of the Security Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Security Group in circumstances constituting a Permitted Disposal;

(c) any acquisition or investment made in connection with the Manchester Metrolink Project;

(d) an acquisition of or investment in assets in exchange for assets comparable in type, value and quality or in replacement of other assets disposed of in circumstances constituting a Permitted Disposal;

(e) an acquisition of securities which are Cash Equivalent Investments so long as those Cash Equivalent Investments become subject to the Obligor Security as soon as is reasonably practicable after such acquisition;

(f) an acquisition of or investment in assets from the proceeds of insurance provided that such proceeds are not required to be applied in mandatory prepayment of any Secured Debt;

(g) any acquisition or investment funded entirely by a Permitted Share Issue and/or the raising of Subordinated Liabilities by the Parent from its Holding Company or any of Affiliate of its Holding Company;

(h) an acquisition of shares or securities pursuant to a Permitted Share Issue;

(i) any acquisition of any Secured Debt pursuant to a debt buy back, subject to the terms of the Transaction Documents;

(j) the incorporation by an Obligor of a company but only if a Security Interest over the shares of that company is created in favour of, and in form and substance satisfactory to, the Obligor Security Trustee within 30 days of the date of its incorporation;

(k) acquisitions or investments (including Joint Ventures) where the consideration (when aggregated with the consideration for any other acquisition not permitted under paragraphs (a) to (j) above and paragraphs (l) and (m) below) does not in any one Financial Year, exceed an amount equal to 15 % of the Gross Assets of the Obligors (or its equivalent in other currencies) calculated on the basis of and in accordance with the consolidated Annual Financial Statements of the Parent delivered pursuant to paragraph 1 (Financial Statements) of part 1 (Information Covenants) to schedule 2 (Security Group Covenants) to the Common Terms Agreement in respect of the immediately preceding Financial Year;

(l) with effect from the Term Facility Repayment Date, an acquisition where the Security Group Agent has:

(i) delivered to the Obligor Security Trustee not later than five Business Days before any Obligor legally commits to make such acquisition a certificate signed by two directors of the Security Group Agent giving calculations showing in reasonable detail that the Distribution Condition would have been satisfied if tested for the Relevant Period ending on the most recent Calculation Date consolidating the financial results of the asset(s) to be acquired with the financial statements of the Security Group for such period taking into account the proposed acquisition and as if the consideration for the proposed acquisition had been paid at the start of that Relevant Period; or

(ii) provided details of such acquisition to the Rating Agencies mandated by the Issuer from time to time to provide public long-term credit ratings and the Security Group Agent either:

(A) has obtained a confirmation from each of the Rating Agencies that are currently appointed by the Issuer that such acquisition will not result in the then long-term credit rating on the Bonds to be reduced below the lower of: (xx) the long-term credit rating of the Bonds on the Initial Issue Date; and (yy) the then current long-term credit rating of the Bonds, as long as that rating is at least Investment Grade; or

(B) in the event that any one or more of the Rating Agencies declines to provide such confirmation for any reason other than related to the rating itself, certifies (after having made all reasonable enquiries), and provides evidence to support such certification, that such acquisition will not result in the then long-term credit rating on the Bonds to be reduced below the lower of: (xx) the long-term credit rating of the Bonds on the Initial Issue Date; and (yy) the then current long-term credit rating of the Bonds, as long as that rating is at least Investment Grade; or

(m) an acquisition approved or consented to by the Obligor Security Trustee in accordance with the STID,

provided in each case that no such acquisition or incorporation (as applicable) may be made of any company or business in any jurisdiction in contravention of any Sanctions.

"**Permitted Additional Financial Indebtedness**" means Financial Indebtedness incurred by any member of the Security Group under an Authorised Credit Facility entered into after the Initial Issue Date:

(a) the creditors of such Financial Indebtedness (the "**Incoming Creditors**") accede to the Common Terms Agreement, the Master Definitions Agreement and the STID;

(b) the Incoming Creditors do not, and may not at any time, benefit from any Security Interests, guarantee, indemnity, assurance against loss or other credit support given by, or recourse to, any Obligor other than pursuant to the Obligor Security Documents, the Common Terms Agreement and any Common Assurance;

(c) no Obligor Default is subsisting or would occur as a result of the incurrence of such further Financial Indebtedness; and

(d) any hedging in respect of such further Financial Indebtedness complies with the Hedging Policy,

provided that, at any time the aggregate amount of such Financial Indebtedness exceeds the Threshold Level, no further such Financial Indebtedness may be incurred by any member of the Security Group unless (but at all times without prejudice to any mandatory prepayment obligation contained in any Authorised Credit Facility Agreement) on or before the incurrence of such further Financial Indebtedness, the Security Group Agent provides a certificate to the Obligor Security Trustee confirming that:

(i) the net proceeds of such further Financial Indebtedness will be applied promptly in permanent repayment or prepayment of amounts outstanding under any Authorised Credit Facility Agreement (to the extent applicable);

(ii) the Distribution Condition is (or would be) met on the date on which such Financial Indebtedness is incurred (where projected calculations will be prepared on a pro forma basis); or

(iii) the Security Group Agent has provided details of such Financial Indebtedness to the Rating Agencies mandated by the Issuer from time to time to provide public long-term credit ratings and the Security Group Agent:

(A) has obtained a confirmation from each of the Rating Agencies that are currently appointed by the Issuer that such Permitted Additional Financial Indebtedness will

not result in the then long-term credit rating on the Bonds to be reduced below the lower of: (xx) the long-term credit rating of the Bonds on the Initial Issue Date; and (yy) the then current long-term credit rating of the Bonds, as long that rating is at least Investment Grade; or

(B) in the event that any one or more of the Rating Agencies declines to provide such confirmation for any reason other than related to the rating itself, certifies (after having made all reasonable enquiries), and provides evidence to support such certification, that such Permitted Additional Financial Indebtedness will not result in the then long-term credit rating on the Bonds to be reduced below the lower of: (xx) the long-term credit rating of the Bonds on the Initial Issue Date; and (yy) the then current long-term credit rating of the Bonds, as long as that rating is at least Investment Grade.

"**Permitted Business**" means:

(a) the business of being an airport operator, owner or service provider including: constructing, developing, operating, maintaining, repairing, upgrading, owning and providing facilities and services for and connected with airport assets;

(b) any business or activity ancillary to a principal business falling within paragraph (a) above (which shall include: (i) the provision of any services to any Obligor which are currently provided by third parties; and (ii) retail (both physical and online), facilities management, car parking, surface transport, advertising, property development, letting and management businesses and activities); and

(c) any other business approved or consented to by the Obligor Security Trustee in accordance with the STID.

"**Permitted Disposal**" means any sale, lease, licence, transfer or other disposal which, except in the case of paragraph (b), paragraph (g) or paragraph (i) below, is on arm's length terms:

(a) in the ordinary course of trading of the disposing entity;

(b) of any asset by a member of the Security Group (the "**Disposing Company**") to another member of the Security Group (the "**Acquiring Company**"), but if:

(i) the Disposing Company had given a Security Interest over the asset, the Acquiring Company must give an equivalent Security Interest over that asset; and

(ii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor within five Business Days of such disposal;

(c) of assets (other than shares, businesses and Intellectual Property Rights) in exchange for, replaced by or where the proceeds of sale are reinvested in other assets comparable as to value and quality;

(d) of obsolete or surplus assets;

(e) of Cash Equivalent Investments for Cash or in exchange for other Cash Equivalent Investments and vice-versa;

(f) of assets where the net proceeds of those disposals are applied promptly, and in any event within 30 Business Days of receipt thereof, in permanent payment, repayment and/or prepayment of amounts owed under:

(i) prior to the Term Facility Repayment Date, the Term Facility; and

(ii) with effect from and including the Term Facility Repayment Date, the Obligor Secured Debt pro rata and pari passu in accordance with the respective amounts thereof;

(g) of assets by an Obligor to another Obligor;

(h) of non-core trading assets including, but not limited to, residential and commercial property assets which are not required for airport operations;

(i) of assets relating to the Airport City Development, including the Airport City Land (whether by way of surrender or otherwise), the Airport City South Leases and/or the Bainsdown Airport City Land;

(j) arising as a result of any Permitted Security or any Permitted Joint Venture;

(k) of all or substantially all of the assets and business constituting East Midlands International Airport Limited and/or the shares in East Midlands International Airport Limited;

(l) of all or substantially all of the assets and business constituting Bournemouth International Airport Limited and/or the shares in Bournemouth International Airport Limited;

(m) of assets for cash where the higher of the market value and net consideration receivable (when aggregated with the higher of the market value and net consideration receivable for any other sale, lease, licence, transfer or other disposal not permitted under paragraphs (a) to (l) above and paragraphs (n) to (r) below) does not in any one Financial Year exceed an amount equal to 15% of the Gross Assets of the Obligors (or its equivalent in other currencies), calculated by reference to the consolidated Annual Financial Statements of the Security Group Agent delivered in respect of the immediately preceding Financial Year;

(n) with effect from the Term Facility Repayment Date, where the Security Group Agent has:

(i) delivered to the Obligor Security Trustee not later than five Business Days before Obligor legally commits to make such disposal a certificate signed by two directors of the Security Group Agent giving calculations showing in reasonable detail that the Distribution Condition would have been satisfied if tested for the Relevant Period ending on the most recent Calculation Date excluding the financial results of the asset(s) to be disposed of from the financial statements of the Security Group for such period taking into account the proposed disposal and as if the consideration for the proposed disposal had been received at the start of that Relevant Period; or

(ii) provided details of such sale, lease, licence, transfer or other disposal to the Rating Agencies mandated by the Issuer from time to time to provide public long-term credit ratings and the Security Group Agent either:

(A) has obtained a confirmation from each of the Rating Agencies that are currently appointed by the Issuer that such disposal will not result in the then long-term credit rating on the Bonds to be reduced below the lower of: (xx) the long-term credit rating of the Bonds on the Initial Issue Date; and (yy) the then current long-term credit rating of the Bonds, as long as that rating is at least Investment Grade; or

(B) in the event that any one or more of the Rating Agencies is or are unable to provide such confirmation for any reason other than related to the rating itself, certifies (after having made all reasonable enquiries), and provides evidence to support such certification, that such disposal will not result in the then long-term credit rating on the Bonds to be reduced below the lower of: (xx) the long-term credit rating of the

Bonds on the Initial Issue Date; and (yy) the then current long-term credit rating of the Bonds, as long as that rating is at least Investment Grade;

(o) constituted by a licence of Intellectual Property Rights;

(p) constituting capitalisation of permitted intra-group loans between members of the Security Group, provided that the share issue resulting from capitalisation is permitted by the terms of the Obligor Documents, and such intra-group loans are not the necessary means as to how the Obligors repay the Obligor Secured Debt;

(q) of assets compulsorily acquired by any governmental authority or of assets which the Security Group is required to dispose of pursuant to an order or direction from a governmental authority or a competent regulatory body, provided that such disposal does not constitute an Obligor Event of Default under paragraph 14 (Expropriation) of schedule 3 (Obligor Events of Default) to the Common Terms Agreement; and

(r) any other payment or disposal approved or consented to by the Obligor Security Trustee in accordance with the STID,

provided that:

(i) no such disposal of all or substantially all of the assets and business of Manchester International Airport or Stansted International Airport may be made under paragraphs (a) to (r) above without the prior written consent of the Obligor Security Trustee (acting in accordance with the STID); and

(ii) at all times prior to the Discharge Date in respect of the Initial Authorised Credit Facilities, the Security Group Agent is in compliance with its obligations under clause 9.2 (Disposal, Insurance Proceeds, Acquisition Proceeds and Refinancing Proceeds) of the Initial ACF Agreement as at the Initial Issue Date.

"**Permitted Distribution**" means:

(a) a Distribution (other than a Distribution under paragraph (c) of the definition thereof), provided that the Distribution Condition has been satisfied;

(b) a Distribution under paragraph (c) of the definition thereof provided that such Distribution is a Permitted Share Issue;

(c) a payment or payments of auditors' fees and holding company expenses of up to £3,000,000 (Indexed) (or its equivalent in other currencies) in aggregate per Financial Year by any member of the Security Group to any person which is not a member of the Security Group, provided that payment of such amounts shall not be permitted if an Obligor Event of Default is continuing or would result from the making of such payment or payments;

(d) a Distribution under a Permitted Tax Transaction or a Group Payment Arrangement; or

(e) any other Distribution approved or consented to by the Obligor Security Trustee in accordance with the STID.

"**Permitted Financial Indebtedness**" means any Financial Indebtedness:

(a) arising under any Obligor Document (including any Permitted Additional Financial Indebtedness);

(b) arising under any Subordinated Liabilities or any Subordinated Intragroup Liabilities;

(c) arising under or in respect of a Permitted Guarantee or a Permitted Loan;

(d) of any person acquired by any Obligor after the Initial Issue Date which is incurred under arrangements in existence at the date of the acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six months following the date of the acquisition;

(e) arising solely as a result of gross exposure (which is zero on a net balance basis) under any netting or set-off arrangement entered into by any member of the Security Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the members of the Security Group but only so long as: (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Security Group which are not Obligors; and (ii) such arrangement does not give rise to any other Security Interest over the assets of Obligors in support of the liabilities of members of the Security Group which are not Obligors;

(f) under any Treasury Transaction which complies with the terms of the Common Terms Agreement;

(g) not permitted by paragraphs (a) to (f) above or (h) or (i) below and the outstanding principal amount of which (when taken together with all Financial Indebtedness incurred pursuant to this paragraph (g) in any Financial Year) does not exceed an amount in Sterling (or its equivalent in other currencies) equal to £75,000,000 (Indexed) (or its equivalent in other currencies) in aggregate for the Security Group at any time;

(h) incurred pursuant to any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution given in respect of trade credit or under or in respect of any performance bond arising in the ordinary course of business; and

(i) any other financial indebtedness approved or consented to by the Obligor Security Trustee in accordance with the STID.

"**Permitted Guarantee**" means:

(a) the endorsement of negotiable instruments in the ordinary course of trade;

(b) any performance or similar bond, guarantee or indemnity or undertaking guaranteeing performance by a member of the Security Group under any contract entered into in the ordinary course of business (including any entered into in undertaking the Permitted Business);

(c) any guarantee of any indebtedness incurred by a Permitted Joint Venture if, taking into account such guarantee, the Distribution Condition would be satisfied as at the date on which such guarantee is made;

(d) any guarantee or guarantees granted by any member of the Security Group in respect of the Airport City Development provided that the contingent liability under all such guarantee(s) shall not exceed £30,000,000 (Indexed) (or its equivalent in other currencies) at any time;

(e) any guarantee or indemnity permitted under paragraph 12 (Financial Indebtedness) of part 3 (General Covenants) of schedule 3 (Security Group Covenants) to the Common Terms Agreement;

(f) any guarantee given in respect of the netting or set off arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security;

(g) any guarantee granted under the Obligor Documents;

(h) any indemnity given in the ordinary course of an acquisition or disposal which is a Permitted Acquisition or Permitted Disposal which indemnity is in customary form and subject to customary limitations;

(i) any other guarantee approved or consented to by the Obligor Security Trustee in accordance with the STID;

(j) any indemnity given to any professional advisers of the Security Group and the Rating Agencies;

(k) any indemnity in favour of a liquidator of a member of the Security Group whose liquidation is permitted under the Obligor Documents;

(l) any guarantee in favour of a beneficiary, provided that such claims are subordinated under the STID; or

(m) any guarantee not otherwise permitted under the preceding paragraphs provided that the aggregate maximum potential liability of the Obligors thereunder does not exceed an amount in Sterling (or its equivalent in other currencies) equal to the higher of (without double counting):

(n) £7,000,000 (Indexed) (or its equivalent in other currencies) at any time; and

(o) 3% of the average EBITDA for the immediately preceding three Financial Years.

Obligor Events of Default

The CTA contains the following events of default which constitute the "**Obligor Events of Default**" under each Obligor Document other than any Liquidity Facility Agreement, any Obligor Hedging Agreement and any Issuer Hedging Agreement, each one being an "**Obligor Event of Default**":

(a) *Non-Payment*

An Obligor does not pay on the due date any amount payable by it under the Obligor Documents in the manner required under such documents, unless:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

(ii) payment is made within three Business Days of its due date.

(b) *Breach of Financial Covenants*

Either:

(i) the Interest Coverage Ratio; and/or

(ii) the Leverage Ratio;

in each case, as at the relevant Calculation Date as stated in the Compliance Certificate provided to, among others, the Obligor Security Trustee pursuant to the CTA breaches the relevant Default Ratio and provided that an Obligor Event of Default may be cured by exercise of any Equity Cure Right,

where:

"**Default Ratio**" means:

(a) in respect of the Interest Coverage Ratio, the Interest Coverage Ratio falls below 1.40 to 1; and

(b) in respect of the Leverage Ratio, the Leverage Ratio exceeds 7.50 to 1;

"**Interest Coverage Ratio**" means, in respect of any Relevant Period, the ratio of:

(a) EBITDA *minus* any amounts paid in respect of tax; to

(b) Net Finance Charges; and

"**Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

(c) *Breach of other Obligations*

(i) An Obligor does not comply with any term of the Obligor Documents (other than the Tax Deed of Covenant or any provision referred to in paragraphs (a) (*Non-Payment*) and (b) (*Breach of Financial Covenants*) above or in subparagraph (ii) below) provided that no Obligor Event of Default under this paragraph will occur if the failure to comply is capable of remedy and is remedied within 20 Business Days of the earlier of: (A) the Obligor Security Trustee giving notice to the Security Group Agent or the relevant Obligor; and (B) the Security Group Agent or an Obligor becoming aware of the failure to comply.

(ii) The Security Group Agent does not comply with the guarantor coverage covenant set out in paragraph (u) (*Guarantor coverage*) of "*General Covenants*" above.

(d) *Misrepresentation*

Any representation or statement made by an Obligor in any Obligor Documents (other than the Tax Deed of Covenant) or in any other document delivered by or on behalf of any Obligor under or in connection with any Obligor Document is or proves to have been incorrect in any material respect when made or deemed to be made provided that no Obligor Event of Default will occur if the event or circumstance giving rise to the breach is capable of remedy and is remedied within 20 Business Days of the earlier of: (i) the Obligor Security Trustee giving notice to the Security Group Agent or the relevant Obligor; and (ii) the Security Group Agent or the relevant Obligor becoming aware of the event or circumstance.

(e) *Cross Default*

(i) Any Financial Indebtedness of any member of the Security Group is not paid when due nor within any originally applicable grace period.

(ii) Any Financial Indebtedness of any member of the Security Group 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).

(iii) Any commitment for any Financial Indebtedness of any member of the Security Group is cancelled or suspended by a creditor of any member of the Obligor as a result of an event of default (however described).

(iv) Any creditor of any member of the Security Group becomes entitled to declare any Financial Indebtedness of any member of the Security Group due and payable prior to its specified maturity as a result of an event of default (however described).

(v) No Obligor Event of Default will occur under this paragraph (e) if:

(A) the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above is less than £15,000,000 (Indexed) (or its equivalent in other currencies); or

(B) the relevant Financial Indebtedness or commitment for Financial Indebtedness is Financial Indebtedness of a member of the Security Group to a Subordinated Intragroup Creditor or a Subordinated Creditor.

(f) *Insolvency*

(i) An Obligor:

(A) is unable or admits inability to pay its debts as they fall due;

(B) is deemed to, or is declared to, be unable to pay its debts under applicable law;

(C) suspends or announces its intention to suspend making payments on any of its debts; or

(D) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(ii) A moratorium is declared in respect of any indebtedness of any Obligor.

(g) *Insolvency Proceedings*

(i) A resolution is passed, or a meeting of its shareholders or directors is convened for the purpose of considering a resolution for the winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor other than a solvent liquidation or reorganisation taking place with the prior written consent of the Obligor Security Trustee.

(ii) A composition, compromise, assignment or similar arrangement is made with any creditor of any Obligor.

(iii) A liquidator, Receiver, administrative receiver, administrator, compulsory manager or other similar officer is appointed in respect of any Obligor or all or substantially all of its assets, or an application is made or petition presented to a court, or a notice is given or filed, in relation to the appointment of such an officer.

(iv) Any Obligor Security over all or substantially all of the assets of any Obligor is enforced.

(v) Any analogous procedure or step in any jurisdiction to those set out in Paragraphs (i) to (iv) above is taken in any jurisdiction.

(vi) Paragraphs (i) to (v) shall not apply to:

(A) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement; or

(B) the solvent liquidation or reorganisation of any Obligor provided that any payments or assets distributed as a result of such solvent liquidation or reorganisation are distributed to an Obligor.

(h) *Creditors' process*

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of an Obligor having an aggregate value of £5,000,000 (or its equivalent in other currencies) or more and is not discharged within 20 Business Days.

(i) *Unlawfulness and invalidity*

(i) It is or becomes unlawful for any Obligor to perform any of its material obligations under the Obligor Documents to which it is a party.

(ii) Subject to the Reservations, any obligation of any Obligor under any Obligor Document is not or ceases to be legal, valid, binding or enforceable to an extent that individually or cumulatively is materially adverse to the interests of the Obligor Secured Creditors under the Obligor Documents.

(iii) Subject to the Reservations, any Obligor Document ceases to be in full force and effect or any Security Interest created or expressed to be created or evidenced by the Obligor Security Documents or any subordination created under the Security Trust and Intercreditor Deed ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than an Obligor Secured Creditor or the Issuer) to be ineffective to an extent that individually or cumulatively is materially adverse to the interests of the Obligor Secured Creditors under the Obligor Documents.

(j) *Security Trust and Intercreditor Deed*

The Parent or any Obligor procures a breach by any party to the STID (other than an Authorised Credit Party) of its obligations under the STID which has a Material Adverse Effect and, if the breach is capable of remedy, it is not remedied within 20 Business Days of the earlier of: (i) the Obligor Security Trustee giving notice to that party; and (ii) that party becoming aware of the breach.

(k) *Cessation of business*

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or substantially all of its business carried on by it, in the case of each Original Obligor as at the date of the CTA and, in the case of each Additional Obligor as at the date of the Accession Memorandum pursuant to which that Additional Obligor accedes to the CTA, except in each case as a result of a Permitted Disposal or a Permitted Transaction.

(l) *Change of ownership*

An Obligor ceases to be a direct or indirect wholly-owned Subsidiary of the Parent except as a result of a disposal which is a Permitted Disposal.

(m) *Regulatory issues*

(i) Any Authorisation required for the Permitted Business of any Obligor is terminated.

(ii) No Obligor Event of Default under paragraph (i) above will occur unless:

(A) such Authorisation is not replaced with effect from the date of such termination on terms not materially less favourable to the Obligors (taking into account any changes in the regulatory environment since the Initial Issue Date); and

(B) such termination has or would be reasonably likely to have a Material Adverse Effect.

(n) *Expropriation*

The authority or ability of any member of the Security Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other public authority in relation to any member of the Security Group or any of its assets and individually or cumulatively the expropriations have or are reasonably likely to have a Material Adverse Effect.

(o) *Repudiation and rescission of agreements*

An Obligor repudiates an Obligor Document or any of the Obligor Security or evidences an intention to repudiate an Obligor Document or any Obligor Security.

(p) *Issuer Event of Default*

The occurrence of an Issuer Event of Default.

Equity Cure

If a Compliance Certificate delivered to the Obligor Security Trustee for any period shows that there is a breach constituting a Financial Ratio Event of Default, the Investors may provide or procure the provision of Additional Equity in an amount at least sufficient for the amount necessary to cure the relevant breach (the "**Equity Cure Amount**") by applying that Equity Cure Amount (an "**Equity Cure Right**") in prepayment or purchase of Obligor Senior Debt (or in making a deposit to a Defeasance Account in respect of such Obligor Senior Debt) and in payment of any related Repayment Costs (including amounts payable to Hedge Counterparties arising as a result of termination of any Hedging Transactions following the prepayment or purchase of the Obligor Senior Debt).

Following the application of any Equity Cure Amount in accordance with the CTA, the Interest Coverage Ratio and the Leverage Ratio shall be recalculated in accordance with the CTA and if after such re-calculation 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.

The exercise of the Equity Cure Right shall be limited to no more than three times in any five year period and shall not be exercised in relation to any two consecutive Calculation Dates. Any Equity Cure Amount must be provided on or prior to the date falling 10 Business Days after the delivery of the relevant Compliance Certificate.

The CTA contains restrictions on the ability of the Obligors to withdraw amounts standing to the credit of any Defeasance Account which has been deposited in accordance with the exercise of an Equity Cure Right. Such restrictions include, *inter alia*, that the next Compliance Certificate delivered in accordance with the CTA confirms that no Obligor Event of Default is continuing and the Security Group Agent confirms that no Obligor Event of Default would occur as a result of such withdrawal.

Following the service of an Obligor Acceleration Notice, amount standing to the credit of the Defeasance Accounts shall be applied solely in payment of amounts owed in respect of the relevant Senior Debt in accordance with the Obligor Post-Enforcement Priority of Payments.

Distributions

Pursuant to the CTA, subject to certain exceptions, the Obligors are prohibited from making any Distributions unless the Distribution Condition is satisfied. The Distribution Condition is set out in full in the Glossary and requires, inter alia, that:

(a) no Obligor Default is continuing or would result from making any proposed Distribution;

(b) the Compliance Certificate last provided by the Security Group Agent:

(i) demonstrates in respect of the Relevant Historic Period to which that Compliance Certificate relates; and

(ii) confirms in respect of the Relevant Forward Looking Period to which that Compliance Certificate relates,

that taking into account the proposed Distribution:

(A) the Interest Coverage Ratio is not less than 2.00:1; and

(B) the Leverage Ratio is not greater than 6.00:1;

(c) the long-term credit rating of any Bonds ascribed by at least one Rating Agency which have been engaged by the Issuer to provide a public long-term credit rating is Investment Grade; and

(d) the auditors of the Parent have not qualified the Annual Financial Statements of the Parent in terms or as to issues which have or would be reasonably likely to have a Material Adverse Effect.

Hedging Policy

Pursuant to the CTA, the members of the Security Group and the Issuer are bound by a hedging policy (the "**Hedging Policy**") the purpose of which is to limit the exposure of the Issuer and the Obligors to fluctuations in interest rates, currencies and inflation. The Hedging Policy will be reviewed from time to time by the Security Group and may be amended as appropriate including in order to reflect market practice, regulatory developments and good industry practice in accordance with the provisions of the STID.

Members of the Security Group and the Issuer may enter into Treasury Transactions (which may rank either super senior or *pari passu* with the Bonds) to manage risk inherent in its business or funding on a prudent basis and which shall include any pre-hedging (if thought appropriate) but no member of the Security Group may enter into Treasury Transactions for the purpose of speculation.

If the Issuer enters into Treasury Transactions, the economic effect of such Treasury Transactions shall be passed on to the Borrower either through an Issuer Loan Agreement or by way of back-to-back hedge agreements between the Borrower and the Issuer.

Hedging Principles

Currency Risk Principles

Neither the Issuer nor any member of the Security Group 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 instruments (subject to foreign currency roundings).

For the purposes of the above paragraph, the Issuer's or the Security Group's currency risk in relation to any foreign currency denominated debt instruments (or part thereof) shall be deemed to be hedged if and to the

extent that the Issuer or the Borrower or any other member of the Security Group has revenues denominated in the currency of the relevant foreign currency denominated debt instruments which are sufficient to ensure any foreign exchange risk is fully removed in respect of the relevant foreign currency denominated debt instrument (or part thereof).

Interest Rate Risk Principles

The Borrower and the Issuer shall (taken together) hedge the interest rate risk in relation to the total outstanding Relevant Debt to ensure that at any time a minimum of 60 per cent of the total outstanding Relevant Debt:

(a) is fixed rate;

(b) is index-linked; or

(c) effectively bears a fixed rate (or a maximum fixed rate) or an index-linked rate (or a maximum index-linked rate) pursuant to one or more Hedging Agreements,

for a period of the shorter of three years and the term of the portion of Relevant Debt the interest rate risk in relation to which is hedged pursuant to the relevant Hedging Transaction. Interest rate risk on floating rate liabilities will be hedged through instruments such as interest rate swaps or interest rate options in order to comply with the requirements set out in this paragraph.

The Borrower and the Issuer shall ensure that no more than 105 per cent. of the total Relevant Debt: (i) is fixed rate; (ii) is index linked; or (iii) effectively bears a fixed or index-linked rate pursuant to a Hedging Agreement. In the event that the aggregate of the notional amounts under the Hedging Transactions and any Pre-hedges exceeds an amount equal to the product of the total Relevant Debt and the relevant percentage provided above (after taking into account any Offsetting Transaction to which the Borrower and/or the Issuer is a party), then the Borrower and/or the Issuer (as the case may be) must reduce the notional amount of one or more of the Hedging Transactions in accordance with the Hedging Policy set out in the CTA.

The Security Group and the Issuer are, in addition, permitted to enter into derivative instruments such as forward starting interest rate swap transactions and/or inflation rate swap transactions and/or gilt locks with an effective date no later than 24 months from the date of entry into such Treasury Transaction, in respect of Financial Indebtedness which is projected to be incurred within 24 months from the date of entry into such Treasury Transactions. Subject to no Obligor Event of Default having occurred, such Pre-hedges will not count towards, or be limited by reference to, the Over hedged Position prior to the applicable effective date of the relevant Pre-hedge.

<u>Principles relating to Hedge Counterparties</u>

A Hedge Counterparty may transfer its obligations under a Hedging Agreement to any person provided that:

(a) such person accedes to the relevant Transaction Documents in accordance with the STID; and

(b) such transfer is effected in accordance with any conditions of transfer contained in the relevant Hedging Agreement.

There shall be no requirement for any Hedge Counterparty to obtain or maintain any rating from any Rating Agency (or any other rating agency) or to provide collateral in respect of its obligations under any relevant Hedging Agreement.

<u>Principles relating to Hedging Agreements</u>

All Hedging Agreements must be entered into (whether by way of novation or otherwise) in the form, as amended by the parties thereto, of an ISDA Master Agreement.

Notwithstanding any provision to the contrary in any Hedging Agreement, the Hedging Policy requires the Issuer and the Borrower (as the case may be) and each Hedge Counterparty to agree that the Hedge Counterparty may only designate an Early Termination Date in the specified circumstances set out in the CTA. Save as set out in the CTA, no Event of Default (as defined in relevant Hedging Agreement) shall apply in relation to the Issuer or the Borrower and no Termination Event (as defined in the relevant Hedging Agreement) in respect of which the Hedge Counterparty would have a right to terminate the relevant Hedging Transaction shall apply.

Each Hedge Counterparty is required to acknowledge in the relevant Hedging Agreement that all amounts payable or expressed to be payable by the Issuer or the Borrower (as the case may be) under or in connection with such Hedging Agreement shall only be recoverable (and all rights of the relevant Hedge Counterparty under such Hedging Agreement shall only be exercisable) subject to and in accordance with the STID or the Common Documents as applicable.

Cash Equivalent Investments

The Security Group may invest in Cash and/or Cash Equivalent Investments from the amounts standing to the credit of any of the Obligor Accounts from time to time as is prudent, but may only invest in Cash Equivalent Investments which are held to the order of the Security Group or any member thereof. If any investment ceases to be a Cash Equivalent Investment, the Security Group must as soon as reasonably practicable after becoming aware of that fact (and in any event, no more than 30 Business Days after that time) replace the investment with a Cash Equivalent Investment or with cash.

Any reference in any Obligor Document to the balance standing to the credit of one of the Obligor Accounts is deemed to include a reference to the Cash Equivalent Investments in which all or part of such balance is for the time being invested.

Security Trust and Intercreditor Deed

General

The intercreditor arrangements in respect of the Security Group (the "**Intercreditor Arrangements**") are contained in the STID and the CTA, and in relation to the Issuer, in the Issuer Deed of Charge (see "*Summary of the Issuer Documents – Issuer Deed of Charge*"). The Intercreditor Arrangements bind each of the Obligor Secured Creditors (including the Issuer) and each of the Obligors. Under the STID the Obligors guarantee the obligations of each other Obligor under the Obligor Documents.

The Obligor Secured Creditors include all providers of Obligor Senior Debt that enter into or accede to the STID. Any new Authorised Credit Provider is required to accede to the STID, the Master Definitions Agreement and the CTA. The STID also contains provisions restricting the rights of Subordinated Intragroup Creditors and contains mechanics requiring any creditors in respect of Subordinated Intragroup Liabilities to accede to the STID as a Subordinated Intragroup Creditor.

The purpose of the Intercreditor Arrangements is to regulate, among other things: (a) the claims of the Obligor Secured Creditors; (b) the exercise, acceleration and enforcement of rights by the Obligor Secured Creditors; (c) the rights of the Obligor Secured Creditors to instruct the Obligor Security Trustee; (d) the Entrenched Rights and the Reserved Matters of the Obligor Secured Creditors; and (e) the giving of consents and waivers and the making of modifications to the Common Documents.

The Intercreditor Arrangements also provide for the ranking in point of payment of the claims of the Obligor Secured Creditors both before and after the delivery of an Obligor Enforcement Notice and for the subordination of all claims of Subordinated Intragroup Creditors, or claims among the Security Group. Each Obligor Secured Creditor and each Obligor give certain undertakings in the STID which serve to maintain the integrity of these arrangements. The Issuer Deed of Charge provides for the ranking in point of payment of the

claims of the Issuer Secured Creditors (as described further in "*Summary of the Issuer Documents – Issuer Deed of Charge*").

Obligor Secured Creditor Representative

Each Obligor Secured Creditor or class of Obligor Secured Creditors shall appoint an Obligor Secured Creditor Representative to act as its representative in the exercise of all of their rights under the Common Documents (including casting all votes on its behalf). The Obligor Secured Creditor Representative of the Issuer is:

(a) the Bond Trustee and any successor Bond Trustee in respect of itself and the holders of the Bonds in accordance with the Bond Trust Deed;

(b) each Issuer Hedge Counterparty in respect of the Issuer Hedging Agreements entered into by such Issuer Hedge Counterparty; and

(c) the Liquidity Facility Agent under the Liquidity Facility Agreement in respect of each Liquidity Facility Provider where the Issuer Proportion is greater than zero.

Any Authorised Credit Provider who enters into a new Authorised Credit Facility shall appoint an Obligor Secured Creditor Representative on its accession to the STID, Master Definitions Agreement and the Common Terms Agreement.

Modifications, Consents and Waivers

General

The STID contains detailed provisions setting out the voting and instruction mechanics in respect of: (a) Ordinary Voting Matters; (b) Extraordinary Voting Matters; and (c) Entrenched Rights and Reserved Matters (as further described below in "*Types of Voting Categories*"). Subject to Entrenched Rights and Reserved Matters (which will always require the consent of the Secured Creditors affected by such Entrenched Right, and, in the case of Reserved Matters, only, the relevant Secured Creditors who are affected) and Extraordinary Voting Matters, the Obligor Security Trustee will only agree to any modification of or grant any consent or waiver under the Common Document with the consent of or if so instructed by the relevant majority of Participating Qualifying Obligor Secured Creditors provided that the relevant Quorum Requirement has been met.

The Security Group Agent is entitled to provide the Obligor Security Trustee with written notice requesting any modification, consent or waiver it requires under or in respect of any Common Document (a "**STID Proposal**"). The notice will certify whether such STID Proposal is in respect of a Discretion Matter, an Ordinary Voting Matter or an Extraordinary Voting Matter or whether it gives rise to an Entrenched Right (as further described in "*Types of Voting Categories*" below) and stating the Decision Period (as further described in "*Decision Periods*" below). If the STID Proposal is in relation to a Discretion Matter, the Security Group Agent must also provide a certificate evidencing this status. If the STID Proposal is in relation to an Entrenched Right, the Security Group Agent must include information as to the Obligor Secured Creditors and/or the Issuer Secured Creditors who are affected by such Entrenched Right.

The Obligor Security Trustee will, within five Business Days of receipt of a STID Proposal, send a request (the "**STID Voting Request**") in respect of any Ordinary Voting Matter, Extraordinary Voting Matter or Entrenched Right to each Obligor Secured Creditor (through its Obligor Secured Creditor Representative) and to each Obligor Secured Creditor Representative of the Issuer on behalf of the Issuer Secured Creditors. If the STID Proposal gives rise to an Entrenched Right, the STID Voting Request will contain a request that each relevant Affected Obligor Secured Creditor (including where the Issuer is an Affected Obligor Secured Creditor, each Issuer Secured Creditor who is affected) confirm (through its Obligor Secured Creditor

Representative) on or before the last day of the Decision Period whether or not it wishes to consent to the relevant STID Proposal that gives rise to the Entrenched Right.

The Qualifying Obligor Secured Creditors (acting through their Obligor Secured Creditor Representatives including, in the case of the Issuer, any Obligor Secured Creditor Representative of the Issuer on behalf of the relevant Issuer Secured Creditors) representing at least 10 per cent. of the Qualifying Obligor Senior Debt are able to challenge the Security Group Agent's determination of the voting category of a STID Proposal. In addition, the Obligor Secured Creditors, through their respective Obligor Secured Creditor Representatives (including, in the case of the Issuer, any Obligor Secured Creditor Representative of the Issuer on behalf of the relevant Issuer Secured Creditors), are able to challenge the Security Group Agent's determination as to whether there is an Entrenched Right, subject to such dissenting creditors providing supporting evidence or substantiation for their disagreement with such determination. Challenging creditors that comply with the foregoing requirements (the "**Dissenting Creditors**") may instruct the Obligor Security Trustee to inform the Security Group Agent in writing within seven Business Days of receipt of the relevant STID Proposal that they disagree with the Security Group Agent's determination and specifying, as applicable, the voting category they propose should apply or whose Entrenched Right is affected along with the required supporting evidence. The Security Group Agent and the relevant Qualifying Obligor Secured Creditors and/or relevant Obligor Secured Creditors will agree the voting category or whether there is an Entrenched Right within five Business Days from receipt by the Security Group Agent of the relevant notice from the Obligor Security Trustee. If they are unable to agree within this time, or if no agreement can be reached, then an appropriate expert will make a decision as to the voting category or whether there is an Entrenched Right which decision will be final and biding on each of the parties. If the Obligor Security Trustee is not instructed to deliver such notice to the Security Group Agent within seven Business Days (as set out above), the Qualifying Obligor Secured Creditors and/or the Obligor Secured Creditors shall be deemed to have consented to the voting category proposed in the STID Proposal or, as applicable, agreed to there being an Entrenched Right, and the Decision Period will commence (see "*Decision Periods*" below).

Types of Voting Categories

Ordinary Voting Matters

Ordinary Voting Matters include all matters which are not designated as Extraordinary Voting Matters or Discretion Matters (see "*Extraordinary Voting Matters*" and "*Discretion Matters*" below) and which are not matters which are the subject of an Enforcement Instruction Notice or Further Enforcement Instruction Notice. If the Quorum Requirement is met (see "*Quorum Requirements*" below), a resolution in respect of an Ordinary Voting Matter may be passed by a simple majority of the Voted Qualifying Debt in accordance with the section entitled "*Qualifying Obligor Senior Debt*" below. A STID Proposal in respect of any Ordinary Voting Matter which gives rise to an Entrenched Right will only be implemented, notwithstanding the passing of the relevant majority of the Voted Qualifying Debt if the relevant Affected Obligor Secured Creditor has consented or deemed to consent to such STID Proposal, on which it will vote separately, as described in Entrenched Rights below.

Extraordinary Voting Matters

The STID also describes the treatment of Extraordinary Voting Matters. If the Quorum Requirement for an Extraordinary Voting Matter is met (see "*Quorum Requirements*" below), the majority required to pass a resolution in respect of an Extraordinary Voting Matter will be at least 75 per cent of the Voted Qualifying Debt in accordance with the section entitled "*Qualifying Obligor Senior Debt*" below. A STID Proposal in respect of any Extraordinary Voting Matter which gives rise to an Entrenched Right will only be implemented, notwithstanding the passing of 75 per cent. of the Voted Qualifying Debt if the relevant Affected Obligor Secured Creditor has consented or deemed to consent to such STID Proposal, on which it will vote separately, as described in "*Entrenched Rights*" below.

Entrenched Rights

Entrenched Rights are rights that cannot be modified or waived in accordance with the STID without the consent of the Affected Obligor Secured Creditor(s). When the Affected Obligor Secured Creditor is the Issuer, consent must be obtained from each affected Issuer Secured Creditor. An Issuer Secured Creditor will be affected by an Entrenched Right if the subject matter of such Entrenched Right constitutes or gives rise to an Issuer Secured Creditor Entrenched Right.

Reserved Matters

Reserved Matters are matters which, subject to the STID and the CTA, an Obligor Secured Creditor is free to exercise in accordance with its own debt instrument including:

(a) to receive any sums owing to it for its own account in relation to any Authorised Credit Facility to which it is a party as permitted pursuant to the terms of the Common Terms Agreement;

(b) to make determinations of and require the making of payments due and payable to it under the provisions of the Authorised Credit Facilities to which it is a party as permitted by the terms of the Common Terms Agreement;

(c) to exercise the rights vested in it or permitted to be exercised by it under and pursuant to the terms of the CTA, the STID and the other Obligor Documents;

(d) to receive notices, certificates, communications or other documents or information under the Obligor Documents;

(e) to assign its rights or transfer any of its rights and obligations under any PP Debt or any other Authorised Credit Facility to which it is a party subject to the provisions of the STID; and

(f) in the case of each Hedge Counterparty: (i) to terminate the relevant Hedging Agreement or any transaction thereunder provided such termination is a Permitted Hedge Termination or to terminate the relevant Hedging Agreement or any transaction thereunder in part and amend the terms of the Hedging Agreement to reflect such partial termination; or (ii) to exercise rights permitted to be exercised by it under a Hedging Agreement.

Discretion Matters

The Obligor Security Trustee may (but is not obliged to) make modifications, give any consent under, or grant any waiver in respect of any breach or proposed breach of the Common Documents without the consent of any other Obligor Secured Creditor where such modifications, consents or waivers:

(a) in the opinion of the Obligor Security Trustee, are:

  (i) to correct manifest errors; or

  (ii) of a formal, minor, administrative or technical nature;

(b) would not, in the opinion of the Obligor Security Trustee, be materially prejudicial to the interests of any of the Qualifying Obligor Secured Creditors (where materially prejudicial means that such modification, consent or waiver would have a material adverse effect on the ability of the Obligors to pay any amounts of principal or interest in respect of the Qualifying Obligor Senior Debt owed to the relevant Qualifying Obligor Secured Creditors on the relevant due date for payment thereof);

(c) if the Obligor Security Trustee receives a legal opinion form and substance satisfactory to it confirming that such changes are necessary to comply with any mandatory provisions of law.

In respect of (b) above, the Obligor Security Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to any Transaction Document, that such exercise will not be materially prejudicial to the interests of the Obligor Secured Creditors if the Rating Agencies have provided a Ratings Confirmation.

A matter cannot be a Discretion Matter if it is an Ordinary Voting Matter, an Extraordinary Voting Matter or is subject to an Entrenched Right. The Obligor Security Trustee may choose not to exercise its discretion in respect of any STID Proposal designated as a Discretion Matter, and in such circumstance, the Security Group Agent may reissue the STID Proposal in accordance with the STID.

Quorum Requirements

Pursuant to the terms of the STID, the Quorum Requirement is:

(a) in respect of an Ordinary Voting Matter, one or more Participating Qualifying Obligor Secured Creditors representing in aggregate at least 20 per cent. of the entire Outstanding Principal Amount of all Qualifying Obligor Senior Debt **provided that** if the Quorum Requirement has not been met within the Decision Period (as described further in "*Decision Periods*" below), the Quorum Requirement shall be reduced to one or more Participating Qualifying Obligor Secured Creditors representing, in aggregate, 10 per cent. of the aggregate Outstanding Principal Amount of all Qualifying Obligor Senior Debt and the Decision Period shall be extended for a period of a further ten Business Days from the expiry of the initial Decision Period; and

(b) in respect of an Extraordinary Voting Matter, one or more Participating Qualifying Obligor Secured Creditors representing, in aggregate, at least 50 per cent of the entire Outstanding Principal Amount of all Qualifying Obligor Senior Debt **provided that** if the Quorum Requirement for an Extraordinary Voting Matter is not met by the Business Day immediately preceding the last day of the Decision Period, the Decision Period will be extended and the Quorum Requirement will reduce to 20 per cent of the aggregate Outstanding Principal Amount of all Qualifying Obligor Senior Debt and the Decision Period shall be extended for a period of a further ten Business Days from the expiry of the initial Decision Period.

Decision Periods

The STID includes provisions specifying the relevant decision periods within which votes must be cast (each a "**Decision Period**") which period must not be less than:

(a) five Business Days from the date of delivery of the STID Proposal for any Discretion Matter;

(b) 15 Business Days from the Decision Commencement Date for any Ordinary Voting Matter (which may be extended for a further period of ten Business Days if the quorum requirement for the relevant Ordinary Voting Matter has not been met within the initial Decision Period);

(c) 15 Business Days from the Decision Commencement Date for any Extraordinary Voting Matter (which may be extended for a further period of ten Business Days if the quorum requirement for the relevant Extraordinary Voting Matter has not been met within the initial Decision Period); and

(d) 15 Business Days from the Decision Commencement Date for an Entrenched Right. However, the Decision Period for an Entrenched Right for which the Issuer is the Affected Obligor Secured Creditor will not be less than 45 days.

"**Decision Commencement Date**" means the earlier of:

(i) if the Qualifying Obligor Secured Creditors or, as the case may be, Obligor Secured Creditors (including, in the case of the Issuer, the Issuer Secured Creditors) are deemed to have agreed to the

voting category proposed in the STID Proposal or, as applicable, as to whether the STID Proposal gives rise to any Entrenched Right affecting an Obligor Secured Creditor and/or, as applicable, Issuer Secured Creditor pursuant to the STID, the date which is seven Business Days from the receipt of the relevant STID Proposal;

(ii) the date on which the Dissenting Creditors and the Security Group Agent reach agreement on the applicable voting category, or

(iii) if the agreement or determination is such that the existing STID Proposal is incorrect, the date of receipt Security Group Agent of an appropriately amended STID Proposal from the Obligor Security Trustee.

Modifications, consents and waivers will be passed by the requisite number of creditors as further described in "*Types of Voting Categories*" above.

In respect of any Ordinary Voting Matter and any Extraordinary Voting Matter, the relevant Qualifying Obligor Secured Creditors who did not cast their votes on or before the Business Day immediately preceding the last day of the Decision Period shall be considered to have waived their entitlement to vote and will not be counted towards the Quorum Requirement or majority required to approve the relevant STID Proposal, provided that if the requisite minimum quorum and voting requirements have been met under any Authorised Credit Facility as set out in "*Tranching of Qualifying Obligor Senior Debt and Determination of Voted Qualifying Debt for which the Issuer is a Creditor*" and "*Voting of Authorised Credit Facilities (other than PP Debt)*" below, the entire Outstanding Principal Amount of the Qualifying Obligor Senior Debt outstanding under any such Authorised Credit Facility may be used to calculate whether the relevant Quorum Requirement or the majority required to approve such STID Proposal has been met.

In respect of any Entrenched Right, any Affected Obligor Secured Creditor who does not cast its vote within the Decision Period will be deemed to have consented to the relevant STID Proposal and to have confirmed to the Obligor Security Trustee their approval of the relevant modification, consent or waiver.

Qualifying Obligor Senior Debt

General

Creditors to whom Qualifying Obligor Senior Debt is owed are entitled to vote the amount of such debt when consenting to proposals made by the Security Group Agent or instructing the Obligor Security Trustee to take action in accordance with the STID.

Subject to Entrenched Rights and Reserved Matters, only the relevant Qualifying Obligor Secured Creditors that are owed, or deemed to be owed, Qualifying Obligor Senior Debt may vote (through their Obligor Secured Creditor Representatives).

Qualifying Obligor Senior Debt is comprised of:

(a) the principal amount outstanding under each Issuer Loan Agreement corresponding to the Bonds;

(b) the principal amount outstanding under the PP Documents;

(c) the Total Commitments under the Initial ACF Agreement;

(d) subject to the Entrenched Rights: (i) in relation to any vote by the Qualifying Obligor Secured Creditors on whether to take Enforcement Action; and (ii) following the taking of Enforcement Action, the principal amount outstanding under the Issuer Loan Agreements at such time corresponding to:

(i) in relation to any Hedging Transaction arising under a *Pari Passu* Issuer Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant *Pari Passu* Issuer Hedging Agreement) 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

(ii) otherwise, the mark-to-market value of any transaction or transactions arising under a Pari Passu Issuer Hedging Agreement 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 (as defined in the relevant Pari Passu Issuer Hedging Agreement) was designated at such time in respect of such transaction or transactions;

(e) subject to the Entrenched Rights, (i) in relation to any vote by the Qualifying Obligor Secured Creditors on whether to take Enforcement Action; and (ii) following the taking of Enforcement Action:

(i) in relation to any Hedging Transaction arising under a Pari Passu Obligor Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant Pari Passu Obligor Hedging Agreement) has been designated, the amount (if any) outstanding to the relevant Pari Passu Obligor Hedge Counterparty following such termination (as calculated in accordance with the terms of the Pari Passu Obligor Hedging Agreement); and/or

(ii) otherwise, the mark-to-market value of any transaction or transactions arising under any Pari Passu Obligor Hedging Agreement to the extent that such value represents an amount which would be payable to the relevant Obligor Hedge Counterparty if an Early Termination Date (as defined in the relevant Pari Passu Obligor Hedging Agreement) was designated at such time in respect of such transaction or transactions; and

(f) the Total Commitments under any other Authorised Credit Facilities at such time ranking *pari passu* with the above (but excluding for the avoidance of doubt any Liquidity Facilities or any Obligor Hedging Transactions arising under a Super Senior Obligor Hedging Agreement).

Certification of amounts of Qualifying Obligor Senior Debt

Each Qualifying Obligor Secured Creditor (acting through its Obligor Secured Creditor Representative) must certify to the Obligor Security Trustee within five Business Days of the date on which either: (i) the Qualifying Obligor Secured Creditors have been notified of a STID Proposal, an Enforcement Instruction Notice, a Further Enforcement Instruction Notice, a Qualifying Obligor Secured Creditor Instruction Notice or a Direction Notice; or (ii) the Obligor Security Trustee requests such certification, the Outstanding Principal Amount of any debt which constitutes Qualifying Obligor Senior Debt held by such Qualifying Obligor Secured Creditor. If any Qualifying Obligor Secured Creditor fails to provide such certification through its Obligor Secured Creditor Representative within the time required, then the Obligor Security Trustee will notify the Security Group Agent of such failure. The Security Group Agent must promptly inform the Obligor Security Trustee of the Outstanding Principal Amount of Qualifying Obligor Senior Debt of such Qualifying Obligor Secured Creditor and such notification will be binding on the relevant Qualifying Obligor Secured Creditors except in the case of manifest error and without liability to the Security Group Agent.

Tranching of Qualifying Obligor Senior Debt and Determination of Voted Qualifying Debt for which the Issuer is a Creditor

As described in the section "*Qualifying Obligor Senior Debt*" above, amounts owed to the Issuer by the Borrower under the Initial Issuer Loan Agreement are included in the Qualifying Obligor Senior Debt to the extent relating to the Bonds or (in certain circumstances) the Issuer Hedge Counterparties. However, the Issuer Secured Creditors, as opposed to the Issuer itself, are entitled to vote in respect of such amounts.

In the case of paragraphs (a) and (d) of Qualifying Obligor Senior Debt (as set out in "*Qualifying Obligor Senior Debt*" above) the Issuer will be divided into separate voting tranches comprising respectively:

(a) a tranche for the holders of each Series of Bonds equal to the aggregate Principal Amount Outstanding of each Series of Bonds; and

(b) (i) in relation to any vote by the Qualifying Obligor Secured Creditors on whether to take Enforcement Action, and (ii) following the taking of Enforcement Action (provided that, for the avoidance of doubt, Entrenched Rights will apply at all times), a tranche for each *Pari Passu* Issuer Hedge Counterparty equal to the principal amount outstanding under the Initial Issuer Loan Agreement which corresponds to: (A) in relation to any Hedging Transaction arising under a *Pari Passu* Issuer Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant *Pari Passu* Issuer Hedging Agreement) 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 any transaction or transactions arising under a *Pari Passu* Issuer Hedging Agreement (or the equivalent amount under any back-to-back hedging agreement) calculated by the *Pari Passu* Issuer Hedge Counterparty and notified in writing by the *Pari Passu* Issuer Hedge Counterparty to the Obligor Security Trustee 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 (as defined in the relevant *Pari Passu* Issuer Hedging Agreement) was designated on the date falling two Business Days after the commencement of the relevant Decision Period.

The votes of the Bondholders of each Tranche of Bonds in respect of a STID Proposal (other than a STID Proposal which relates to an Entrenched Right as to which the Issuer is an Affected Obligor Secured Creditor) will be cast by the Bondholders of such Tranche (through the Bond Trustee on their behalf), in respect of a Tranche of Bonds and a STID Proposal as follows:

(a) subject to (c) below, in an amount equal to the aggregate of the Principal Amount Outstanding of each Bond which voted in favour of the relevant STID Proposal, for such STID Proposal both in respect of Quorum Requirements and the requisite majority;

(b) subject to (c) below, in an amount equal to the aggregate of the Principal Amount Outstanding of each Bond which voted against the relevant STID Proposal, against such STID Proposal both in respect of Quorum Requirements and the requisite majority;

(c) if any of the below applies to any Tranche of Bonds (a) and (b) above shall not apply for that Series of Bonds:

(i) if, in respect of a Tranche of Bonds and a STID Proposal:

(A) holders of 25 per cent. or more of the Principal Amount Outstanding of such Tranche of Bonds cast a vote in relation to such STID Proposal on or before the end of the relevant Decision Period; and

(B) holders of 75 per cent. or more of the Principal Amount Outstanding of the Bonds which so voted, voted the same way,

then the entire Principal Amount Outstanding of such Tranche of Bonds will count as having voted in such way both in respect of Quorum Requirements and the requisite majority; and

(ii) in the event that (i)(A) does apply but (i)(B) does not apply, then the entire Outstanding Principal Amount of such Tranche of Bonds will count for the purposes of Quorum Requirements (but not the requisite majority, for which they will count on a pound for pound

basis either for or against the STID Proposal according to their vote in accordance with (a) and (b) above).

Subject to the STID, voting in respect of the *Pari Passu* Issuer Hedging Transactions will be made by each *Pari Passu* Issuer Hedge Counterparty in respect of: (A) in relation to any Hedging Transaction arising under a *Pari Passu* Issuer Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant *Pari Passu* Issuer Hedging Agreement) 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 (being the amount which would be payable to the relevant Hedge Counterparty if any Early Termination Date (as defined in the relevant Hedging Agreement) calculated by the *Pari Passu* Issuer Hedge Counterparty and notified in writing by the *Pari Passu* Issuer Hedge Counterparty to the Obligor Security Trustee and as designated on the date falling two Business Days after the commencement of the relevant Decision Period) of all transactions arising under the *Pari Passu* Issuer Hedging Transactions to which it is a party. Only such mark to market value will be counted towards the Quorum Requirement. In respect of each *Pari Passu* Issuer 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* Issuer Hedge Counterparty will be counted for or against the applicable STID Proposal, Enforcement Instruction Notice, Further Enforcement Instruction Notice or Direction Notice.

Voting of Authorised Credit Facilities (other than PP Debt)

If in respect of any Authorised Credit Facility (other than PP Debt) provided other than on a bilateral basis, the minimum quorum and voting majorities specified in the relevant Authorised Credit Facility are:

(a) met, only a single vote by reference to the entire Outstanding Principal Amount of the Qualifying Obligor Senior Debt applicable to the Participating Qualifying Obligor Secured Creditors of such Authorised Credit Facility will be counted for the applicable proposal (and for the applicable Quorum Requirement); and

(b) 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 in respect of the Qualifying Obligor Senior Debt then owed to Participating Qualifying Obligor Secured Creditors that vote on a proposed resolution within the Decision Period. Votes cast in favour and votes cast against will then be aggregated by the Obligor Security Trustee with the votes cast for and against by the other Qualifying Obligor Secured Creditors (and will be counted for the applicable Quorum Requirement).

Voting of PP Debt

The PP Secured Creditor Representative appointed in respect of the relevant PP Debtholders shall notify the Obligor Security Trustee at the time of its appointment whether the minimum quorum and voting majorities in relation to STID Proposals in respect of such PP Debt will be determined in accordance with other Authorised Credit Facilities (as provided above) or in accordance with the arrangements for PP Debt as set out in the STID.

Qualifying Obligor Secured Creditor Instructions

Qualifying Obligor Secured Creditors with at least 20 per cent (or such other percentage as may be required pursuant to the Common Terms Agreement) of the aggregate Outstanding Principal Amount of all Qualifying Obligor Senior Debt the outstanding may instruct the Obligor Security Trustee (subject to providing the required indemnity pursuant to the STID) to exercise any of the rights granted to the Obligor Security Trustee under the Common Documents (save in respect of the taking of Enforcement Action or the delivery of an Obligor Enforcement Notice or an Obligor Acceleration Notice) including:

(a) to request further information pursuant to and subject to the terms of the information covenant relating to Obligor information in the CTA (as set out in "*Common Terms Agreement, paragraph (h) (Provision of Obligor Information)*") above; and

(b) following delivery of an Obligor Enforcement Notice but prior to delivery of an Obligor Acceleration Notice to instruct the Obligor Security Trustee to send a Further Enforcement Instruction Notice.

Disenfranchisement of Sponsor Affiliates

For so long as a Sponsor Affiliate either:

(a) beneficially owns any Qualifying Obligor Senior Debt; or

(b) has entered into a sub-participation agreement relating to any Qualifying Obligor Senior Debt or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated; or

(c) is a Bondholder,

in ascertaining whether:

(i) any relevant percentage of Qualifying Obligor Senior Debt; or

(ii) the agreement or instruction of any Qualifying Obligor Secured Creditor, any specified group of Qualifying Obligor Secured Creditors or any Obligor Secured Creditor Representative on behalf of any particular Qualifying Obligor Secured Creditors,

has been obtained for the purposes of, *inter alia*, any Ordinary Voting Matter, any Extraordinary Voting Matter, Direction Notice, Enforcement Instruction Notice, Further Enforcement Instruction Notice, Qualifying Obligor Secured Creditor Instruction Notice, proposal giving rise to an Entrenched Right in respect of which the Sponsor Affiliate would otherwise be an Affected Obligor Secured Creditor, any request to hold a physical meeting of Obligor Secured Creditors or to carry any other vote or approve any action, in each case, under the STID:

(A) the Qualifying Obligor Senior Debt shall be deemed to be zero and that Sponsor Affiliate (or the person with whom it has entered into that sub-participation, other agreement or arrangement (a "**Counterparty**")) shall be deemed not to be a Qualifying Obligor Secured Creditor other than to the extent that a Counterparty is a Qualifying Obligor Secured Creditor (as the case may be) by virtue otherwise than by beneficially owning the relevant Qualifying Obligor Senior Debt; and

(B) that Bond shall be deemed not to be outstanding and the Sponsor Affiliate or the person holding the bond on behalf of or for the benefit of the Sponsor Affiliate shall be deemed not to be a Bondholder in respect of that Bond.

Enforcement and Acceleration

At any time at which the Obligor Security Trustee has actual notice of the occurrence of an Obligor Event of Default under the CTA, it shall promptly request by notice (an "**Enforcement Instruction Notice**") an instruction from the Qualifying Obligor Secured Creditors (through their Obligor Secured Creditor Representatives) as to whether the Obligor Security Trustee should deliver an Obligor Enforcement Notice to enforce all or part of the Obligor Security or to take any other Enforcement Action and/or deliver an Obligor Acceleration Notice to accelerate all of the obligations secured under the Obligor Security.

At any time following the delivery of an Obligor Enforcement Notice and receipt by the Obligor Security Trustee of a Qualifying Obligor Secured Creditor Instruction Notice pursuant to Paragraph (b) of Clause 22

(Qualifying Obligor Secured Creditor Instructions), the Obligor Security Trustee shall promptly request by notice (a "**Further Enforcement Instruction Notice**") an instruction from the Qualifying Obligor Secured Creditors (through their Obligor Secured Creditor Representatives) as to whether the Obligor Security Trustee should deliver an Obligor Acceleration Notice to accelerate all of the obligations secured under the Obligor Security.

When voting on an Enforcement Instruction Notice or Further Enforcement Instruction Notice:

(a) the Quorum Requirement shall be one or more Participating Qualifying Obligor Secured Creditors representing, in aggregate, at least the "Relevant Percentage" of the aggregate Outstanding Principal Amount of all Qualifying Obligor Senior Debt, where "**Relevant Percentage**" for the purposes of this subclause (a) 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 six months after the occurrence of the Obligor 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 six months after the occurrence of the Obligor Event of Default up to and including the date falling twelve months after the occurrence of the Obligor Event of Default; and (iii) 10 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice delivered at any time following the date falling 12 months after the occurrence of the Obligor Event of Default;

(b) the Decision Period will be 15 Business Days from the date of delivery of the Enforcement Instruction Notice or Further Enforcement Instruction Notice; and

(c) the majority required to pass the resolution shall be the Participating Qualifying Obligor 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 purposes of this subclause (c) 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 six months after the occurrence of the Obligor Event of Default; and (ii) 50 per cent. in respect of any Enforcement Instruction Notice or Further Enforcement Instruction Notice delivered during the period following the date falling six months after the occurrence of the Obligor Event of Default.

If the Qualifying Obligor Secured Creditors (through their Obligor Secured Creditor Representatives) direct the Obligor Security Trustee to do so pursuant to an Enforcement Instruction Notice, the Obligor Security Trustee shall deliver an Obligor Enforcement Notice to the Security Group Agent, provided that the Obligor Event of Default is continuing and it has been indemnified accordingly.

Ranking of Obligor Secured Liabilities pre-enforcement

All Obligor Secured Liabilities payable to the Obligor Secured Creditors set out below shall, prior to the delivery of an Obligor Enforcement Notice and without prejudice to the obligation of the Obligors to make payments to any other Obligor Secured Creditors, rank in the following order among themselves:

(a) all amounts due to any Liquidity Facility Provider under any Liquidity Facility Agreement;

(b) all scheduled amounts due to any Super Senior Obligor Hedge Counterparty under any Super Senior Obligor Hedging Agreement; and

(c) *pari passu* and *pro rata* all amounts due to any other Obligor Secured Creditor under any other Authorised Credit Facility and all unscheduled amounts due to any Super Senior Obligor Hedge Counterparty under any Super Senior Obligor Hedging Agreement.

Obligor Post-Enforcement Priority of Payments

After delivery to the Security Group Agent of an Obligor Enforcement Notice, the whole of the Obligor Security will become enforceable. Subject to certain matters and to certain exceptions, following an enforcement, any Available Enforcement Proceeds (other than any Defeasance Amounts) or other monies held by the Obligor Security Trustee under the STID will be applied by the Obligor Security Trustee in accordance with the Obligor Post-Enforcement Priority of Payments waterfall. See "*Cashflows – Obligor Post-Enforcement Priority of Payments*" for a detailed description.

Permitted Enforcement – Liquidity Facility Agent and Super Senior Hedge Counterparties

Prior to the delivery of an Obligor Enforcement Notice, if an Obligor has defaulted on any payment obligation under a Liquidity Facility Agreement or a Super Senior Hedging Agreement (subject to the lapse of any applicable notice or grace periods), the Liquidity Facility Agent or the Super Senior Hedge Counterparty (as applicable) shall be entitled, after 30 days from such non-payment and only until such time as the Obligor Security Trustee has given an Obligor Enforcement Notice and/or Obligor Acceleration Notice under the STID, to exercise any right against any Obligor to recover any amounts due and payable under a Liquidity Facility Agreement or the Super Senior Hedging Agreement (as applicable).

Distressed Disposals

The STID contains provisions relating to the distressed disposal of an asset of a member of the Security Group following (or pursuant to) the enforcement of the Obligor Security. On the occurrence of a distressed disposal the Obligor Security Trustee may, without any consent from any Obligor Secured Creditor, release any Obligor Security as is required to effect the disposal in accordance with the STID. The net proceeds of disposal are to be applied in accordance with priorities of payments (see the section "*Qualifying Obligor Secured Creditor Instructions – Enforcement and Acceleration*" above and "*Cashflows*" below).

Tax Deed of Covenant

Pursuant to a deed of covenant dated the Initial Issue Date between the Obligor Security Trustee, the Issuer Security Trustee, the Obligors, Manchester Airports Holdings Limited and the Issuer (the "**Tax Deed of Covenant**"), the Tax Covenantors made representations and gave warranties and covenants with a view to protecting the Issuer and the members of the Security Group from certain tax related risks including risks relating to VAT grouping, secondary tax liabilities, group tax matters (including group relief and the worldwide debt cap), degrouping charges, certain anti-avoidance provisions and the Issuer's status as a securitisation company for the purposes of the Taxation of Securitisation Companies Regulations 2006, as amended.

The "**Tax Covenantors**" means Manchester Airports Holdings Limited, the Issuer and the Obligors.

The Tax Deed of Covenant is governed by English law.

SUMMARY OF THE OBLIGOR DOCUMENTS

Issuer Loan Agreements

General

On the Initial Issue Date, the Issuer, the Borrower, the Issuer Security Trustee and the Obligor Security Trustee entered into an Initial Issuer Loan Agreement. The aggregate proceeds of the issuance by the Issuer of a Tranche of Bonds under the Programme on the Initial Issue Date were on-lent to the Borrower under such Initial Issuer Loan Agreement. Each Advance under the Initial Issuer Loan Agreement corresponds to the principal amount of each Tranche of Bonds issued on the Initial Issue Date such that the economic terms of each Advance match the economic terms of the corresponding Tranche of Bonds. Provided that any future issuances of Bonds are fungible with the issuance made on the Initial Issue Date, the Issuer will make available further facilities in an aggregate amount equal to the proceeds of each such issuance under the terms of the Initial Issuer Loan Agreement. Otherwise, a new Issuer Loan Agreement will be entered into for each new issuance by the Issuer of a Tranche of Bonds and the subsequent Advance to the Borrower, on substantially the same terms as the Initial Issuer Loan Agreement. The making of each Advance will be subject to the satisfaction of the conditions precedent set out in the CP Agreement.

Matching of obligations

As each Advance is structured and tranched to match the tenor, interest rate and payment dates of each Tranche of Bonds, the Advances have characteristics that demonstrate capacity to produce funds to service any payments due and payable under each Tranche of the Bonds.

Advances

All Advances made or to be made by the Issuer under the Initial Issuer Loan Agreement are or will be 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 Pricing Supplement and will have interest periods which match the Interest Periods for the corresponding Tranche but will have interest payment dates one Business Day prior to each Interest Payment Date on the related Tranche. Interest on each Advance made under the Initial Issuer Loan Agreement will accrue from the date of such Advance.

Unless otherwise repaid earlier, the Borrower shall repay:

(a) each outstanding Advance made to it in an amount equal to the relevant Redemption Amount or Instalment Amount;

(b) any accrued but unpaid Ongoing Facility Fee; and

(c) in the case of any Advance corresponding to an Index-Linked Bond, the amount equal to any amount of indexation payable in respect of the corresponding Bonds pursuant to Condition 6(b) (*Application of the Index Ratio*),

in each case on the Maturity Date and/or each Instalment Date of those Bonds.

Prepayments

If the Borrower is required to prepay amounts outstanding under the Initial Issuer Loan Agreement, it will prepay the relevant Advances or part thereof together with accrued interest, any prepayment fees and other break fees, costs and expenses and where applicable any make-whole amounts, then payable under the Initial Issuer Loan Agreement 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 Bonds.

Fees

In consideration for the Issuer agreeing to make the advances available under the Initial Issuer Loan Agreement, the Borrower agrees to pay to the Issuer the initial and ongoing facility fees set out in the Initial Issuer Loan Agreement.

Prior to the Initial Issue Date, the Borrower paid on behalf of the Issuer by way of the initial facility fee, any expenses of the Issuer reasonably incurred in connection with the initial issue of Bonds including, *inter alia*, the upfront fees and expenses of the Bond Trustee, the Issuer Security Trustee, the Agents, the Issuer Account Bank, the Dealers, the Liquidity Facility Providers, the Rating Agencies, the Issuer's legal advisers, accountants and auditors and any amounts payable to the Issuer Hedge Counterparties.

After the Initial Issue Date, the Borrower will pay periodically a facility fee by way of the ongoing facility fee which shall meet the ongoing costs, losses and expenses of the Issuer in respect of amounts owed to, *inter alios*, the Bond Trustee, the Issuer Security Trustee (and any receiver appointed by the Issuer Security Trustee), the Agents, the Issuer Account Bank, the Liquidity Facility Providers, the Rating Agencies, the Issuer's legal advisers, accountants and auditors and any amounts payable to the Issuer Hedge Counterparties (in each case to the extent not covered by the initial facility fee) and Liquidity Facility Providers.

Secured obligations

The obligations of the Borrower under each Issuer Loan Agreement will be secured pursuant to the Obligor Security Agreement, and such obligations will be guaranteed by each other Obligor in favour of the Obligor Security Trustee, who will hold the benefit of such security and guarantees on trust for the Obligor Secured Creditors (including the Issuer) on the terms of the STID.

Obligor Event of Default

The Issuer's obligations to repay principal and pay interest on the Bonds are intended to be met primarily from the payments of principal and interest received from the Borrower under the Initial Issuer Loan Agreement and payments received under any related Hedging Agreements. Failure of the Borrower to repay an Advance under the Initial Issuer Loan Agreement on the maturity date in respect of such Advance (which corresponds to the Business Day falling three Business Days prior to the Final Maturity Date, as applicable, of the corresponding Tranche) will be an Obligor Event of Default under the Initial Issuer Loan Agreement (as set out in the CTA).

Withholding/deductions

The Borrower agrees to make all payments to the Issuer free and clear of any withholding on account of tax unless it is required by law to do so – in such circumstances the Borrower will gross-up such payments so that the Issuer will receive the amount it would have received had no withholding been required.

Subsequent Issuer Loan Agreements

On or prior to any further Issue Date (excluding the Initial Issue Date) in which the Issuer issues Bonds, the proceeds of which are intended to be on-lent to the Borrower, which are not fungible with an existing series of Bonds, then a new Issuer Loan Agreement will be entered into by the Issuer, the Borrower, the Issuer Security Trustee and the Obligor Security Trustee. Such new Issuer Loan Agreement will be entered into substantially on the same terms as set out above (each of these subsequent Issuer Loan Agreements along with the Initial Issuer Loan Agreement will constitute the "**Issuer Loan Agreements**" and each an "**Issuer Loan Agreement**").

Governing law

Each Issuer Loan Agreement will be governed by English law.

Initial Authorised Credit Facilities Agreement

MFL, the Initial ACF Lenders and the Initial ACF Arrangers entered into the Initial Authorised Credit Facilities Agreement (which was dated the Initial Issue Date and was subsequently amended and restated on 13 June 2016, as amended on 11 June 2021 and as further amended and restated on 27 May 2022), under which the Initial ACF Lenders make available a revolving credit facility to MFL.

The Obligors made representations and warranties, covenants and undertakings to the Issuer and the Initial ACF Arrangers, the Initial ACF Lenders and the Initial ACF Agent on the terms set out in or otherwise permitted by the CTA. All utilisations subsequent to the Initial Issue Date under the Initial Authorised Credit Facility are subject to, *inter alia*, the Repeated Representations contained in the CTA being true on the relevant utilisation date by reference to the facts and circumstances then subsisting.

The Obligor Events of Default under the CTA apply under the Initial Authorised Credit Facilities Agreement (see the section "*Summary of the Common Documents – Common Terms Agreement – General*").

The ability of the Initial ACF Lenders to accelerate any sums owing to them under the Initial Authorised Credit Facilities Agreement upon or following the occurrence of an Obligor Event of Default thereunder is subject to the STID.

For so long as there are outstanding amounts under the Initial Authorised Credit Facilities Agreement, if a Change of Control occurs, the Initial ACF Agent may cancel the commitments of certain Initial ACF Lenders and declare all outstanding utilisations (together with accrued amounts) of such Initial ACF Lenders immediately due and payable.

Subject to the CTA and the STID, MFL may, by giving not fewer than five Business Days' prior notice to the Initial ACF Agent, prepay amounts outstanding under the Initial Authorised Credit Facilities Agreement in a minimum amount of £1,000,000.

Obligor Security Agreement

Security

Pursuant to the Obligor Security Agreement between the Obligors and the Obligor Security Trustee, the obligations set forth thereunder became effective on the Initial Issue Date. Under the Obligor Security Agreement each of the Obligors grant a security interest over all of their assets (subject to certain limited exceptions).

Subject to certain acknowledged prior ranking security interests and exceptions, the security constituted by the Obligor Security Agreement is expressed to include, amongst other things:

(a) first fixed charges over:

  (i) the shares held by each Obligor in each other member of the Security Group including all dividends, interest and other monies payable in respect thereof and all other rights related thereto;

  (ii) the Obligor's right, title and interest from time to time in and to certain land and other real property and the proceeds of any disposal thereof;

  (iii) all present and future plant, machinery, office equipment, computers and vehicles;

(iv) all monies standing to the credit of the Obligors' bank accounts;

(v) all Intellectual Property Rights owned by the Obligors;

(vi) uncalled capital and goodwill;

(vii) each Cash Equivalent Investment;

(viii) all present and future book debts;

(ix) all benefit in respect of its insurances;

(b) an assignment of each Obligor's right in respect of contracts (which would include the Hedging Agreements and each Issuer Loan Agreement); and

(c) a first floating charge of the whole of the undertaking of each Obligor (other than the Bournemouth Car Park Leases and the Airport City South Leases (each as defined in the Obligor Security Agreement)).

Any entity which becomes a New Obligor under the STID will be required to accede to the Obligor Security Agreement as an Obligor and provide supplementary security and, pursuant to the STID, will guarantee each Obligor's obligations under the Obligor Documents.

The Obligor Security Trustee holds the benefit of the Obligor Security Agreement on trust for the Receiver and the Obligor Secured Creditors in accordance with and subject to the terms of the STID.

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

Additional Authorised Credit Facilities

The Obligors will be permitted to incur Financial Indebtedness under Authorised Credit Facilities with an Authorised Credit Provider subject to any applicable financial covenants and the terms of the CTA and the STID. Each Authorised Credit Provider will be party to the CTA and the STID.

Liquidity Facility Agreement

MFL and the Issuer (together, the "**LF Borrowers**") and the Liquidity Facility Providers entered into the Liquidity Facility Agreement dated the Initial Issue Date (the "**Initial Liquidity Facility Agreement**") as the same may be renewed, amended, supplemented and/or restated from time to time (the "**Liquidity Facility Agreement**"), under which the Liquidity Facility Providers have granted a 364-day committed sterling revolving credit facility (which may be renewed) in aggregate amount specified in the Liquidity Facility Agreement for the purpose of covering certain shortfalls in the ability of the LF Borrowers to service amounts payable in respect of the Bonds, the Authorised Credit Facilities and certain other payments due to the Obligor Secured Creditors and Issuer Secured Creditors, including amounts due under certain hedging agreements. The Liquidity Facility Agreement has a final maturity date of five years from its signing date which may be extended for an additional year on an annual basis with consent of the relevant Liquidity Facility Providers.

Each Liquidity Facility Provider must be a reputable and experienced financial institution which has the Minimum Long Term Rating. Each Liquidity Facility Provider is an Obligor Secured Creditor, an Issuer Secured Creditor and a party to the STID, the Common Terms Agreement and the Master Definitions Agreement.

Under the terms of the Liquidity Facility Agreement, allowing sufficient time to deliver any relevant LF Notice of Drawing:

(a) the Borrower shall determine the amount of any anticipated Obligor Liquidity Shortfall on the Determination Date after taking into account the balance standing to the credit of the relevant Obligor Accounts and Obligor Debt Service Reserve Account (if any) which will be available to the Obligors on the next Payment Date; and

(b) the Issuer shall determine the amount of any anticipated Issuer Liquidity Shortfall on the Determination Date after taking into account the balance standing to the credit of the relevant Issuer Accounts and Issuer Debt Service Reserve Account (if any) which will be available to the Issuer on the next Payment Date.

If, after application of the balance standing to the credit of the Obligor Accounts or Issuer Accounts (as applicable) and the relevant Debt Service Reserve Account (if any) there will be a positive Liquidity Shortfall, then within two Business Days after the Determination Date, the relevant LF Borrower shall deliver a LF Notice of Drawing in respect of such Liquidity Shortfall to the Liquidity Facility Agent in accordance with the terms of the Liquidity Facility Agreement.

Any LF Borrower that delivers an LF Notice of Drawing in respect of a Payment Date shall, at the same time as it delivers such LF Notice of Drawing, notify the Obligor Security Trustee or the Issuer Security Trustee (as applicable) in writing of the amount of any applicable Liquidity Shortfall in respect of such Payment Date.

Under the Liquidity Facility Agreement, the Liquidity Facility is not available to be drawn down if an LF Event of Default has occurred and is continuing. Following an LF Event of Default, the Liquidity Facility Agent may, by notice in writing to the affected LF Borrower, the Obligor Security Trustee, the Issuer Security Trustee and the Bond Trustee, declare all outstanding drawings immediately due and payable and/or cancel the commitments of each Liquidity Facility Provider.

The Liquidity Facility Agreement provides that if: (i) at any time the rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the relevant Liquidity Facility Provider falls below the Minimum Long Term Rating; or (ii) the relevant Liquidity Facility Provider does not agree to renew its commitment under the Liquidity Facility prior to the expiry of the relevant availability period, the LF Borrowers shall:

(a) use all reasonable endeavours to replace the relevant Liquidity Facility Provider with a Successor Liquidity Facility Provider, a Substitute Liquidity Facility Provider or, in the case of (i) above only, a guarantor of such Liquidity Facility Provider with the Minimum Long Term Rating; and

(b) (if a replacement is not made within the relevant time period specified in the Liquidity Facility Agreement) be entitled to require such Liquidity Facility Provider to pay into the Issuer Liquidity Standby Account or the Obligor Liquidity Standby Account, as applicable, the full amount of the relevant Liquidity Facility Provider's undrawn commitment (a "**Standby Drawing**").

If the Standby Drawing results from a Liquidity Facility Provider falling below the Minimum Long Term Rating, the LF Borrowers shall repay the Standby Drawing if: (i) the relevant Liquidity Facility Provider which has been downgraded is re-rated with the Minimum Long Term Rating; (ii) the LF Borrowers serve a notice of cancellation; (iii) the affected Liquidity Facility Provider assigns or transfers its rights, benefits or obligations under the Liquidity Facility Agreement; (iv) all Rating Agencies then rating the Bonds or any Tranche of Bonds confirm to the Obligor Security Trustee and the Issuer Security Trustee that such repayment would not lead to the ratings ascribed to any Tranche of Bonds being downgraded below the then current ratings of such Tranche of Bonds; (v) the LF Termination Date as at the date of such Standby Drawing occurs unless such Liquidity Facility Provider has subsequently agreed to extend the LF Termination Date; (vi) a director of the Security Group Agent and the Issuer each certify to the Obligor Security Trustee, the Issuer

Security Trustee and the Liquidity Facility Agent that no Senior Debt is rated by any Rating Agency; or (vii) the delivery of an Obligor Acceleration Notice or an Issuer Enforcement Notice.

If the Standby Drawing results from a Liquidity Facility Provider not agreeing to renew its commitment, the LF Borrowers shall repay the Standby Drawing if: (i) a successor Liquidity Facility Provider accedes to the Liquidity Facility Agreement in accordance with conditions set out therein; (ii) the LF Borrowers enter into a replacement liquidity facility on terms acceptable to the Obligor Security Trustee, the Issuer Security Trustee and the Rating Agencies; (iii) the LF Borrowers serve a notice of cancellation to the affected Liquidity Facility Provider; (iv) all the Rating Agencies then rating the Bonds or any Tranche of Bonds confirm to the Obligor Security Trustee and the Issuer Security Trustee that such repayment would not lead to the ratings ascribed to any Tranche of Bonds being downgraded below the then current ratings of such Tranche of Bonds; (v) the LF Termination Date as at the date of such Standby Drawing occurs unless such Liquidity Facility Provider has subsequently agreed to extend the LF Termination Date; (vi) a director of the Security Group Agent and the Issuer each certify to the Obligor Security Trustee, the Issuer Security Trustee and the Liquidity Facility Agent that no Senior Debt is rated by any Rating Agency; or (vii) the delivery of an Obligor Acceleration Notice or an Issuer Enforcement Notice.

The Liquidity Facility Agreement and all non-contractual obligations arising out of or in connection with it are governed by English law.

Initial Obligor Hedging Agreements

The Obligors may enter into various interest rate, inflation-linked and currency swap transactions with the Obligor Hedge Counterparties in conformity with the Hedging Policy (see "*Summary of the Common Documents – Common Terms Agreement – Hedging Policy*").

Issuer Hedging Agreements

The Issuer may enter into various interest rate, inflation-linked and currency swap transactions with the Issuer Hedge Counterparties in conformity with the Hedging Policy (see "*Summary of the Common Documents – Common Terms Agreement – Hedging Policy*").

SUMMARY OF THE ISSUER DOCUMENTS

Bond Trust Deed

General

On the Initial Issue Date, the Issuer and the Bond Trustee entered into the Bond Trust Deed (as the same may be amended, supplemented, restated and/or novated from time to time) pursuant to which the Bonds are and will be constituted. The Bond Trust Deed includes the form of the Bonds and contains a covenant from the Issuer to the Bond Trustee to pay all amounts due under the Bonds. The Bond Trustee holds the benefit of that covenant on trust for itself and the Bondholders in accordance with their respective interests.

Enforcement

Notwithstanding the provisions of any other Issuer Document, the Issuer Security shall only become enforceable upon the delivery of an Issuer Enforcement Notice in accordance with the Issuer Deed of Charge. Only the Bond Trustee may enforce the provisions of the Bonds or the Bond Trust Deed and no Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Bond Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

Waiver of an Issuer Event of Default

The Bond Trustee may, without the consent or sanction of the Bondholders or any other Issuer Secured Creditor at any time (but only if and so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby) determine that any event which would otherwise constitute an Issuer Event of Default or Potential Issuer Event of Default shall not be treated as such for the purposes of the Bond Trust Deed provided that the Bond Trustee shall not exercise such powers in contravention of any express direction given by Extraordinary Resolution of the Bondholders or of a request in writing made by holders of not less than 25 per cent in aggregate of the principal amount of the Bonds 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.

Modification

The Bond Trustee may without the consent or sanction of the Bondholders and without the consent of the other Issuer Secured Creditors (other than any Issuer Secured Creditor which is party to the relevant documents), at any time and from time to time concur with the Issuer and any other person, or direct the Issuer Security Trustee to concur with the Issuer or any other person, in making any modification to:

(a) the Bond Trust Deed, the Conditions, the Bonds, the Receipts, the Coupons and/or the other Issuer Documents (other than a Basic Terms Modification or any modification to the Dealership Agreement or any Subscription Agreement) (subject as provided in the STID in relation to any Common Documents) or other document to which it is party or in respect of which it holds security provided that the Bond Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders and provided further that if any such modification relates to an Issuer Secured Creditor Entrenched Right, each of the affected Issuer Secured Creditors has given its prior written consent or, where any Bondholders are affected Issuer Secured Creditors, the holders of each Tranche of Bonds affected thereby have sanctioned such modification in accordance with Schedule 5 to the Bond Trust Deed; or

(b) the Bond Trust Deed, the Conditions, the Bonds, the Receipts, the Coupons or the other Issuer Documents (other than the Dealership Agreement and each Subscription Agreement) (subject as provided in the STID in relation to any Common Documents) or other documents to which it is a party

or in respect of which it holds security which is, in the opinion of the Bond Trustee, of a formal, minor or technical nature, to correct a manifest error.

The Bond Trust Deed further provides that the Bond Trustee shall, without the consent or sanction of any of the Bondholders and/or Couponholders and (subject as provided below) any other Secured Creditor, concur with the Issuer, and/or direct the Issuer Security Trustee and/or the Obligor Security Trustee to concur with the Issuer, in making any modification to the Bonds and/or Coupons, the Conditions, these presents and/or the other Transaction Documents or giving its consent to any event, matter or thing that is requested by the Issuer in writing in order to:

(a) comply with any criteria of the Rating Agencies which may be published after the Initial Issue Date and which modification(s) or consent(s) the Issuer certifies to the Bond Trustee and/or the Issuer Security Trustee and/or the Obligor Security Trustee (as applicable) in writing are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to the Bonds;

(b) enable the Issuer to issue Bonds under the Programme that are to be offered and sold to U.S. persons (as defined in the Regulation S) pursuant to, and in accordance with, Rule 144A under the Securities Act, provided that the Bond Trustee is satisfied that such modifications will not be materially prejudicial to the interests of the Bondholders; and

(c) comply with certain legal requirements which apply to it under Regulation (EU) 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 as it forms part of domestic law by virtue of EUWA (the "**UK EMIR**"), subject to receipt by the Bond Trustee of a certificate of the Issuer certifying to the Bond Trustee and the Issuer Security Trustee and the Obligor Security Trustee that the requested amendments are to be made solely for the purpose of enabling the Issuer and/or the Obligors to comply with its reporting and portfolio reconciliation and dispute resolution legal requirements under UK EMIR,

provided that, in each case, the provisions of the STID relating to such modifications thereto shall apply in relation to modifications of any Common Documents which is required as a result.

The Bond Trust Deed provides that in connection with the exercise by it of any of its trusts, powers, authorities or discretions under the Bond Trust Deed (including, without limitation, any modification, waiver, authorisation, determination or substitution) or any other Issuer Document the Bond Trustee shall have regard to the general interests of the Bondholders.

The Bond Trustee is authorised by each Bondholder, to execute and deliver on its behalf all documentation required to implement, or direct the Issuer Security Trustee to implement any modifications, waivers or consents which have been granted by the Bond Trustee in respect of the Bond Trust Deed, the Conditions, the Bonds, the Receipts, the Coupons and/or any Issuer Document or any Common Document ((other than a Basic Terms Modification or any modification to the Dealership Agreement or any Subscription Agreement) subject as provided in the STID in relation to any Common Document) and such execution and delivery shall bind each Bondholder as if such documentation had been duly executed by it.

Action, proceedings and indemnification

The Bond Trustee shall not be bound to take any actions, proceedings, or steps in relation to the Bond Trust Deed, the Bonds or any other Issuer Document (other than the Dealership Agreement or any Subscription Agreement) unless directed or requested to do so in writing by the Qualifying Issuer Secured Creditors together holding or representing 25 per cent or more of the Qualifying Issuer Secured Debt, and then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against any liabilities relating to such actions.

Only the Bond Trustee may enforce the provisions of the Bond Trust Deed or the other Issuer Documents to which it is party.

Provisions for Voting

In respect of any STID Proposal other than an Entrenched Right STID Proposal (defined below).

Each Bondholder may only vote on such STID Proposal by way of Block Voting Instruction or by way of Electronic Consent and each Bondholder shall have one vote in respect of each £1 (or its equivalent expressed in sterling on the basis of the Exchange Rate) of Outstanding Principal Amount of Bonds held or represented by it.

Provided Electronic Consent is not applicable, each Bondholder must vote on or prior to the time specified in order to enable the Principal Paying Agent or, as the case may be, a Paying Agent or the Registrar to issue a Block Voting Instruction on the Voting Date, provided that if a Bondholder does not vote in sufficient time for a Block Voting Instruction to be issued in respect of its Bonds prior to the end of the Voting Period, the Votes of such Bondholder may not be counted.

In respect of such STID Proposal, the Bond Trustee shall vote as the Obligor Secured Creditor Representative of the Bondholders in respect of each Series of Bonds then outstanding by notifying the Obligor Security Trustee, the Issuer and the Issuer Security Trustee, in accordance with the STID promptly following the receipt by it of such Votes, of each Vote comprised in a Block Voting Instruction received by it from a Paying Agent or the Registrar on or prior to the Voting Date (or, if earlier the relevant Voting Closure Date).

In respect of: (a) a STID Proposal that gives rise to an Entrenched Right in respect of which the Issuer is an Affected Obligor Secured Creditor (an "**Entrenched Right STID Proposal**"); and (b) any Voting Matter which is not a STID Proposal:

(a) the Issuer or the Bond Trustee may at any time, and the Bond Trustee must if: (a) it receives an Entrenched Right STID Proposal; or (b) directed to do so by Bondholders representing not less than 10 per cent. of the Principal Amount Outstanding of the Bonds, request that such Voting Matter be considered by the Bondholders. The Bond Trustee shall send a notice (a "**Voting Notice**") to the Bondholders of each affected Tranche of Bonds, specifying the Voting Date (which shall initially be set with at least 21 days' notice) and Voting Matter(s) including the terms of any resolution to be proposed;

(b) each Bondholder shall have one vote in respect of each £1 (or its equivalent expressed in Sterling on the basis of the Exchange Rate) of Principal Amount Outstanding of the Bonds held or represented by it;

(c) if Electronic Consent is not applicable, each Bondholder must vote prior to the close of business (London time) 24 hours prior to the Voting Date so that his votes can be included in a Block Voting Instruction which needs to be deposited at least 24 hours before the Voting Date;

(d) the initial quorum requirement for an Ordinary Resolution is one or more Bondholders representing 25 per cent. or more of the aggregate Principal Amount Outstanding of the Bonds who for the time being are entitled to receive notice of such Voting Matter or where Electronic Consent is sought, the provisions in relation to Electronic Consent set out below apply as if such resolution was an Extraordinary Resolution but with references to 75 per cent. therein deemed to be 25 per cent. for these purposes;

(e) the initial quorum requirement for an Extraordinary Resolution (subject as provided below), is one or more Bondholders representing 50 per cent. or more of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding, who for the time being are entitled to receive notice of

such Voting Matter, **except that** in respect of any Voting Matter comprising any of the matters specified to be a Basic Terms Modification (which shall only be capable of being effected after having been approved by an Extraordinary Resolution) the initial quorum requirement is one or more Bondholders representing 75 per cent. or more of the aggregate Principal Amount Outstanding of Bonds for the time being outstanding, who, for the time being are entitled to receive notice of such Voting Matter;

(f) if the relevant Extraordinary Quorum Requirements are not satisfied on a Voting Date, then such Voting Date shall be postponed to the same day in the next week (or if such day is a public holiday the next succeeding business day) (an "**Adjourned Voting Date**") except where an Extraordinary Resolution is to be proposed in which case the Adjourned Voting Date shall be a day (being a business day) during the period, being not less than seven clear days nor more than 14 clear days, subsequent to such Voting Date, and approved by the Bond Trustee. On any Adjourned Voting Date, one or more Votes shall (subject as provided below) form a quorum and shall have the power to pass any Extraordinary Resolution or Ordinary Resolution and to decide upon all matters which could properly have been dealt with through the original Vote had the requisite Extraordinary Quorum Requirements been met, **provided that** on any Adjourned Voting Date the Extraordinary Quorum Requirements for the transaction of business comprising any of the matters specified to be a Basic Terms Modification shall be at least 25 per cent. of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding, who for the time being are entitled to receive notice of such Voting Matter; and

(g) notice of any Adjourned Voting Date at which an Extraordinary Resolution is to be voted upon shall be given in the same manner as a Voting Notice but the minimum notice period is only five days as opposed to 21. Subject as aforesaid it shall not be necessary to give any notice of an Adjourned Voting Date.

Subject to all other provisions of the Bond Trust Deed, the Bond Trustee may, without the consent of the Issuer or the Bondholders, prescribe such further regulations regarding voting by the Bondholders in respect of such Voting Matters (but, not for the avoidance of doubt, in respect of any STID Proposal other than an Entrenched Right STID Proposal) as the Bond Trustee may in its sole discretion think fit, including the calling of one or more meetings of Bondholders (or any Tranche thereof) in order to approve any resolution to be put to the Bondholders (or any Tranche thereof) where the Bond Trustee, in its sole discretion, considers it to be appropriate to hold a meeting.

For so long as the Bonds are in the form of a Global Bond held on behalf of one or more of Euroclear, Clearstream, Luxembourg or another clearing system, then, in respect of an Extraordinary Resolution proposed by the Issuer or the Bond Trustee, where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of the Issuer and the Bond Trustee shall be entitled to rely upon approval of such resolution (in a form satisfactory to the Bond Trustee) proposed by the Issuer or the Bond Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders representing 75 per cent. or more of the aggregate Principal Amount Outstanding of the Bonds ("**Electronic Consent**"). Neither the Issuer nor the Bond Trustee shall be liable or responsible to anyone for such reliance. An Electronic Consent shall take effect as an Extraordinary Resolution. An Electronic Consent will be binding on all Bondholders and holders of Coupons, Talons and Receipts, whether or not they participated in such Electronic Consent. Where Electronic Consent is not being sought, an Extraordinary Resolution shall be passed in accordance with the other terms of the definition of Extraordinary Resolution and the Bond Trust Deed.

Issuer representations

The Issuer made representations (subject to detailed carve-outs, exceptions and qualifications set forth in the Bond Trust Deed) in the Bond Trust Deed as at the date of the Bond Trust Deed and will repeat such representations at each Issue Date, including as to:

(a) its corporate status, power and authority and certain other legal matters;

(b) the enforceability of the Transaction Documents;

(c) the legal validity of the Bonds;

(d) non-conflict with the documents binding on it, its constitutional documents, licences and laws;

(e) no existing default or potential default;

(f) consents, licences, authorisations and approvals are obtained and complied with;

(g) no current litigation;

(h) no Security Interest on any of its present or future revenues or assets other than pursuant to the Issuer Deed of Charge;

(i) no winding up or insolvency event in relation to it; and

(j) status of security.

Issuer covenants

The covenants given by the Issuer in the Bond Trust Deed (subject to detailed carve-outs, exceptions and qualifications) include the following:

(a) conduct its business in accordance with its obligations under the Bond Trust Deed;

(b) so far as permitted by applicable law and subject to any binding confidentiality restrictions give the Bond Trustee such documents needed to discharge or exercise its powers under the Bond Trust Deed or by operation of law;

(c) ensure compliance with accounting requirements as set forth by the relevant Stock Exchange;

(d) keep proper books of account and allow the Bond Trustee free access to such books of account;

(e) at all times maintain separate books, records and accounts;

(f) not commingle its assets with the assets of any other entities;

(g) use its own stationery, invoice and cheques;

(h) not grant, create or permit to subsist any Security Interests (unless by operation of law) over its assets other than pursuant to the Issuer Deed of Charge;

(i) not to have any Subsidiaries or any employees or premises;

(j) not to acquire any leasehold, freehold or heritable property;

(k) not dispose of assets save as permitted by the Issuer Documents;

(l) not merge or legally consolidate save as permitted by the Issuer Documents;

(m) not to incur any financial indebtedness save as permitted by the Issuer Documents;

(n) not to pay any dividend or make any distributions to its shareholders save as permitted by the Issuer Documents;

(o) subject to the Reservations not to permit any of the Issuer Documents to become invalid and not to vary or waive any term save as permitted by the Issuer Documents;

(p) send to the Bond Trustee every document issued or sent to its shareholders;

(q) execute and perform such acts necessary in order for the Bond Trustee to discharge its functions under the Bond Trust Deed;

(r) procure the Principal Paying Agent and the Registrar notify the Bond Trustee in the event they do not receive payment of the full amount due on all Bonds, Receipts or Coupons;

(s) if the relevant Final Terms or Pricing Supplement indicate that the Bonds are to be listed on a relevant Stock Exchange, maintain the quotation or listing on the relevant Stock Exchange of those of the Bonds;

(t) send to the Bond Trustee and obtain its approval, prior to the date on which any such notice is to be given, the form of every notice to be given to the Bondholders;

(u) notify the Bond Trustee if payments by the Issuer become subject to withholding;

(v) deliver to the Bond Trustee a certificate setting out the total number and aggregate nominal amount of the Bonds which:

  (i) up to and including the date of such certificate have been purchased by the Issuer or any Obligor and cancelled; and

  (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the Issuer or any Obligor;

(w) give notice to the Bond Trustee of the proposed redemption of the Bonds;

(x) minimise taxes and any other costs arising in connection with its payment obligations in respect of the Bonds;

(y) maintain its registered office in the United Kingdom; and

(z) give notice to the Bond Trustee of the occurrence of any Issuer Event of Default or Potential Issuer Event of Default.

Issuer Deed of Charge

General

The Issuer, on the Initial Issue Date, entered into the Issuer Deed of Charge with the Issuer Secured Creditors.

Issuer Security

Pursuant to the Issuer Deed of Charge, the Issuer on and from the Initial Issue Date has secured its obligations to the Issuer Secured Creditors by granting the following security (the "**Issuer Security**"):

- an absolute assignment, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, a first fixed charge) of all of its rights in respect of the Issuer Charged Documents (other than the Dealership Agreement and each Subscription Agreement);

- an absolute assignment, subject to a proviso for re-assignment on redemption (or, to the extent not assignable, a first fixed charge) of all of its rights in respect of any amount standing from time to time to the credit of the Issuer Accounts and all interest paid or payable in relation to those amounts and all debts represented by those amounts;

- a first fixed charge of all its rights in respect of each Cash Equivalent Investment of the Issuer;

- a first fixed charge of all its rights in respect of the benefit of all authorisations held in connection with use of the assets charged under the Issuer Deed of Charge and any compensation which may be payable to it in respect of those authorisations; and

- a first floating charge over the whole of the Issuer's assets (including, without limitation, its uncalled capital) other than any assets at any time otherwise effectively charged or assigned by way of fixed charge or assignment under the Issuer Deed of Charge.

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.

Restrictions on the exercise of rights

The Issuer Deed of Charge contains certain restrictions on the Issuer Secured Creditors on the exercise of their rights. These include that, each of the Issuer Secured Creditors agrees with the Issuer and the Issuer Security Trustee that (a) only the Issuer Security Trustee may enforce the Issuer Security in accordance with the terms of the Issuer Deed of Charge, (b) it will not take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer and (c) it will not take any other steps or action against the Issuer or in relation to the Issuer Charged Property for the purpose of recovering any of the secured liabilities or enforcing any rights arising out of the Issuer Documents against the Issuer or take any other proceedings in respect of or concerning the Issuer or the Issuer Charged Property provided that, subject to item (b) above, the Liquidity Facility Agent and the Super Senior Issuer Hedge Counterparties may sue for, commence or join legal or arbitration proceedings against the Issuer to recover any amounts due and payable in respect of or under a Liquidity Facility Agreement or the relevant Super Senior Issuer Hedging Agreement, as the case may be upon the expiry of a period of 30 days from such non-payment.

Furthermore, each of the Issuer Secured Creditors agrees that all obligations of the Issuer to each Issuer Secured Creditor are limited in recourse to the property, assets, rights and undertakings of the Issuer that are subject to the Security Interests created in or pursuant to the Issuer Deed of Charge (the "**Issuer Charged Property**"). If (a) there is no Issuer Charged Property remaining which is capable of being realised or otherwise converted into cash, (b) all amounts available from the Issuer Charged Property have been applied to meet or provide for the relevant obligations in accordance with the provisions of the Issuer Deed of Charge and (c) there are insufficient amounts available from the Issuer Charged Property to pay in full the secured liabilities, then the Issuer Secured Creditors shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

The Issuer Secured Creditors in respect of the Common Documents shall only exercise their rights (including, for the avoidance of doubt, Entrenched Rights) through their Obligor Secured Creditor Representative.

Priority of payments – prior to enforcement

Notwithstanding the Issuer Security, the Issuer will withdraw certain amounts standing to the credit of the Issuer Accounts from time to time to be applied in accordance with the Transaction Documents. There is no requirement for such amounts to be applied in accordance with any specified order of priority.

Priority of payments upon acceleration

The Issuer Security Trustee shall (to the extent that such funds are available) apply all monies received or recovered by it or any receiver appointed under the Issuer Deed of Charge following the service of an Issuer Enforcement Notice, other than (a) amounts standing to the credit of the Issuer Liquidity Standby Account (which are to be paid directly and only to the Liquidity Facility Provider) and (b) any Defeasance Amounts, the proceeds of which are to be applied in redemption of Bonds, will be applied in accordance with the Issuer Post-Enforcement Priority of Payments. See "*Cashflows – Issuer Post-Enforcement Priority of Payments*" for a detailed description.

Enforcement of the Issuer Security

The Issuer Security Trustee will be bound to enforce the Issuer Security if directed to do so by the Bond Trustee, provided that the Issuer Security Trustee has been indemnified and/or secured and/or prefunded to its satisfaction against any liabilities.

The Issuer Security will become immediately enforceable following the occurrence of an Issuer Event of Default and the delivery of an Issuer Enforcement Notice by the Bond Trustee or, if there are no Bonds outstanding, upon failure by the Issuer to pay any other secured liability on its due date.

Directions, Duties and Liabilities

The Issuer Security Trustee will not be liable or responsible for any liabilities or inconvenience which may result from anything done or omitted to be done by it in accordance with the provisions of the Issuer Deed of Charge, except where the Issuer Security Trustee has failed to show the degree of care and due diligence.

The Issuer Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by and constructed in accordance with English Law.

Issuer Account Bank Agreement

General

The Issuer has established or caused to be established a debt service reserve account and one or more operating accounts and liquidity standby accounts (together with any other accounts that may be opened by the Issuer from time to time, the "**Issuer Accounts**"). The Issuer Accounts are held with the Issuer Account Bank pursuant to the Issuer Account Bank Agreement dated the Initial Issue Date between the Issuer, the Issuer Account Bank and the Issuer Security Trustee. An Issuer Liquidity Standby Account opened under the Liquidity Facility Agreement may be opened and maintained with the Issuer Account Bank under the Issuer Account Bank Agreement and any such account will be operated by the Liquidity Facility Agent.

HSBC Bank plc currently serves as the Issuer Account Bank pursuant to the Issuer Account Bank Agreement.

Termination

The Issuer Account Bank may resign its appointment upon not less than 120 days' notice to the Issuer (copied to the Issuer Security Trustee) provided that such resignation shall not take effect until a substitute Issuer Account Bank with the Requisite Rating has been duly appointed.

The Issuer may revoke its appointment of the Issuer Account Bank by not less than 30 days' notice to the Issuer Account Bank provided that such revocation shall not take effect until a substitute has been duly appointed. Furthermore the appointment of the Issuer Account Bank will terminate automatically if, *inter alia*, (a) the Issuer Account Bank becomes incapable of acting as an Issuer Account Bank, (b) an Insolvency Event occurs in relation to the Issuer Account Bank, and (c) if the Issuer Account Bank defaults in the performance of any of its material obligations under the Issuer Account Bank Agreement subject to the applicable grace period.

If the Issuer Account Bank ceases to have the Requisite Rating with any two of the Rating Agencies, the Issuer shall use its commercially reasonable endeavours to procure that the Issuer Accounts shall be transferred to a substitute Issuer Account Bank with the Requisite Rating within a period not exceeding 30 calendar days.

Agency Agreement

Pursuant to the Agency Agreement (as the same may be amended, supplemented, restated and/or novated from time to time) entered into on the Initial Issue Date between the Issuer, the Bond Trustee, the Registrar, the Principal Paying Agent, the Exchange Agent, the Transfer Agent and the Agent Bank, provision has been made for, among other things, payment of principal and interest in respect of the Bonds and the maintenance of a register of the holders of the Bonds.

CASHFLOWS

The following sets out the various priorities of payment as included in the respective Obligor Documents or Issuer Documents, as more fully summarised in "*Summary of the Common Documents*", "*Summary of the Obligor Documents*" and "*Summary of the Issuer Documents*" above.

Obligor Post-Enforcement Priority of Payments

Pursuant to the section entitled "Summary of the Common Documents – Security Trust and Intercreditor Deed – Qualifying Obligor Secured Creditor Instructions – Obligor Post-Enforcement Priority of Payments", all Available Enforcement Proceeds (other than any Defeasance Amounts, which shall be applied, after payments of amounts due under item (a) below (to the extent that such amounts cannot be met from Available Enforcement Proceeds other than Defeasance Amounts) in repayment of the Authorised Credit Facility to which the Defeasance Amount in question relates) shall, following the delivery of an Obligor Enforcement Notice by the Obligor Security Trustee be applied (to the extent that it is lawfully able to do so) on each Payment Date (or, in the case of items (a) to (c) below, on any day on which such amounts are due and payable) by or on behalf of the Obligor Security Trustee (or, as the case may be, any Receiver), in accordance with the following "**Obligor Post-Enforcement Priority of Payments**" (including in each case any amount of or in respect of VAT) as set out below, without double counting:

(a) *first*, *pro rata* and *pari passu*, 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 by any Obligor to the Obligor Security Trustee or any Receiver under any Transaction Document, and (ii) to the Issuer by way of Ongoing Facility Fee, 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 by the Issuer to the Issuer Security Trustee, the Bond Trustee and any Receiver under any Issuer Document;

(b) *second,* 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:

  (i) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Agents incurred under the Agency Agreement or a Calculation Agency Agreement;

  (ii) any fees payable by the Issuer to Rating Agencies; and

  (iii) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Account Bank incurred under the Issuer Account Bank Agreement;

(c) *third*, prior to the delivery of an Issuer Enforcement Notice only, an amount to the Issuer by way of Ongoing Facility Fee 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 (other than those creditors otherwise specifically provided for in this priority of payments), or to become due and payable to any third party creditors of the Issuer (other than those creditors otherwise specifically provided for in this priority of payments) prior to the next Payment Date, of which the Issuer has notice prior to the relevant Payment Date, which amounts have been incurred without breach by the Issuer of the Issuer Documents to which it is a party (and for which payment has not been provided elsewhere);

  (ii) any Tax for which the Issuer is liable under the laws of any jurisdiction (other than UK corporation tax in respect of the Issuer Profit Amount, which shall be met out of the Issuer Profit Amount); and

(iii) the Issuer Profit Amount;

(d) *fourth*, *pro rata* and *pari passu*, according to the respective amounts thereof:

(i) to the Issuer by way of Ongoing Facility Fee in respect of all amounts due by the Issuer to any Liquidity Facility Provider (and any facility agent and arranger under any Liquidity Facility Agreement) other than any Subordinated Liquidity Payments;

(ii) all amounts due by an Obligor to any Liquidity Facility Provider (and any Liquidity Facility Agent and arranger under any Liquidity Facility Agreement) other than any Subordinated Liquidity Payments; and

(iii) the fees, other remuneration, indemnity payments, costs, charges and expenses of each facility agent under each Authorised Credit Facility;

(e) *fifth*, *pro rata* and *pari passu*, according to the respective amounts thereof:

(i) all scheduled amounts, termination payments and accretion or other pay-as-you-go payments payable to each Obligor Hedge Counterparty under any Super Senior Obligor Hedging Agreement between an Obligor and an Obligor Hedge Counterparty (other than amounts in respect of Obligor Subordinated Hedge Amounts); and

(ii) to the Issuer by way of Ongoing Facility Fee (or pursuant to any back-to-back hedging arrangements) in respect of scheduled amounts, termination payments and accretion or other pay-as-you-go payments payable by the Issuer to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Agreement between the Issuer and an Issuer Hedge Counterparty (other than in respect of Issuer Subordinated Hedge Amounts);

(f) *sixth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in each case without double counting, in or towards satisfaction of:

(i) to the Issuer all amounts of interest due or overdue in respect of the Issuer Loan Agreement relating to payments of interest on the Bonds;

(ii) all amounts of interest due or overdue in respect of the PP Debt;

(iii) all amounts of interest, underwriting and commitment commissions due or overdue in respect of Obligor Senior Debt outstanding under any other Authorised Credit Facility (other than the applicable Issuer Loan Agreements);

(iv) other unscheduled amounts which are payable to each Obligor Hedge Counterparty under any Super Senior Obligor Hedging Agreement between an Obligor and an Obligor Hedge Counterparty (other than amounts payable in accordance with the foregoing provisions or in respect of Obligor Subordinated Hedge Amounts);

(v) to the Issuer by way of Ongoing Facility Fee (or pursuant to any back-to-back hedging arrangements) in respect of other unscheduled amounts payable by the Issuer to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Agreement between the Issuer and an Issuer Hedge Counterparty (other than amounts payable in accordance with the foregoing provisions or in respect of Issuer Subordinated Hedge Amounts);

(vi) all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Obligor Hedge Counterparty under any Pari Passu Obligor Hedging Agreement (other than the applicable Issuer Loan Agreements); and

(vii) to the Issuer by way of Ongoing Facility Fee (or pursuant to any back-to-back hedging arrangements) in respect of all amounts in respect of scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Agreement;

(g) *seventh*, *pro rata* and *pari passu*, according to the respective amounts thereof, in each case without double counting, in or towards satisfaction of:

(i) all amounts of principal due or overdue in respect of the Issuer Loan Agreement relating to repayments of principal on the Bonds;

(ii) all amounts of principal due or overdue in respect of Obligor Senior Debt outstanding under any other Authorised Credit Facility (other than the applicable Issuer Loan Agreements);

(iii) all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or other unscheduled sums due and payable by an Obligor to each Obligor Hedge Counterparty under any Pari Passu Obligor Hedging Agreement (other than Obligor Subordinated Hedge Amounts); and

(iv) to the Issuer by way of Ongoing Facility Fee (or pursuant to any back-to-back hedging arrangements) in respect of all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or other unscheduled sums payable by the Issuer to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Agreement (other than in respect of Issuer Subordinated Hedge Amounts);

(h) *eighth*, in or towards satisfaction of amounts in respect of any Make-Whole Amount due and payable on the Bonds (if any) payable under the applicable Issuer Loan Agreement or in respect of any Make-Whole Amount due and payable on the PP Debt (if any);

(i) *ninth*, *pro rata* and *pari passu* towards Subordinated Liquidity Payments due under any Liquidity Facility Agreement;

(j) *tenth*, *pro rata* and *pari passu*, according to the respective amounts thereof:

(i) to the Issuer by way of Ongoing Facility Fee (or pursuant to any back-to-back hedging arrangements) in respect of any Issuer Subordinated Hedge Amounts due or overdue by the Issuer to an Issuer Hedge Counterparty; and

(ii) any Obligor Subordinated Hedge Amounts due or overdue to an Obligor Hedge Counterparty; and

(k) *eleventh:*

(i) prior to the delivery of an Obligor Acceleration Notice any surplus (if any) to an account or accounts specified by the Obligor Security Trustee to be applied by it thereafter in accordance with the foregoing provisions; and

(ii) following the delivery of an Obligor Acceleration Notice, the surplus (if any) together with all amounts standing to the credit of the Obligor Accounts of the Obligors shall be available to each Obligor entitled thereto to deal with as it sees fit.

Issuer Post-Enforcement Priority of Payments

All monies received or recovered by the Issuer Security Trustee (or any Receiver appointed) following the service of an Issuer Enforcement Notice other than (a) amounts standing to the credit of the Issuer Liquidity Standby Account (which are to be paid directly and only to the Liquidity Facility Provider), and (b) any Defeasance Amount, the proceeds of which are to be applied, after payments of amounts due under item (a) below to the extent that such amounts cannot otherwise be met from monies received or recovered by the Issuer Security Trustee (or any Receiver appointed pursuant to the Issuer Deed of Charge), in redemption of Bonds to which such Defeasance Amounts apply, in accordance with the following "**Issuer Post-Enforcement Priority of Payments**", including in each case any amount of or in respect of VAT payable thereon:

(a) *first*, *pro rata* and *pari passu*, according to the respective amounts thereof in or towards satisfaction of the fees, costs, charges, Liabilities, expenses and other remuneration and indemnity payments (if any) and any other amounts payable by the Issuer to the Issuer Security Trustee, the Bond Trustee and any Receiver or other Appointee under any Issuer Document;

(b) *second*, *pro rata* and *pari passu*, of the amounts payable by the Issuer in respect of:

  (i) the fees, other remuneration, indemnity payments, costs, charges, Liabilities and expenses of the Agents incurred under the Agency Agreement or a Calculation Agency Agreement; and

  (ii) the fees, other remuneration, indemnity payments, costs, charges, liabilities and expenses of the Issuer Account Bank attributable to the Issuer under the Issuer Account Bank Agreement;

(c) *third*, in or towards satisfaction of payment of all amounts due by the Issuer to any Liquidity Facility Provider (and any facility agent and arranger under any Liquidity Facility Agreement) other than any Subordinated Liquidity Payments;

(d) *fourth*, *pro rata* and *pari passu*, according to the respective amounts thereof;

  (i) scheduled amounts, termination payments and accretion or other pay-as-you-go payments payable by the Issuer to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Agreement between the Issuer and an Issuer Hedge Counterparty (other than in respect of Issuer Subordinated Hedge Amounts); and

  (ii) to the relevant Obligor pursuant to any back-to-back hedging arrangements in respect of scheduled amounts, termination payments and accretion or other pay-as-you-go payments payable to each Obligor Hedge Counterparty under any Super Senior Obligor Hedging Agreement between such Obligor and an Obligor Hedge Counterparty (other than amounts in respect of Obligor Subordinated Hedge Amounts);

(e) *fifth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in each case without double counting, in or towards satisfaction of:

  (i) all amounts of interest due or overdue in respect of the Bonds;

  (ii) other unscheduled amounts payable by the Issuer to each Issuer Hedge Counterparty under any Super Senior Issuer Hedging Agreement between the Issuer and an Issuer Hedge Counterparty (other than amounts payable in accordance with the foregoing provisions or in respect of Issuer Subordinated Hedge Amounts);

  (iii) to the relevant Obligor pursuant to any back-to-back hedging arrangements, all amounts in respect of other unscheduled amounts which are payable to each Obligor Hedge Counterparty under any Super Senior Obligor Hedging Agreement between the relevant Obligor and an

Obligor Hedge Counterparty (other than amounts payable in accordance with the foregoing provisions or in respect of Obligor Subordinated Hedge Amounts);

(iv) all amounts in respect of scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Agreement; and

(v) to the relevant Obligor pursuant to any back-to-back hedging arrangements, all scheduled amounts (other than principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments) payable to each Obligor Hedge Counterparty under any Pari Passu Obligor Hedging Agreement;

(f) *sixth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in each case without double counting, in or towards satisfaction of:

(i) all amounts of principal due or overdue in respect of the Bonds;

(ii) all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or other unscheduled sums payable by the Issuer to each Issuer Hedge Counterparty under any Pari Passu Issuer Hedging Agreement (other than in respect of Issuer Subordinated Hedge Amounts); and

(iii) to the relevant Obligor pursuant to any back-to-back hedging arrangements, all scheduled principal exchange amounts, termination payments, final payments on cross-currency swaps, accretion and other pay-as-you-go payments or other unscheduled sums due and payable by the relevant Obligor to each Obligor Hedge Counterparty under any Pari Passu Obligor Hedging Agreement (other than Obligor Subordinated Hedge Amounts);

(g) *seventh*, in or towards satisfaction of amounts in respect of any Make-Whole Amount due and payable on the Bonds (if any);

(h) *eighth*, *pro rata* and *pari passu* towards Subordinated Liquidity Payments due under any Liquidity Facility Agreement;

(i) *ninth*, in or towards satisfaction of any amounts in respect of any Issuer Subordinated Hedge Amounts due or overdue by the Issuer to an Issuer Hedge Counterparty;

(j) *tenth*, in or towards satisfaction of any amount due to the Borrower under any Issuer Loan Agreement; and

(k) *eleventh*, the surplus (if any) to the Issuer which will be retained by the Issuer as profit (out of which the Issuer shall satisfy any UK corporation tax thereon) or to other persons entitled thereto.

TERMS AND CONDITIONS

The following is the text of the terms and conditions which (subject to completion in accordance with the provisions of the relevant Final Terms or Pricing Supplement and, save for the italicised paragraphs) will be incorporated by reference into each Global Bond and each definitive Bond (in the latter case only if such incorporation by reference is permitted by the rules of the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Bond will have endorsed thereon or attached thereto such terms and conditions). Further information with respect to each Tranche of Bonds will be given in the relevant Final Terms or Pricing Supplement which will provide for those aspects of these Conditions which are applicable to such Tranche of Bonds. Either (i) the full text of these terms and conditions together with the relevant Part A of the Final Terms or Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) will be endorsed upon, or attached to, each Global Bond and definitive Bond. References in the Conditions to Bonds are as the context requires, references to the Bonds of one Series only, not to all Bonds which may be issued under the Programme.

References herein to the Bonds shall be references to the Bonds of a Series and shall mean:

(a) in relation to a Global Bond, units of each Specified Denomination in the Specified Currency;

(b) any Global Bond;

(c) any Bearer Bonds issued in exchange for a Global Bond in bearer form; and

(d) Registered Bonds (whether or not issued in definitive form and whether or not in exchange for a Global Bond in registered form).

Manchester Airport Group Funding PLC (the "**Issuer**") has established a bond programme (the "**Programme**") for the issuance of bonds (the "**Bonds**").

As used herein, "**Tranche**" means Bonds which are identical in all respects and "**Series**" means a Tranche of Bonds together with any further Tranche or Tranches of Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Bonds may be denominated in different currencies or have different interest rates, maturity dates or other terms. Bonds may be zero coupon ("**Zero Coupon Bonds**"), fixed rate ("**Fixed Rate Bonds**"), floating rate ("**Floating Rate Bonds**"), index-linked ("**Indexed Bonds**") or instalment bonds ("**Instalment Bonds**") depending on the method of calculating interest payable in respect of such Bonds and may be denominated in sterling, euro, U.S. dollars or in other currencies subject to compliance with applicable law.

The terms and conditions applicable to any particular Series of Bonds are these terms and conditions ("**Conditions**") as supplemented by a set of final terms in relation to Bonds ("**Final Terms**") or, in relation to unlisted Bonds and/or Bonds not admitted to trading on any regulated or unregulated market ("**Exempt Bonds**"), a pricing supplement ("**Pricing Supplement**").

The Bonds will be subject to and have the benefit of a bond trust deed dated 14 February 2014 (the "**Initial Issue Date**") as the same may be amended, supplemented, restated and/or novated from time to time (the "**Bond Trust Deed**"), between the Issuer and Citicorp Trustee Company Limited as trustee (the Bond Trustee, which expression includes the trustee or trustees for the time being of the Bond Trust Deed).

The Bonds have the benefit (to the extent applicable) of an agency agreement (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") dated on or about the Initial Issue Date (to which, among others, the Issuer, the Bond Trustee, the Principal Paying Agent and the other Paying Agents (in the

case of Bearer Bonds) or the Transfer Agents and the Registrar (in the case of Registered Bonds) are party). As used herein, each of "**Principal Paying Agent**", "**Paying Agents**", "**Exchange Agent**", "**Agent Bank**", "**Transfer Agent**" and/or "**Registrar**" means, in relation to the Bonds, the persons specified in the Agency Agreement as the Principal Paying Agent, Paying Agents, Agent Bank, Transfer Agent and/or Registrar respectively and, in each case, any successor to such person in such capacity, and Agents shall mean the Principal Paying Agent, the Transfer Agent, the Exchange Agent, the Registrar, the Agent Bank, any Calculation Agent (as defined below) appointed thereunder and any additional Paying Agents also appointed thereunder. The Bonds 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 alios*, the Issuer and any calculation agent appointed by the Issuer as calculation agent (the "**Calculation Agent**").

On or about the Initial Issue Date, the Issuer entered into a deed of charge (as the same may be amended, supplemented, restated and/or novated from time to time, the "**Issuer Deed of Charge**") with Citicorp Trustee Company Limited as security trustee (the "**Issuer Security Trustee**", which expression includes the security trustee or trustees for the time being of the Issuer Deed of Charge), pursuant to which on or prior to the Initial Issue Date the Issuer granted the Issuer Security (as defined in Condition 4(a) (*Security*)) to the Issuer Security Trustee for itself and on behalf of the other Issuer Secured Creditors, the Bondholders, the Bond Trustee, each Initial Liquidity Facility Provider, the Principal Paying Agent, the Issuer Account Bank, each Paying Agent, the Exchange Agent, the Calculation Agent (if any), the Transfer Agent, the Registrar and the Agent Bank (together, the "**Issuer Secured Creditors**").

On the Initial Issue Date, the Issuer entered into the common terms agreement with, among others, the Obligors (as the same may be amended, supplemented, restated and/or novated from time to time, the "**Common Terms Agreement**") and a security trust and intercreditor deed between amongst others, the Obligors, Citicorp Trustee Company Limited (in its capacity as the Obligor Security Trustee) and the other creditors referred to therein (as the same may be amended, supplemented, restated and/or novated from time to time, the "**STID**").

The deed of charge executed by each of the Obligors in favour of the Obligor Security Trustee on the Initial Issue Date (as the same may be amended, supplemented, restated and/or novated from time to time, the "**Obligor Security Agreement**") and the STID comprise the "**Obligor Security Documents**".

On or before the Initial Issue Date, the Issuer entered into a dealership agreement (as the same may be amended, supplemented, restated and/or novated from time to time, 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 a Subscription Agreement (each a "**Subscription Agreement**") in relation to Bonds issued by the Issuer, and pursuant to which the Dealers will agree to subscribe for the relevant Bonds. In any Subscription Agreement relating to Bonds, any of the Dealers may agree to procure subscribers to subscribe for the relevant Bonds.

On or around the Initial Issue Date, the Issuer and the Obligors entered into a liquidity facility agreement (as the same may be amended, supplemented, restated and/or novated from time to time, the "**Initial Liquidity Facility Agreement**") with certain liquidity facility providers (together, the "**Initial Liquidity Facility Providers**") pursuant to which the Initial Liquidity Facility Providers agree to make certain facilities (the "**Liquidity 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 Bonds, pursuant to which the Issuer hedges certain of its currency and interest rate obligations. The Issuer may also enter into back to back swap arrangements with an Obligor on substantially the same terms as the corresponding Issuer Hedging Agreements between the Issuer and the relevant Issuer Hedge Counterparties.

The Bond Trust Deed, the Bonds (including these Conditions and the applicable Final Terms or Pricing Supplement, the Coupons and the Receipts), the Issuer Deed of Charge, the Agency Agreement, the Issuer Account Bank Agreement, the Initial Liquidity Facility Agreement, the Issuer Hedging Agreements, each Issuer Loan Agreement, the Common Terms Agreement, the STID, the master definitions agreement between, among others, the Issuer and the Bond Trustee dated the Initial Issue Date (the "**Master Definitions Agreement**"), the Dealership Agreement, each Subscription 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 Bonds, together referred to as the "**Issuer Documents**".

Certain statements in these Conditions are summaries of the detailed provisions appearing on the face of the Bonds (which expression shall include the body thereof), in the relevant Final Terms or Pricing Supplement, the Bond Trust Deed, the Issuer Deed of Charge and the other Issuer Documents. Copies of the Bond Trust Deed, the Agency Agreement, each Final Terms or Pricing Supplement relating to Bonds, the Common Documents (other than any deeds of accession to the STID) and the Issuer Deed of Charge are available for inspection during normal business hours at the specified offices of the Principal Paying Agent (in the case of Bearer Bonds (as defined below)) or the specified offices of the Transfer Agents and the Registrar (in the case of Registered Bonds (as defined below)).

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Bond Trust Deed, the Issuer Deed of Charge the relevant Final Terms or Pricing Supplement and the other Issuer Documents applicable to them. In these Conditions, words denoting the singular number only shall include the plural number also and vice versa.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions Agreement and these Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Agreement.

Any reference in these Conditions to a matter being "**specified**" means as the same may be specified in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus, as the case may be.

1. Form, Denomination and Title

(a) Form, Denomination and Title

The Bonds are in bearer form ("**Bearer Bonds**") or in registered form ("**Registered Bonds**") as specified in the applicable Final Terms or Pricing Supplement and, in the case of Definitive Bonds, serially numbered in the Specified Currency and the Specified Denomination(s). Bonds may be issued in such denomination and higher integral multiples of a smaller amount if specified in the applicable Final Terms or Pricing Supplement provided that the Specified Denomination shall be not less than €100,000 or not less than the equivalent of €100,000 in any other currency as at the date of issue of the Bonds. Bonds of one Specified Denomination may not be exchanged for Bonds of another Specified Denomination and Registered Bonds may not be exchanged for Bearer Bonds. References in these Conditions to Bonds include Bearer Bonds and Registered Bonds and all Tranches and Series.

So long as the Bonds are represented by a temporary Global Bond or permanent Global Bond and the relevant Clearing System(s) so permit, the Bonds shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Bonds may be Fixed Rate Bonds, Floating Rate Bonds, Zero Coupon Bonds, Indexed Bonds or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms or Pricing Supplement.

Bonds may be Indexed Bonds, Instalment Bonds or a combination of any of the foregoing, depending upon the Redemption/Payment Basis specified in the applicable Final Terms or Pricing Supplement.

Interest-bearing Bearer Definitive Bonds are issued with Coupons (and, where appropriate, a Talon) attached. After all the Coupons attached to, or issued in respect of, any Bearer Bond 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 Definitive Bond the principal amount of which is redeemable in instalments may be issued with one or more Receipts (and, where appropriate, a Talon) attached thereto. After all the Receipts attached to, or issued in respect of, any Instalment Bond 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.

Subject as set out below, title to the Bearer Bonds, Receipts and Coupons will pass by delivery and title to the Registered Bonds will pass upon registration of transfers in the Register by the Registrar, in accordance with the provisions of the Agency Agreement. The Issuer, the Bond Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Bond, Receipt or Coupon and the registered holder of any Registered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Bond, without prejudice to the provisions set out in the next succeeding paragraphs.

For so long as any of the Bonds are represented by a Global Bond held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Bond Trustee and the Agents as the holder of such nominal amount of such Bonds for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Bonds, for which purpose the bearer of the relevant Bearer Global Bond or the registered holder of the relevant Registered Global Bond shall be treated by the Issuer, the Bond Trustee and any Agent as the holder of such nominal amount of such Bonds in accordance with and subject to the terms of the relevant Global Bond and the expressions "**Bondholder**", "**Holder**" and "**holder of Bonds**" and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Bonds as aforesaid, the Bond Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Bonds which are represented by a Global Bond 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 Pricing Supplement or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Bond Trustee.

(b) Fungible Issues of Bonds

The Issuer may, from time to time, without the consent of the Bondholders, Receiptholders or Couponholders, create and issue a Tranche of Bonds having the same terms and conditions as the Bonds of an existing Tranche of Bonds in all respects (or in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices). Such further Tranche of Bonds will be consolidated and form a single Series with such existing Tranche of Bonds.

2. Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds

(a) Exchange of Bonds

Subject to Condition 2(f) (*Closed Periods*), Bearer Bonds may, if so specified in the relevant Final Terms or Pricing Supplement, be exchanged at the expense of the transferor Bondholder for the same aggregate principal amount of Registered Bonds at the request in writing of the relevant Bondholder and upon surrender of the Bearer Bond 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 Bond is surrendered for exchange after the Record Date for any payment of interest or Interest Amount, the Coupon in respect of that payment of interest or Interest Amount need not be surrendered with it. Registered Bonds may not be exchanged for Bearer Bonds.

(b) Transfers of interests in Registered Global Bonds

Transfers of beneficial interests in Registered Global Bonds will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Bond will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Bonds in definitive form or for a beneficial interest in another Registered Global Bond only in the authorised denominations set out in the applicable Final Terms or Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Bond Trust Deed and the Agency Agreement.

(c) Transfers of Registered Definitive Bonds

Subject as provided in Conditions 2(d) (Registration of transfer upon partial redemption), 2(e) (Exchange or Transfer at the Expense of Transferor Bondholder), 2(f) (Closed Periods) and 2(g) (Regulations Concerning the Transfer of Registered Bonds), upon the terms and subject to the conditions set forth in the Bond Trust Deed and the Agency Agreement, a Registered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms or Pricing Supplement). In order to effect any such transfer: (a) the holder or holders must: (i) surrender the Registered Bond for registration of the transfer of the Registered Bond (or the relevant part of the Registered Bond) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, by the relevant Transfer Agent; and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Bond Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Bond in definitive form of a like aggregate nominal amount to the Registered Bond (or the relevant part of the Registered Bond) transferred. In the case of the transfer of part only of a Registered Bond in definitive form, a new Registered Bond in definitive form in respect of the balance of the Registered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(d) Registration of transfer upon partial redemption

In the event of a partial redemption of Bonds under Condition 7 (*Redemption, Purchase and Cancellation*), the Issuer shall not be required to register the transfer of any Registered Bond, or part of a Registered Bond, called for partial redemption.

(e) Exchange or Transfer at the Expense of Transferor Bondholder

Registration of Bonds on exchange or transfer will be effected at the expense of the transferor Bondholder 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.

(f) Closed Periods

No transfer of a Registered Bond may be registered, nor may any exchange of a Bearer Bond for a Registered Bond occur during the period of 15 days ending on the due date for any payment of principal, interest, Interest Amount or Redemption Amount on that Bond.

(g) Regulations Concerning the Transfer of Registered Bonds

All transfers of Registered Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Principal Paying Agent, the Bond Trustee and the Registrar. A copy of the current regulations will be mailed (at the cost of the Issuer) by the Registrar to any Bondholder who requests in writing a copy of such regulations.

(h) Transfers of interests in Global Bonds in the United States or to U.S. persons

Transfers by the holder of, or of a beneficial interest in, a Global Bond to a transferee in the United States or who is a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) will only be made (i) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933, as amended, (ii) in circumstances that will not require the Issuer to register as an investment company under the U.S. Investment Company Act of 1940, as amended, and (iii) in accordance with any applicable federal, state and local securities laws of the United States.

3. Status of Bonds

The Bonds, 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.

4. Security, Priority and Relationship with Issuer Secured Creditors

(a) Security

As continuing security for the payment or discharge of all present and future obligations and liabilities (whether actual or contingent) of the Issuer to any Issuer Secured Creditor under each Issuer Document (the "**Issuer Secured Liabilities**"), the Issuer has entered into the Issuer Deed of Charge to create as far as permitted by and subject to compliance with any applicable law, the following security (the "**Issuer Security**") in favour of the Issuer Security Trustee for itself and on trust for the other Issuer Secured Creditors:

(i) an assignment, or to the extent not assignable, a first fixed charge of all of the rights of the Issuer under each Issuer Charged Document (other than the Dealership Agreement and each Subscription Agreement, and without prejudice to, and after giving effect to, any set-off or netting provisions contained in any Issuer Hedging Agreement);

(ii) an assignment, or to the extent not assignable, a first fixed charge over all of its rights in the Issuer Accounts;

(iii) a first fixed charge over all rights of the Issuer in respect of the benefit of all authorisations (statutory or otherwise) held in connection with its use of any Issuer Charged Property and any compensation which may be payable to it in respect of those authorisations;

(iv) a first fixed charge over all of the rights of the Issuer in respect of Cash Equivalent Investments of the Issuer; and

(v) a first floating charge over all the Issuer's assets including, without limitation, the Issuer's uncalled capital.

All Bonds issued by the Issuer under the Programme will share in the Issuer Security constituted by the Issuer Deed of Charge, upon and subject to the terms thereof.

(b) Relationship among Bondholders and with other Issuer Secured Creditors

The Bond Trust Deed contains provisions detailing the Bond Trustee's obligations to consider the interests of Bondholders as regards all discretions of the Bond Trustee (except where expressly provided otherwise or referred to in Condition 15 (*Bond Trustee Protections*)).

(c) Enforceable Security

In the event of the Issuer Security becoming enforceable as provided in the Issuer Deed of Charge, the Bond Trustee shall, if directed or requested in writing Bondholders together holding or representing 25 per cent or more of the aggregate Principal Amount Outstanding of Bonds issued under the Programme, direct the Issuer Security Trustee to 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 Bondholder, provided that neither the Bond Trustee nor the Issuer Security Trustee shall be obliged to take any action unless they are indemnified and/or secured and/or prefunded to their 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 and any other proceeds of the enforcement of the Issuer Security to make payments in accordance with the Issuer Post-Enforcement Priority of Payments (as set out in the Issuer Deed of Charge).

5. Interest and other Calculations

(a) Interest Rate and Accrual

Each Bond (unless specified in the relevant Final Terms or Pricing Supplement to be a Zero Coupon Bond) bears interest on its Principal Amount Outstanding (or as otherwise specified in the relevant Final Terms or Pricing Supplement) from the Interest Commencement Date at the Interest Rate, such interest being payable in arrears (unless otherwise specified in the relevant Final Terms or Pricing Supplement) on each Interest Payment Date.

Interest will cease to accrue on each Bond (or, in the case of the redemption of part only of a Bond, that part only of such Bond) 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 Bonds at such time to the Bond Relevant Date).

If any "**Maximum Interest Rate**" or "**Minimum Interest Rate**" is specified in the relevant Final Terms or Pricing Supplement, 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 Pricing Supplement is specified to be subject to adjustment in accordance with a Business Day convention (each, a "**Business Day Convention**") and would otherwise fall on a day which is not a Business Day, then if the Business Day Convention specified in the relevant Final Terms or Pricing Supplement 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 Bonds

This Condition 5(c) is applicable only if the relevant Final Terms or Pricing Supplement specify the Bonds as Floating Rate Bonds.

(1) If "**Screen Rate Determination**" is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Bonds for each Interest Period will be determined by the Agent Bank (or the Calculation Agent, if applicable) on each Interest Determination Date on the following basis:

(i) if the Relevant Screen Page displays a rate which is a composite quotation or customarily supplied by one entity, the Agent Bank (or the Calculation Agent, if applicable) will, subject as provided in Condition 5(m), determine the Relevant Rate (as defined in Condition 5(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 which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date (as defined in Condition 5(i) (*Definitions*) provided that, if five or more offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one highest quotation, one only of those quotations) and the lowest (or, if there is more than one lowest quotation, one only of those quotations) shall be disregarded by the Agent Bank (or Calculation Agent, if applicable) for the purpose of determining the arithmetic mean (rounded as provided above) of the offered quotations);

(iii) if, in the case of paragraph (i) above, such rate does not appear on that Relevant Screen Page or, in the case of paragraph (ii) above, fewer than two such rates appear on that Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable, the Issuer (or the Calculation Agent, if applicable) will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks 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 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 paragraph (iii) above, 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 am (local time in the Relevant Financial Centre of the Relevant Currency) on the relevant Interest Determination Date (as defined in Condition 5(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 5(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 the Margin. 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 Bonds 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 Bonds in respect of a preceding Interest Period.

(2) If "**ISDA Determination**" is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Bonds for each Interest Period will be the sum of the relevant ISDA Rate and the Margin where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the applicable 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 applicable ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the applicable ISDA Definitions) is as specified in the relevant Final Terms or Pricing Supplement;

(B) the Designated Maturity (as defined in the applicable ISDA Definitions) is the Specified Duration (as defined in Condition 5(i) (*Definitions*)); and

(C) the relevant Reset Date (as defined in the applicable ISDA Definitions) is, as specified in the relevant Final Terms or Pricing Supplement.

For the purposes of this Condition 5(c)(2), references to the ISDA Definitions to:

(i) "**Confirmation**" shall be references to the relevant Final Terms or Pricing Supplement;

(ii) "**Calculation Period**" shall be references to the relevant Interest Period;

(iii) "**Termination Date**" shall be references to the Maturity Date;

(iv) "**Effective Date**" shall be references to the Interest Commencement Date; and

if the Final Terms specify "2021 ISDA Definitions" as being applicable:

(v) "**Administrator/Benchmark Event**" shall be disapplied; and

(vi) If the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "**Temporary Non-Publication Fallback –Alternative Rate**" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative

Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate."

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms or Pricing Supplement, the Interest Rate for such Interest Period shall be calculated by the Agent Bank (or the Calculation Agent, if applicable) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms or Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Agent Bank (or the Calculation Agent, if applicable) shall determine such rate at such time and by reference to such sources as it determines appropriate.

(3) If **Screen Rate Determination for Floating Rate Bonds referencing compounded SONIA** is specified in the relevant Final Terms or Pricing Supplement as the manner in which the Interest Rate(s) is/are too be determined then:

(A) SONIA Compounded Index Rate

Where (i) Screen Rate Determination is specified hereon as the manner in which the Interest Rate is to be determined; (ii) the Reference Rate is specified hereon as being SONIA; and (iii) SONIA Compounded Index Rate is specified hereon, the Interest Rate for each Interest Period will, subject to Condition 5(l), be the SONIA Compounded Index Rate as follows, plus or minus (as indicated hereon) the Margin.

For the purposes of this Condition 5(c):

"**SONIA Compounded Index Rate**" means with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1\right) \times \left(\frac{365}{d}\right)$$

provided, however, that and subject to Condition 5(l), if the SONIA Compounded Index Value is not available in relation to any Interest Period on the Relevant Screen Page for the determination of either or both of SONIA Compounded $Index_{START}$ and SONIA Compounded $Index_{END}$, the Interest Rate shall be calculated for such Interest Period on the basis of the SONIA Compounded Daily Reference Rate as set out in Condition 5(C)(3)(B) as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified hereon and the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" as specified hereon,

where:

"***d***" means the number of calendar days in the relevant Observation Period;

"**London Business Day**", means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling "p" London Business Days prior to the first day of such Interest Period (and the first Observation Period shall begin on and include the date which is "p" London Business Days prior to the Issue Date) and ending on (but excluding) the date which is "p" London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Business Days prior to such earlier date, if any, on which the Bonds become due and payable);

"***p***" means, for any Interest Period the whole number specified hereon (or, if no such number is so specified, five London Business Days) representing a number of London Business Days;

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index$_{START}$**" means, in respect of an Interest Period, the SONIA Compounded Index Value on the date falling "p" London Business Days prior to (i) the first day of such Interest Period, or (ii) in the case of the first Interest Period, the Issue Date;

"**SONIA Compounded Index$_{END}$**" means the SONIA Compounded Index Value on the date falling "p" London Business Days prior to (i) in respect of an Interest Period, the Interest Payment Date for such Interest Period, or (ii) if the Bonds become due and payable prior to the end of an Interest Period, the date on which the Bonds become so due and payable; and

"**SONIA Compounded Index Value**" means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day .

(B) SONIA Compounded Daily Reference Rate

Where (i) Screen Rate Determination is specified hereon as the manner in which the Interest Rate is to be determined (ii) the Reference Rate is specified hereon as being SONIA; and (iii) SONIA Compounded Daily Reference Rate is specified hereon, the Interest Rate for each Interest Period will, subject to Condition 5(l), be the SONIA Compounded Daily Reference Rate as follows, plus or minus (as indicated hereon) the Margin,

"**SONIA Compounded Daily Reference Rate**" means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{\mathrm{i}} \times \mathrm{n_i}}{365}\right)-1\right]\times\frac{365}{d}$$

Where :

"**London Business Day**", "**Observation Period**" and "***p***" have the meanings set out under Condition 5(c)(3);

"***d***" is the number of calendar days in the relevant:

(i) Observation Period where Observation Shift is specified hereon; or

(ii) Interest Period where Lag is specified hereon;

"d_o" is the number of London Business Days in the relevant:

(i) Observation Period where Observation Shift is specified hereon; or

(ii) Interest Period where Lag is specified hereon;

"i" is a series of whole numbers from one to d_o, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

(i) Observation Period where Observation Shift is specified hereon; or

(ii) Interest Period where Lag is specified hereon;

"n_i", for any London Business Day "i", means the number of calendar days from and including such London Business Day "i" up to but excluding the following London Business Day;

"$SONIA_i$" means, in relation to any London Business Day the SONIA reference rate in respect of:

(i) that London Business Day "i" where Observation Shift is specified hereon; or

(ii) the London Business Day (being a London Business Day falling in the relevant Observation Period) falling "p" London Business Days prior to the relevant London Business Day "i" where Lag is specified hereon; and

the "**SONIA reference rate**", in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate).

(C) Subject to Condition 5(l), where SONIA is specified as the Reference Rate hereon and either (i) SONIA Compounded Daily Reference Rate is specified hereon, or (ii) the SONIA Compounded Index Rate is specified hereon and Condition 5(C)(3)(B) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof) , such Reference Rate shall be:

1. the sum of (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

2. if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on

the Relevant Screen Page (or as otherwise provided in the relevant definition thereof), and

in each case, $SONIA_i$ shall be interpreted accordingly.

(D) If the Interest Rate cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 5(l), the Interest Rate shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Bonds for the first Interest Period had the Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Accrual Period).

If the relevant Series of Bonds become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be the date on which such Bonds became due and payable and the Interest Rate on such Bonds shall, for so long as any such Bonds remains outstanding, be that determined on such date.

(d) Fixed Rate Bonds

This Condition 5(d) is applicable only if the relevant Final Terms or Pricing Supplement specify the Bonds as Fixed Rate Bonds.

Subject to the next paragraph, the Interest Rate applicable to the Bonds for each Interest Period will be the rate specified in the relevant Final Terms or Pricing Supplement.

(e) Indexed Bonds

This Condition 5(e) is applicable only if the relevant Final Terms or Pricing Supplement specify the Bonds as Indexed Bonds.

Payments of principal on, and interest payable in respect of, the Bonds will be subject to adjustment for indexation and to the extent set out in Condition 6(b) (*Application of the Index Ratio*).

Subject to the next paragraph, the Interest Rate applicable to the Bonds for each Interest Period will be the rate specified in the relevant Final Terms or Pricing Supplement.

(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 Bond 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 Bond divided by the Calculation Amount (as defined in Condition 5(i) (*Definitions*)) and, in the case of Indexed Bonds only, adjusted according to the indexation set out in Condition 6(b) (*Application of the Index Ratio*), unless an Interest Amount is specified in respect of such period in the relevant Final Terms or Pricing Supplement, in which case the amount of interest payable in respect of such Bond for such Interest Period will equal such Interest Amount.

(h) Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Redemption Amount or the amount of an instalment of scheduled principal (an "**Instalment Amount**"), obtain such quotation or make such determination or calculation, as the case may be, and determine the Interest Rate and calculate the amount of interest payable (the "**Interest Amount**") (including, for the avoidance of doubt, any applicable Index Ratio to be calculated in accordance with Condition 6(b) (*Application of the Index Ratio*)), for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Bond Trustee, the Issuer, each of the Paying Agents, the Bondholders, any other Calculation Agent appointed in respect of the Bonds that is to make a further calculation upon receipt of such information and, if the Bonds are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(C)(1), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Bond Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Bonds become due and payable under Condition 10, the accrued interest and the Interest Rate payable in respect of the Bonds shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless the Bond Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) 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.

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Bondholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Independent Adviser determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread, formula or methodology is customarily applied)

(iii) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Independent Adviser determines that no such industry standard is recognised or acknowledged)

(iv) the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(m)(ii) has replaced the relevant Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Bonds.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(m)(iv).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Bonds; or

(v) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Bondholder using the Original Reference Rate;

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Business Day**" means a day which is both:

(i) in relation to any sum payable in sterling, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in

foreign exchange and foreign currency deposits) in London and each (if any) additional city or cities specified as the Relevant Financial Centre in the relevant Final Terms or Pricing Supplement; and

(ii) in relation to any sum payable in a currency other than sterling, 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 as the Relevant Financial Centre in the relevant Final Terms or Pricing Supplement

"**Bond Relevant Date**" means, in respect of any Series of Bonds, the earlier of: (a) the date on which all amounts in respect of the Bonds have been paid; and (b) five days after the date on which all of the Principal Amount Outstanding (adjusted in the case of Indexed Bonds in accordance with Condition 6(b) (*Application of the 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 Bondholders in accordance with Condition 16 (*Notices*).

"**Calculation Amount**" means the amount specified as such in the relevant Final Terms or Pricing Supplement.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Bond 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 ends, 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:

I. 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

II. 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 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 "**Bond 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 lawful currency of the Participating Member States.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 5(m)(i).

"**Instalment Amount**" has the meaning given to it in Condition 5(h).

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms or Pricing Supplement.

"**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 Pricing Supplement 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 Pricing Supplement).

"**Interest Payment Date**" means the date(s) specified as such in the relevant Final Terms or Pricing Supplement.

"**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 Bonds 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 Pricing Supplement.

"**ISDA Definitions**" means (i) if "2006 ISDA Definitions" is specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Series as published by the International Swaps and Derivatives Association, Inc.) or (ii) if "2021 ISDA Definitions" is specified in the relevant Final Terms, the 2021 ISDA

Definitions (as amended and updated as at the date of issue of the first Tranche of Bonds of the relevant Series as published by the International Swaps and Derivatives Association, Inc.).

"**Issue Date**" means the date specified as such in the relevant Final Terms or Pricing Supplement.

"**Margin**" means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms or Pricing Supplement.

"**Maturity Date**" means the date specified in the relevant Final Terms or Pricing Supplement as the final date on which the principal amount of the Bond is due and payable.

"**Minimum Interest Rate**" means the minimum rate of interest specified in the relevant Final Terms or Pricing Supplement which the Interest Rate shall in no event be less than.

"**Maximum Interest Rate**" means the maximum rate of interest specified in the relevant Final Terms or Pricing Supplement which the Interest Rate shall in no event be greater than.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Interest Rate (or any component part thereof) on the Bonds.

"**Participating Member State**" means a Member State of the European Union 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 Bond, the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Bond provided that, with respect to Zero Coupon Bonds, the Principal Amount Outstanding shall be calculated in accordance with the following formula.

The original face value thereof * (1 + Accrual Yield) ^ N Where:

N = number of years between the Issue Date and the date on which the relevant calculation is required to be made; and

"**Accrual Yield**" shall have the meaning specified as such in the relevant Final Terms or Pricing Supplement.

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 Pricing Supplement for the purposes of the definition of Principal Amount Outstanding or, if none is so specified, a Day Count Fraction of 30/360.

"**Redemption Amount**" means the amount provided under Condition 7(b) (*Optional Redemption*), unless otherwise specified in the relevant Final Terms or Pricing Supplement.

"**Reference Banks**" means the institutions specified as such or, if none, four major banks selected by the Issuer (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 Issuer (or the Calculation Agent on behalf of the Issuer, if applicable) in its sole and absolute discretion.

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

"**Relevant Financial Centre**" means, with respect to any Bond, the financial centre specified as such in the relevant Final Terms or Pricing Supplement 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 Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**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 Pricing Supplement).

"**Relevant Screen 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 Pricing Supplement, 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.

"**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 Pricing Supplement 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 Pricing Supplement as such or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"**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 Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Period.

"**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.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro; and

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

(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 (or the Calculation Agent, if applicable) with offices in the Relevant Financial Centre if provision is made for them in these Conditions applicable to a Bond as indicated in the relevant Final Terms or Pricing Supplement 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 (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 Bond 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.

The Issuer hereby agrees that it shall not name the Agent Bank as Calculation Agent in the Final Terms or any other transaction document (the "**Transaction Documents**") for any Series of Bonds where the Agent Bank is required to form an opinion and/or exercise discretion and/or determine alternative and/or substitute benchmarks, reference rates, successor reference rates and/or screen pages, interest adjustment factors/fractions or spreads, market disruptions or selections of Reference Banks. If, for whatever reason, any clause or reference or statement in the Transaction Documents refers to the Agent Bank forming an opinion and/or exercising and/or determining alternative and/or substitute benchmarks, reference rates, successor reference rates and/or screen pages, interest adjustment factors/fractions or spreads, market disruptions or selection of Reference Banks and the Agent Bank has been appointed in such capacity then such reference to the Agent Bank shall be construed as a reference to the Issuer exercising such opinions and/or discretions and/or making such determinations and/or selections for the relevant Series of Bonds.

(k) 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 5 (*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 manifest error) be binding on the Issuer, each Obligor, the Agent Bank, the Bond Trustee, the Principal Paying Agent, the other Agents and all Bondholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Obligors, the Bond Trustee, the Bondholders, 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.

(l) Benchmark Discontinuation

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(m)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(m)(iii)) and any Benchmark Amendments (in accordance with Condition 5(m)(iv)).

In making any determination pursuant to this Condition 5, the Independent Adviser appointed pursuant to this Condition 5(m) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Bond Trustee, the Paying Agents, the Calculation

Agent, the Bondholders, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(m).

If:

(i) the Issuer is unable to appoint an Independent Adviser; or

(ii) the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate,

in each case, in accordance with this Condition 5(l)(i) prior to the relevant Interest Determination Date, the Interest Rate applicable to the next succeeding Interest Period shall be equal to the Interest Rate last determined in relation to the Bonds in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Interest Rate shall be the initial Interest Rate. Where a different Margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Interest Rate relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Interest Rate relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(l)(i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(l)(iii)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all relevant future payments of interest on the Bonds (subject to the operation of this Condition 5(l)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(l)(iii)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all relevant future payments of interest on the Bonds (subject to the operation of this Condition 5(l)).

(iii) Adjustment Spread

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(l) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to these Conditions and/or the Bond Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(l)(v), without any requirement for the consent or approval of

Bondholders, vary these Conditions and/or the Bond Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Bond Trustee of a certificate signed by an authorised signatory of the Issuer pursuant to Condition 5(l)(v) (upon which certificate the Bond Trustee shall be entitled to rely without enquiry or liability), the Bond Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Bond Trust Deed), provided that the Bond Trustee shall not be obliged so to concur if in the opinion of the Bond Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Bond Trustee in these Conditions or the Bond Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(l)(iv), the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(l) will be notified promptly by the Issuer to the Bond Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Bond Trustee of the same, the Issuer shall deliver to the Bond Trustee a certificate signed by an authorised signatory of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) where applicable, any Adjustment Spread and (iv) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(m);

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and Adjustment Spread; and

(C) certifying that the Issuer has duly consulted with an Independent Adviser with respect to the matters referred to in Condition 5(l)(iv) above.

The Bond Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Bond Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Bond Trustee, the Calculation Agent, the Paying Agents and the Bondholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(l)(i), (ii), (iii), (iv) and (v), the Original Reference Rate and the fallback provisions provided for in Condition 5(c)

(Floating Rate Bonds) will continue to apply unless and until a Benchmark Event has occurred.

6. Indexation

This Condition 6 is applicable only if the relevant Final Terms or Pricing Supplement specify the Bonds as Indexed Bonds.

(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, including the meaning given to the term "Companies Acts" in section 2 of the Companies Act 2006, with the addition of the words "to the extent that they are in force" at the end of section 2(1)(a) and any regulations made pursuant to those Acts to the extent that they are in force (the "**Companies Act**").

"**Base Index Figure**" means (subject to Condition 6(c)(i) (*Change in base*)) the base index figure as specified in the relevant Final Terms or Pricing Supplement.

"**CPI**" means the UK Consumer Prices Index (for all items) published by the Office for National Statistics (2015 = 100) or any comparable index which may replace the UK Consumer Prices Index for the purpose of calculating the amount payable on repayment of the Reference Gilt (if any). Where CPI is specified as the Index in the relevant Final Terms or Pricing Supplement, any reference to the "Index Figure" which is specified in the relevant Final Terms or Pricing Supplement as:

(i) applicable to the first calendar day of any month shall, subject as provided in Conditions 6(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

(ii) applicable to any other day in any month shall, subject as provided in Conditions 6(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 paragraph (i) above and (y) the Index Figure applicable to the first calendar day of the month following, calculated as specified in paragraph (i) above and rounded to the nearest fifth decimal place.

"**CPIH**" means the all items consumer prices index including owner occupiers' housing costs and council tax for the United Kingdom published by the Office for National Statistics (January 2015 = 100) or any comparable index which may replace the all items consumer prices index including owner occupiers' housing costs and council tax for the United Kingdom for the purpose of calculating the amount payable on repayment of the Reference Gilt (if any). Where CPIH is specified as the Index in the relevant Final Terms or Pricing Supplement, any reference to the "Index Figure" which is specified in the relevant Final Terms or Pricing Supplement as:

(i) applicable to the first calendar day of any month shall, subject as provided in Conditions 6(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

(ii) applicable to any other day in any month shall, subject as provided in Conditions 6(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 paragraph (i) above and (y) the Index Figure applicable to the first calendar day of the month following, calculated as specified in paragraph (i) above and rounded to the nearest fifth decimal place.

"**Index**" or "**Index Figure**" means each of "CPI", "CPIH" or "RPI", or all of them, as applicable.

"**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 12 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 12 months prior thereto, provided that: (a) if such ratio is greater than the maximum indexation factor specified in the relevant Final Terms or Pricing Supplement (the "**Maximum Indexation Factor**"), 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 Pricing Supplement (the "**Minimum Indexation Factor**"), 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 Pricing Supplement for which a Limited Indexation Factor is to be calculated.

"**Limited Indexed Bonds**" means Indexed Bonds to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms or Pricing Supplement) applies; and

"**Reference Gilt**" means the United Kingdom government stock specified as such in the relevant Final Terms or Pricing Supplement, 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 Bonds, and thereafter such issue of index-linked United Kingdom government stock determined to be appropriate by a gilt-edged market maker or other adviser selected by the Issuer and approved by the Bond Trustee (an "**Indexation Adviser**").

"**RPI**" means the UK Retail Prices Index (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the UK Retail Prices Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Where RPI is specified as the Index in the relevant Final Terms or Pricing Supplement, any reference to the "Index Figure" which is specified in the relevant Final Terms or Pricing Supplement as:

(i) applicable to a particular month, shall, subject as provided in Conditions 6(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; or

(ii) applicable to the first calendar day of any month shall, subject as provided in Conditions 6(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 Conditions 6(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 paragraph (ii) above and (y) the Index Figure applicable to the first calendar day of the month following, calculated as specified in paragraph (ii) above and rounded to the nearest fifth decimal place.

(b) Application of the Index Ratio

Each payment of interest and principal in respect of the Bonds 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 Bonds applicable to the month in which such payment falls to be made and rounded in accordance with Condition 5(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 (A) the definition of Index and Index Figure in Condition 6(a) (*Definitions*) shall be deemed to refer to the new date, month or year (as applicable) in substitution for January 1987 (where RPI is specified as the Index in the relevant Final Terms or Pricing Supplement) or 2015 (where CPI or CPIH is specified as the Index in the relevant Final Terms or Pricing Supplement) (or, as the case may be, to such other date, month or year as may have been substituted therefor), and (B) 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 RPI if paragraph (i) of the definition of Index Figure for RPI is applicable*: If the Index Figure which is normally published in the seventh month and which relates to the eighth month (the "**relevant month**") before the month in which a payment is due to be made is not published on or before the 14th 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 month in which the date for payment falls shall be (A) such substitute index figure (if any) as the Bond 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 Treasury Stock/Treasury Gilt selected by an Indexation Adviser (and approved by the Bond Trustee (acting solely on the advice of the Indexation Adviser)), or (B) 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 (A) above) before the date for payment.

(iii) *Delay in publication of relevant Index if paragraph (i) and/or (ii) of the definition of Index Figure for CPI or CPIH is applicable or if paragraph (ii) and/or (iii) of the definition of Index Figure for RPI is applicable*: If the Index Figure relating to any month (the "**calculation 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 14th 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 calculation month shall be (A) such substitute index figure (if any) as the Bond 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 government stock selected by an Indexation Adviser (and approved by the Bond Trustee (acting solely on the advice of the

Indexation Adviser)), or (B) 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 (A) above) before the date for payment.

(d) Application of Changes

Where the provisions of Condition 6(c)(ii) or Condition 6(c)(iii) 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 6(c)(ii)(B) or Condition 6(c)(iii)(B), the Index Figure relating to the relevant month is subsequently published while a Bond is still outstanding, then:

(i) in relation to a payment of principal or interest in respect of such Bond other than upon final redemption of such Bond, 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 6(c)(ii)(B) or Condition 6(c)(iii)(B), 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 14th 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) Fundamental changes to the relevant Index

(A) CPI and CPIH: Where CPI or CPIH is specified in the relevant Final Terms or Pricing Supplement as the Index and any change is made to the coverage or the basic calculation of such Index which, in the opinion of the Issuer (acting on the advice of the Indexation Advisor) is a fundamental change (a "**Fundamental Change**"), the Issuer shall determine whether, in its opinion, such Fundamental Change is materially prejudicial to the interests of the Issuer. The Issuer shall also inform the Bond Trustee of such Fundamental Change and the Issuer, acting in good faith and on the advice of the Indexation Adviser, shall determine whether, in its opinion, such Fundamental Change is materially prejudicial to the interests of the Bondholder, and the Issuer (acting in good faith and solely on the advice of the Indexation Adviser) shall direct the Bond Trustee (without any requirement for the consent or approval of the Bondholders) to agree for the purpose of the Bonds one or more adjustments to CPI or CPIH (as applicable) or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the relevant fundamental change to CPI or CPIH (as applicable) not been made.

If the Issuer and the Bond Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice by the Issuer as mentioned above, a bank or other person in London shall be appointed by the Issuer and the Bond Trustee (acting solely on the advice of the Indexation Adviser) 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 Bond Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Bonds one or more adjustments to CPI or CPIH (as applicable) or a substitute index (with or without

adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had the relevant fundamental change to CPI or CPIH (as applicable) 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 Bond Trustee in connection with such appointment shall be borne by the Issuer.

(B) RPI: Where RPI is specified in the relevant Final Terms or Pricing Supplement as the Index and if notice is published by H.M. Treasury, or on its behalf, following a change to the coverage or the basic calculation of such Index, then the Issuer (acting in good faith and solely on the advice of the Indexation Adviser) shall direct the Bond Trustee (without any requirement for the consent or approval of the Bondholders) to agree to such adjustments to the Index consistent with any adjustments made to the index as applied to the Reference Gilt.

(ii) Cessation the relevant Index

If the Issuer has been notified by the Agent Bank (or the Calculation Agent, if applicable) that the relevant Index has ceased to be published, or if H.M. Treasury or the Office for National Statistics, as the case may be, or a person acting on its behalf, announces that it will no longer continue to publish the relevant Index, the Issuer will give written notice of such occurrence to the Bond Trustee, and the Agent Bank (or the Calculation Agent, if applicable) shall determine a successor index *in lieu* of any previously applicable index (the "**Successor Index**") by using the following methodology:

(A) if at any time a successor index has been designated by H.M. Treasury in respect of the Reference Gilt, such successor index shall be designated the "**Successor Index**" for the purposes of all subsequent Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under paragraph (B) or (C) below. This provision will only be applicable when RPI is specified in the relevant Final Terms or Pricing Supplement as the Index; or

(B) the Issuer (acting in good faith and solely on the advice of the Indexation Adviser) shall direct the Bond Trustee (without any requirement for the consent or approval of the Bondholders) to agree for the purpose of the Bonds one or more adjustments to such Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had such Index not ceased to be published. If the relevant Final Terms or Pricing Supplement specify RPI as the Index then this paragraph (B) will only be applicable provided the Successor Index has not been determined under paragraph (A) above; or

(C) if the Issuer and the Bond Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice by the Issuer as mentioned above, a bank or other person in London shall be appointed by the Issuer and the Bond 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 Bond Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Bonds one or more adjustments to such Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Bondholders in no better and no worse position than they would have been had such Index not ceased to be published. 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 Bond Trustee in connection with such appointment shall be borne by the Issuer.

(iii) If any payment in respect of the Bonds is due to be made after the cessation or changes referred to in paragraph (i) or (ii) above 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 6(c)(i) (*Change in base*)) 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 Bonds having been made on the basis of an Index applicable under Condition 6(c)(ii)(A) or Condition 6(c)(iii)(A) and the Bond Trustee (acting solely on the advice of an Indexation Adviser) subsequently determining that the relevant circumstances fall within this Condition 6(e), then:

(A) in relation to a payment of principal or interest in respect of the Bonds other than upon final redemption of such Bond, 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 Bonds 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 Bonds 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 (acting in good faith and solely on the advice of the Indexation Adviser) and as notified to the Bond 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 Issuer (acting in good faith and solely on the advice of the Indexation Adviser) and as notified to the Bond Trustee 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 Bond Trustee and the Bondholders, and the Issuer shall give notice to the Bondholders in accordance with Condition 16 (*Notices*) of such amendments as promptly as practicable following such notification.

7. Redemption, Purchase and Cancellation

(a) Final Redemption

If a Series of Bonds have not previously been redeemed in full, or purchased and cancelled, the Bonds will be finally redeemed at the then Principal Amount Outstanding (in the case of Indexed Bonds as adjusted in accordance with Condition 6(b) (*Application of the Index Ratio*)) of such Series plus accrued but unpaid interest on the Maturity Date specified in the relevant Final Terms or Pricing Supplement for such Bonds.

(b) Optional Redemption

Subject as provided below, upon giving not more than 60 nor less than 15 days' written notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders (in accordance with Condition 16),

the Issuer may (prior to the Maturity Date) redeem any Series of Bonds in whole or in part (but on a pro rata basis only) at their Redemption Amount, **provided that**: (i) Floating Rate Bonds may not be redeemed before the date (if any) specified in the relevant Final Terms or Pricing Supplement, and (ii) if the relevant Final Terms or Pricing Supplement, specify that the "Issuer Maturity Call" is applicable to the relevant Series of Bonds, such Bonds may be redeemed in whole only on a date that is not an Interest Payment Date provided that the relevant Optional Redemption Date falls on or after the redemption date falls prior to the start first Business Day of the Issuer Maturity Call Period (as defined below), as follows:

(i) In respect of Fixed Rate Bonds, if the relevant Final Terms or Pricing Supplement specify that the "Make-Whole Redemption Option" is applicable to the relevant Series of Bonds, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or Pricing Supplement or Drawdown Prospectus, be an amount equal to the higher of (A) their Principal Amount Outstanding and (B) the price determined to be appropriate by a financial adviser (the "**Financial Adviser**") (selected by the Issuer and approved by the Bond Trustee) that provides for a Gross Redemption Yield on such Bonds on the Reference Date equal (after adjusting for any difference in compounding frequency) to the Gross Redemption Yield provided by the Reference Bond(s) based on the Reference Bond Rate at the Quotation Time specified in the relevant Final Terms or Pricing Supplement or Drawdown Prospectus on the Reference Date on the Reference Bond specified in the relevant Final Terms (or, where the Financial Adviser advises the Bond Trustee that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus any applicable Redemption Margin specified in the Final Terms, plus accrued but unpaid interest on the Principal Amount Outstanding.

For the purposes of this paragraph 7(b)(i), "**Gross Redemption Yield**" means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Bond Trustee by the Financial Adviser; "**Reference Date**" means the date which is two Business Days prior to the despatch of the notice of redemption under this paragraph (i) "**Reference Bond**" means the government stock specified in the relevant Final Terms or Pricing Supplement; "**Reference Bond Rate**" means the actual or, where there is more than one Reference Bond, interpolated rate per annum calculated by the Financial Adviser in accordance with generally accepted market practice by reference to the arithmetic mean of the middle market prices provided by three Reference Dealers (or, if no middle market prices are provided, the price determined by the Financial Adviser (in consultation with the Issuer or failing which the Issuer, in consultation with the Financial Adviser), acting in a commercially reasonable manner, at such time and by reference to such sources as it deems appropriate) for the Reference Bond(s) having an actual or interpolated maturity equal to the remaining term of the Bonds (if the Bonds were to remain outstanding to the Maturity Date); and "**Reference Dealer**" means a bank selected by the Issuer or such bank's affiliates in consultation with the Financial Adviser which is (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues.

(ii) In respect of Floating Rate Bonds, the Redemption Amount will, unless otherwise specified in the relevant Final Terms or Pricing Supplement or Drawdown Prospectus, be the Principal Amount Outstanding plus any premium for early redemption in certain years (as specified in the relevant Final Terms or Pricing Supplement) plus any accrued but unpaid interest on the Principal Amount Outstanding.

(iii) In respect of Indexed Bonds which specify either the (i) RPI, (ii) CPI or (iii) CPIH as the Index in the relevant Final Terms or Pricing Supplement or Drawdown Prospectus and which are denominated in sterling, the Redemption Amount will (unless otherwise specified in the relevant Final Terms or Pricing Supplement or Drawdown Prospectus) be an amount equal to the higher of (A) their Principal Amount Outstanding and (B) 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 Bond Trustee) as being the price at which the Gross Real Redemption Yield on the Bonds on the Reference Date (as defined below) is equal to the Gross Real Redemption Yield at 3.00 pm (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 Bond Trustee), determine to be appropriate, plus accrued but unpaid interest (as adjusted in accordance with Condition 6(b) (*Application of the Index Ratio*)) on the Principal Amount Outstanding.

For the purposes of this paragraph 7(b)(iii) "**Gross Real 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 4 or any replacement therefor provided that, for the purpose of calculating the Gross Real Redemption Yield on Indexed Bonds in respect of which CPI or CPIH is specified as the applicable Index, any references to RPI (or the UK Retail Price Index) therein shall be read and construed as references to, as applicable, CPI or CPIH, if CPI or CPIH is not covered by such publication, and for the purposes of such calculation, the date of redemption of the relevant Indexed Bonds shall be assumed to be the Scheduled Redemption Date and not the Maturity Date, and for the purposes of such calculation, the date of redemption of the relevant Indexed Bonds shall be assumed to be the Maturity Date; "**Reference Date**" means the date which is two Business Days prior to the despatch of the notice of redemption under this paragraph (iii); and Reference Gilt means the United Kingdom government stock specified in the relevant Final Terms or Pricing Supplement

(iv) If the relevant Final Terms or Pricing Supplement specify that the "Issuer Maturity Call" is applicable to the relevant Series of Bonds, the Issuer may, upon giving not more than 60 nor less than 15 days' notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement), redeem any Series of Bonds in whole only at the Redemption Amount equal to the Principal Amount Outstanding of the Bonds (unless otherwise specified in the relevant Final Terms or Pricing Supplement), together with interest accrued (but unpaid) to (but excluding) the Optional Redemption Date, **provided that** any such notice delivered pursuant to this sub-paragraph (iv) shall (A) be irrevocable and (B) specify an Optional Redemption Date which is no earlier than the first day of the Issuer Maturity Call Period.

"**Issuer Maturity Call Period**" has the meaning given to it in the relevant Final Terms or Pricing Supplement.

(v) If the relevant Final Terms or Pricing Supplement specify that the "Clean-up Call" is applicable to the relevant Series of Bonds, the Issuer may, if 75 per cent. (or any higher percentage specified in the applicable Final Terms or Pricing Supplement) (the "**Clean-up Call Percentage**") in nominal amount of the Bonds issued have been redeemed pursuant to the Conditions (other than as a direct result of a redemption of some, but not all, of the Bonds pursuant to the operation of any of sub-paragraphs (i) to (iii) above) (unless otherwise specified in the applicable Final Terms or Pricing Supplement), on giving not more than 60 nor less than 15 days' notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement), redeem all but not some only of the remaining outstanding Bonds at the Redemption Amount equal to the Principal Amount Outstanding of the Bonds (unless otherwise specified in the relevant Final Terms or Pricing Supplement), together with interest accrued (but unpaid) to (but excluding) the Optional Redemption Date.

In the case of a partial redemption of Bonds, the Bonds to be redeemed ("**Redeemed Bonds**") will be selected individually by lot, in the case of Redeemed Bonds represented by Definitive Bonds, and in

accordance with the rules 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), in the case of Redeemed Bonds represented by a Global Bond, 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 Bonds represented by Definitive Bonds, a list of the serial numbers of such Redeemed Bonds will be published in accordance with Condition 16 (*Notices*) not less than 15 days (or such shorter period as is specified in the applicable Final Terms or Pricing Supplement) prior to the date fixed for redemption. No exchange of the relevant Global Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7(b) and notice to that effect shall be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*) at least five days (or such shorter period as is specified in the applicable Final Terms or Pricing Supplement) prior to the Selection Date.

In any such case, prior to giving any such notice, the Issuer must certify (as further specified in the Issuer Documents) to the Bond Trustee that it will have the funds, not subject to any interest (other than under the Security) of any other person, required to redeem the Bonds as aforesaid and to meet any amounts to be paid in priority to or *pari passu* with the Bonds.

(c) Redemption for Index Event, Taxation or Illegality

Redemption for Index Events: Upon the occurrence of any Index Event, the Issuer may, upon giving not more than ten nor less than five days' written notice to the Bond Trustee, the Issuer Secured Creditors and the holders of the Indexed Bonds in accordance with Condition 16 (*Notices*), redeem all (but not some only) Series of Indexed Bonds on any Interest Payment Date at the Principal Amount Outstanding (adjusted in accordance with Condition 6(b) (*Application of the Index Ratio*)) plus accrued but unpaid interest. No single Series of Indexed Bonds may be redeemed in these circumstances unless all the other Series of Indexed Bonds linked to the same underlying Index are also redeemed at the same time. Before giving any such notice, the Issuer shall provide to the Bond 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 and to discharge any amounts to be paid in priority to, or *pari passu*, with the Bonds.

"**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 6(c)(ii)(B) or Condition 6(c)(iii)(B) and the Bond Trustee has been notified by the Calculation Agent that publication of the Index has ceased; or (ii) notice is published by H.M. 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 designated by H.M. Treasury in respect of the Reference Gilt and such circumstances are continuing.

Redemption for Taxation Reasons and Illegality: In addition, if at any time the Issuer satisfies the Bond Trustee that by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, (a) the Issuer would, on the next Interest Payment Date, become obliged to deduct or withhold from any payment of interest, premium or principal in respect of the Bonds (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 UK or any political subdivision thereof, or any other authority thereof or any change in the application or official interpretation of such laws or regulations ("**Taxes**"); (b) the Borrower 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 the Issuer Loan Agreement; (c) a Hedge Counterparty would be entitled to terminate a Hedging Agreement in accordance with its terms as a result of the Hedge Counterparty being required to make any withholding or deduction for or on account of any Taxes from payments in respect of a Hedging

Agreement; or (d) it has or will become unlawful for the Issuer to perform any of its obligations under the Issuer Loan Agreement or to fund or to maintain its participation in the Issuer 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 Bond Trustee as principal debtor under the Bonds and as lender under the Issuer Loan Agreement upon satisfying the conditions for substitution of the Issuer as set out in the Bond Trust Deed and the Conditions or; (ii) convert any Bearer Bonds into Registered Bonds in accordance with Condition 2(a) (*Exchange of Bonds*) if such conversion will be effective to avoid the relevant deduction, withholding or illegality. If the Issuer is unable to arrange a substitution as described above having used reasonable endeavours to do so and a conversion of Bearer Bonds into Registered Bonds would not prevent any withholding, deduction or illegality and, as a result, the relevant illegality or obligation to make a deduction or withholding is continuing, then the Issuer may, upon giving not more than ten nor less than five days' written notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders in accordance with Condition 16 (*Notices*), redeem all (but not some only) of the Bonds on any Interest Payment Date at their Principal Amount Outstanding plus accrued but unpaid interest thereon (each adjusted, in the case of Indexed Bonds, in accordance with Condition 6(b) (*Application of the Index Ratio*)). Before giving any such notice of redemption, the Issuer shall provide to the Bond 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 been satisfied (together with evidence satisfactory to the Bond Trustee that such conditions have been satisfied, including such legal opinions as the Bond Trustee may require) and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption and to discharge any amounts to be paid in priority to, or *pari passu* with, the Bonds being redeemed.

(d) Early Redemption on Prepayment of Issuer Loan Agreement

If:

(i) the Borrower gives notice to the Issuer under the Issuer Loan Agreement that it intends to prepay all or part of any advance made under such Issuer Loan Agreement or the Borrower is required to prepay all or part of any Advance made under the Issuer Loan Agreement; and

(ii) in each case, such advance was funded by the Issuer from the proceeds of the issue of a Series of Bonds,

the Issuer shall, upon giving not more than ten nor less than five days' written notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders in accordance with Condition 16 (*Notices*) (where such Advance is being prepaid in whole) redeem all of the Bonds of that Series or (where part only of such Advance is being prepaid) *pro rata* the proportion of the relevant Series of Bonds which the proposed prepayment amount bears to the amount of the relevant Advance.

In the case of a voluntary prepayment, the relevant Bonds will be redeemed at their Redemption Amount determined in accordance with Condition 7(b) (*Optional Redemption*) except that, in the case of Fixed Rate Bonds and Indexed Bonds, for the purposes of this Condition 7(d), Reference Date means the date two Business Days prior to the despatch of the notice of redemption given under this Condition 7(d), plus accrued but unpaid interest and, in the case of any other prepayment, the relevant Bonds will be redeemed at their Principal Amount Outstanding plus accrued but unpaid interest.

Notwithstanding the foregoing, no redemption of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds shall be made in respect of any Series of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds at such Par Redemption Amount or, as the case may be, Alternative Redemption Amount unless sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant Series of Call Protected Floating Rate Bonds, Fixed Rate Bonds or Indexed Bonds, duly convened and held in accordance with the Bond Trust Deed.

For the purposes of this Condition 7(d), "**Alternative Redemption Amount**" means the amount specified as such in the relevant Final Terms or Pricing Supplement (if any); "**Call Protected Floating Rate Bonds**" means any Floating Rate Bonds, the Final Terms or Pricing Supplement in respect of which, at the proposed date of redemption, would oblige the Issuer to pay a premium to par upon the optional early redemption of such Floating Rate Bonds; "**Redemption Rate**" means the sum of the Relevant Swap Mid Curve Rate and 0.50 per cent per annum or, if the Relevant Swap Mid Curve Rate is not able to be determined, the sum of such rate as may be approved by the Bond Trustee and 0.50 per cent per annum; "**Gross Redemption Yield**" has the meaning given to it (in the case of Fixed Rate Bonds) in Condition 7(b)(i); "**Relevant Swap Mid Curve Rate**" means the mid-point of the bid-side and offer-side rates for the fixed leg of a hypothetical interest rate swap with a notional profile equal to the interest profile applicable to the relevant Series of Bonds to be redeemed to (but excluding) the Final Maturity Date, with the same payment dates as the relevant Bonds, against a floating leg of the Relevant Rate, with no spread, where such hypothetical interest rate swap is between two highly-rated (as rated AA- by S&P or Fitch or Aa3 by Moody's or equivalent or higher) and fully collateralised market counterparties (the Relevant Swap Mid Curve Rate shall be determined by a financial adviser (nominated by the Issuer and approved by the Bond Trustee) using its standard valuation methodology (as at the date of calculation) as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date); and "**Relevant Rate**" means the rate of interest for deposits in the currency of the relevant Bonds and of a duration equal to the length of the Interest Period (other than the first or last Interest Period, if different) of the relevant Bonds as determined as at or about the time for determining interest rate quotation in the currency of the relevant Bonds in accordance with market practice on the Reference Date by reference to the Reuters screen (if the relevant Bonds are denominated in sterling or U.S. dollars) SONIA01, (if the relevant Bonds are denominated in euro) EURIBOR01 or (if the relevant Bonds are denominated in a currency other than sterling or euro) specified in the relevant Final Terms or Pricing Supplement or, in each case, such other page as may replace such page or, if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Bond Trustee) as may replace the Reuters screen.

(e) Early redemption following Obligor Enforcement Notice

If the Issuer receives (or is to receive) any monies from any Obligor following the service of a Obligor Enforcement Notice in repayment of all or any part of an Issuer Loan, the Issuer shall, upon giving not more than ten nor less than five days' notice to the Bond Trustee, the Issuer Secured Creditors and the Bondholders in accordance with Condition 16 (*Notices*) apply such monies in redeeming (to the extent of such monies as are available) each Series of the then outstanding Bonds (corresponding to the Advance under the Issuer Loan Agreement which is prepaid in accordance with the provisions of the Obligor Post-Enforcement Priority of Payments, if applicable) at their Principal Amount Outstanding plus accrued but unpaid interest on the next Interest Payment Date (or, if sooner, Maturity Date). In the event that there are insufficient monies to redeem all of the Bonds outstanding of a particular Series, each Bond of such Series shall be redeemed in part in the proportion which the Principal Amount Outstanding of such Bond to be redeemed bears to the aggregate Principal Amount Outstanding of such Series.

(f) Early redemption of Zero Coupon Bonds

Unless otherwise specified in the relevant Final Terms or Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Bond 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 Bond 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 Pricing Supplement for the purposes of this Condition 7(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 Pricing Supplement.

(g) Purchase of Bonds

The Issuer or any Obligor may, provided that no Obligor Event of Default or Issuer Event of Default has occurred and is continuing, purchase Bonds (provided that all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. Such Bonds may be held, reissued, resold or, at the option of the Issuer or the relevant Obligor, may be surrendered to any Paying Agent and/or the Registrar for cancellation in accordance with Condition 7(i) (*Cancellation*).

If not all the Bonds which are in registered and definitive form are to be purchased, upon surrender of the existing Registered Definitive Bond, the Registrar shall forthwith upon the written request of the Bondholder concerned issue a new Registered Definitive Bond in respect of the Bonds which are not to be purchased and despatch such Registered Definitive Bond to the Bondholder (at the risk of the Bondholder and to such address as the Bondholder may specify in such request).

While the Bonds are represented by a Global Bond, the relevant Global Bond will be endorsed to reflect the Principal Amount Outstanding of Bonds to be so purchased and cancelled.

(h) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Bond which provides for instalment dates (as specified in the relevant Final Terms or Pricing Supplement, each an "**Instalment Date**") and Instalment Amounts (as specified in the relevant Final Terms) will be partially redeemed on each Instalment Date at the Instalment Amount.

(i) Cancellation

Any Bearer Bonds or Registered Bonds purchased by or on behalf of the Issuer or by an Obligor in accordance with Condition 7(g) (*Purchase of Bonds*) may 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 Bonds redeemed by the Issuer, be cancelled forthwith (together with, in the case of Bearer Bonds, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

8. Payments

(a) Bearer Bonds

Payments to the Bondholders 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 Bonds will, subject as mentioned below, be made against presentation and surrender (if the Bond is not intended to be in NGB form) 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 Bond), Bonds (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8(f) (*Unmatured Coupons and Receipts and*

Unexchanged Talons)) or Coupons (in the case of interest, save as specified in Condition 8(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 Bonds 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. On the occasion of each payment: (i) in the case of any Bearer Bond which is not issued in NGB form, a record of such payment made on such Bearer Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Bond by the Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made; and (ii) in the case of any Global Bond which is issued in NGB form, the Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

No payment of principal and/or interest in respect of a Bearer Bond 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 8(c) (*Payments in the United States of America*).

(b) Registered Bonds

Payments of principal (or, as the case may be, Redemption Amounts) in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation and surrender (if the Bond is not intended to be held under the New Safekeeping Structure) of the relevant Registered Bond at the specified office of the Registrar and in the manner provided in Condition 8(a) (*Bearer Bonds*).

Payments of instalments in respect of Registered Bonds will be made to the holder (or the first named of joint holders) of such Bond against presentation (if the Bond is not held under the New Safekeeping Structure) of the relevant Registered Bond at the specified office of the Registrar in the manner provided in Condition 8(a) (*Bearer Bonds*) and annotation of such payment on the Register and the relevant Bond.

Interest (or, as the case may be, Interest Amounts) on Registered Bonds payable on any Interest Payment Date will be paid to the holder (or the first named of joint holders): (i) in respect of a Registered Global Bond, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and (ii) in respect of a Registered Definitive Bond on the 15th day before the due date for payment thereof (the "**Record Date**"). Payment of interest or Interest Amounts on each Registered Bond 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 Bond at its address appearing in the Register. Upon application by the Bondholder 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.

On the occasion of each payment: (i) in the case of any Registered Bond which is not issued under the New Safekeeping Structure, a record of each payment so made will be endorsed on the schedule to the Global Bond or the Registered Definitive Bond 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; and (ii) in the case of any Global Bond which is issued under the New Safekeeping

Structure, the Paying Agent or the Registrar shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

(c) Payments in the United States of America

Notwithstanding the foregoing, if any Bearer Bonds 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 Bonds 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 Bonds

All payments are subject in all cases to: (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders, Couponholders or Receiptholders (if any) in respect of such payments.

The holder of a Global Bond shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Global Bond (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Bond in respect of each amount paid.

(e) Appointment of the Agents

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 Pricing Supplement and will be appointed pursuant to a Calculation Agency Agreement. The Agents act solely as agents of the Issuer 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 Bond 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 Bonds); (ii) a Registrar (in the case of Registered Bonds); (iii) an Agent Bank or Calculation Agent (as specified in the relevant Final Terms or Pricing Supplement); and (iv) if and for so long as the Bonds are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent, Transfer Agent or Registrar in any particular place, a Paying Agent, Transfer Agent and/or Registrar, as applicable, having its specified office in the place required by such listing authority, stock exchange and/or quotation system, which, while any Bonds are admitted to the Official List of the FCA and/or admitted to trading on the London Stock Exchange – main market shall be in London. Notice of any such variation, termination, resignation or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice shall have been given to the Bondholders in accordance with Condition 16 (*Notices*).

(f) Unmatured Coupons and Receipts and Unexchanged Talons

(i) Subject to the provisions of the relevant Final Terms or Pricing Supplement, upon the due date for redemption of any Bond which is a Bearer Bond (other than a Fixed Rate Bond, unless it has all unmatured Coupons attached), unmatured Coupons and Receipts relating to such Bond (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 Bond, any unmatured Talon relating to such Bond (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 Bond which is redeemable in instalments, all Receipts relating to such Bond 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 Bond, which is a Bearer Bond and is a Fixed Rate Bond, 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 Bond 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 Bond and Coupon.

(g) Non-Business Days

Subject as provided in the relevant Final Terms or Pricing Supplement, if any date for payment in respect of any Bond, 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 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 T2 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 Bond, 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 12 (*Prescription*)).

9. Taxation

All payments of principal and interest in respect of the Bonds, Receipts and Coupons by the Issuer or the Obligors will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Obligors 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 or Obligors will be obliged to make any additional

payments to the holders of the Bonds, Receipts or the Coupons in respect of such withholding or deduction. The Issuer and Obligors 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.

10. Events of Default

(a) Issuer Event of Default

Each and any of the following events shall be treated as an "**Issuer Event of Default**":

(i) *Non-payment*: default is made by the Issuer in the payment of principal in respect of any Series of Bonds when due in accordance with these Conditions, or default is made by the Issuer for a period of three Business Days in the payment of interest on any Series of Bonds 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 Bonds or the Issuer Documents (other than any obligation whose breach would give rise to the Issuer Event of Default provided for in paragraph (i) above) and, except where in the opinion of the Bond Trustee such default is not capable of remedy, such default continues for a period of 30 Business Days;

(iii) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer; or

(iv) *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 Bonds or the Issuer Documents.

(b) Delivery of Issuer Enforcement Notice

If any Issuer Event of Default occurs and is continuing and, in the case of the Issuer Event of Default described in Condition 10(a)(ii), the Bond Trustee has certified in writing that, in its opinion, the happening of such event is materially prejudicial to the interests of Bondholders, the Bond Trustee may, at any time, at its discretion and shall, upon being so directed in writing by Bondholders together holding or representing 25 per cent. or more of the aggregate Principal Amount Outstanding of Bonds issued under the Programme, deliver a notice (the "**Issuer Enforcement Notice**") to the Issuer and copied to the Issuer Security Trustee provided that, in either case, it is indemnified and/or secured and/or prefunded to its satisfaction.

(c) Confirmation of no Issuer Event of Default

The Issuer, pursuant to the terms of the Bond Trust Deed, shall provide written confirmation to the Bond Trustee (i) on an annual basis and (ii) within 14 days after demand by the Bond Trustee therefor, that no Issuer Event of Default has occurred.

(d) Consequences of the delivery of an Issuer Enforcement Notice

Upon delivery of an Issuer Enforcement Notice in accordance with Condition 10(b) (*Delivery of Issuer Enforcement Notice*) all Bonds then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding (in the case of Indexed Bonds, as adjusted in accordance with Condition 6(b) (*Application of the Index Ratio*)) plus accrued but unpaid interest (other than in the case of Zero Coupon Bonds) and, in the case of Indexed Bonds, as adjusted in accordance with Condition 6(b) (*Application of the Index Ratio*).

11. Enforcement against Issuer

No Bondholder, Receiptholder, Couponholder or other Issuer Secured Creditor is entitled to take any action against the Issuer or against any assets of the Issuer to enforce its rights in respect of the Bonds or to enforce any of the Issuer Security unless the Bond Trustee or, as the case may be, 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 and/or prefunded 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 Bond Trustee, enforce the Issuer Security in accordance with the Issuer Deed of Charge.

None of the Bond Trustee, the Issuer Security Trustee, the Bondholders, the Receiptholders, the Couponholders or the other Issuer Secured Creditors may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding up, re-organisation, arrangement, insolvency or liquidation proceeding (except for the taking of any enforcement action under the Issuer Deed of Charge including the appointment of a Receiver pursuant to the terms of the Issuer Deed of Charge) or similar proceeding under any other law for so long as any Bonds are outstanding or for two years and a day after the latest Maturity Date on which any Bond of any Series is due to mature.

12. Prescription

Claims against the Issuer for payment in respect of the Bonds, 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 Bond Relevant Date (as defined in Condition 5(i) (*Definitions*)) in respect thereof.

13. Replacement of Bonds, Coupons, Receipts and Talons

If any Bearer Bond, Registered Bond, 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, 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, Principal Paying Agent or Registrar may require. Mutilated or defaced Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. Passing of resolutions by Bondholders, Modification, Waiver and Substitution

(a) Passing of resolutions by Bondholders, Modifications and Waiver

If the procedures of the relevant clearing systems through which the Bonds are cleared and/or relevant applicable laws and/or regulations permit the use of direct voting mechanics (as described below), no physical meetings will be required in respect of any Voting Matter and a Bondholder may only Vote in respect of any Voting Matter by means of a Block Voting Instruction or Electronic Consent. However, the Bond Trustee may, without the consent of the Issuer or the Bondholders, prescribe such further regulations regarding voting by the Bondholders in respect of all Voting Matters except STID Proposals as the Bond Trustee may in its sole discretion think fit, including the calling of one or more meetings of Bondholders in order to approve any resolution to be put to the Bondholders where the Bond Trustee, in its sole discretion, considers it to be appropriate to hold a meeting.

In respect of any STID Proposal:

(i) each Bondholder may only vote on such STID Proposal by Electronic Consent or by way of Block Voting Instruction and each Bondholder shall have one vote in respect of each £1 (or

its equivalent expressed in sterling on the basis of the Exchange Rate) of the Outstanding Principal Amount of Bonds held or represented by it;

(ii) provided Electronic Consent is not applicable, each Bondholder must vote on or prior to the time specified by the Principal Paying Agent or, as the case may be, Registrar and/or relevant clearing system in order to enable the Principal Paying Agent or, as the case may be, a Paying Agent or the Registrar to issue a Block Voting Instruction on the Voting Date, provided that if a Bondholder does not vote in sufficient time to allow the Principal Paying Agent, or, as the case may be, a Paying Agent or the Registrar to issue a Block Voting Instruction in respect of its Bonds prior to the end of the Voting Period, the Votes of such Bondholder may not be counted;

(iii) in respect of such STID Proposal, the Bond Trustee shall vote as the Obligor Secured Creditor Representative of the Bondholders in respect of each Tranche of Bonds then outstanding by notifying the Obligor Security Trustee, the Issuer and the Issuer Security Trustee, in accordance with the STID promptly following the receipt by it of such Votes (and in any case not later than the Business Day following receipt of each such Vote), of each Vote comprised in a Block Voting Instruction received by it from a Paying Agent or the Registrar on or prior to the Voting Date (or, if earlier the relevant Voting Closure Date); and

(iv) such STID Proposal duly approved by the Qualifying Obligor Secured Creditors in accordance with the STID shall be binding on all Bondholders, Receiptholders and Couponholders (subject as provided in the STID). The Bond Trustee shall, following receipt of the result of any vote in respect of such STID Proposal, promptly notify the Bondholders in accordance with Condition 16 (*Notices*).

In respect of (a) a STID Proposal that gives rise to an Entrenched Right in respect of which the Issuer is an Affected Obligor Secured Creditor (an "**Entrenched Right STID Proposal**"), and (b) any Voting Matter which is not an STID Proposal (an "**Other Voting Matter**"):

(v) the Issuer or the Bond Trustee may at any time, and the Bond Trustee must if (a) it receives an Entrenched Right STID Proposal, or (b) directed to do so by Bondholders representing not less than 10 per cent of the Principal Amount Outstanding of the Bonds, request that such Voting Matter be considered by the Bondholders. The Issuer or the Bond Trustee shall send a notice (a Voting Notice) to the Bondholders of each affected Tranche of Bonds, specifying the Voting Date (which shall initially be set with at least 21 days' notice) and Voting Matter(s) including the terms of any resolution to be proposed;

(vi) each Bondholder shall have one vote in respect of each £1 (or its equivalent expressed in Sterling on the basis of the Exchange Rate) of Principal Amount Outstanding of the Bonds held or represented by it;

(vii) each Bondholder must vote prior to the close of business (London time) 24 hours prior to the Voting Date so that his votes can be included in a Block Voting Instruction which needs to be deposited at least 24 hours before the Voting Date; and

(viii) on or before the Business Day immediately preceding the last day of the Decision Period, the Bond Trustee shall notify the Obligor Security Trustee, the Issuer and the Issuer Security Trustee in writing of whether or not the holders of each affected Tranche of Bonds then outstanding have passed an Extraordinary Resolution approving the relevant STID Proposal.

In order for an Extraordinary Resolution to be approved by the Bondholders (subject as provided below), one or more Bondholders representing 50 per cent. or more of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding, who for the time being are entitled to receive notice of an Other Voting Matter, need to participate in any initial Vote, provided that in respect of

any Voting Matter the business of which includes any of the following matters (each of which, a Basic Terms Modification and which shall only be capable of being effected after having been approved by an Extraordinary Resolution) namely:

(i) to change any date fixed for payment of principal or interest in respect of any Tranche of Bonds, to reduce or cancel the amount of principal or interest payable on any date in respect of any Series of Bonds or (other than as specified in Condition 7 (*Redemption, Purchase and Cancellation*)) to alter the method of calculating the amount of any payment in respect of any Series of Bonds on redemption or maturity;

(ii) to effect the exchange, conversion or substitution of any Series of Bonds 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 any Series of Bonds are payable;

(iv) to alter the Issuer Post-Enforcement Priority of Payments insofar as such alteration would affect any Series of Bonds;

(v) to change the quorum required or the majority required to pass an Extraordinary Resolution; or

(vi) to amend this definition or this Condition 14,

one or more Bondholders representing 75 per cent. or more of the aggregate Principal Amount Outstanding of Bonds for the time being outstanding, who, for the time being are entitled to receive notice of such an Other Voting Matter, need to participate in any initial Vote.

The above percentage requirements of Bondholders who need to participate in a particular Other Voting Matter are referred to herein as the "**Extraordinary Quorum Requirements**".

If, on a Voting Date, the Extraordinary Quorum Requirements are not satisfied for the transaction of any particular business then, subject and without prejudice to the transaction of the business (if any) for which the Extraordinary Quorum Requirements are satisfied, such Voting Date shall be postponed to the same day in the next week (or if such day is a public holiday the next succeeding business day) (an Adjourned Voting Date) except where an Extraordinary Resolution is to be proposed in which case the Adjourned Voting Date shall be a day (being a business day) during the period, being not less than seven clear days nor more than 14 clear days, subsequent to such Voting Date, and approved by the Bond Trustee. On any Adjourned Voting Date, one or more Votes (whatever the Principal Amount Outstanding of the Bonds then outstanding so held or represented by them) shall (subject as provided below) form a quorum and shall have the power to pass any Extraordinary Resolution or Ordinary Resolution and to decide upon all matters which could properly have been dealt with through the original Vote had the requisite Extraordinary Quorum Requirements been met, provided that on any Adjourned Voting Date the Extraordinary Quorum Requirements for the transaction of business comprising any of the matters specified to be a Basic Terms Modification shall be at least 25 per cent. of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding, who for the time being are entitled to receive notice of an Other Voting Matter, need to participate in such Vote.

Notice of any Adjourned Voting Date at which an Extraordinary Resolution is to be voted upon shall be given in the same manner as a Voting Notice but as if five days' notice were substituted for 21 days' notice discussed above (in respect of an Other Voting Matter) and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an Adjourned Voting Date.

Any resolution approved by the Bondholders in accordance with the terms hereof shall be binding upon all the Bondholders whether or not voting and upon all relevant Couponholders and each of them shall be bound to give effect thereto accordingly and the approval of any such resolution shall be conclusive evidence that the circumstances justify the approval thereof. Notice of the result of the voting on any resolution duly approved by the Bondholders shall be published in accordance with Condition 16 (*Notices*) by the Principal Paying Agent or the Registrar, as applicable, on behalf of the Issuer within seven days of such result being known, provided that the non-publication of such notice shall not invalidate such result.

If and whenever the Issuer shall have issued and have outstanding more than one Series of Bonds the foregoing provisions of this Condition shall have effect subject to the following modifications:

(i) a resolution which in the opinion of the Bond Trustee affects only one Series of Bonds shall be deemed to have been duly approved if approved through a separate Vote of the holders of that Series of Bonds;

(ii) a resolution which in the opinion of the Bond Trustee affects holders of more than one Series of Bonds but does not give rise to a conflict of interest between the holders of any of the Series of Bonds so affected shall be deemed to have been duly approved if approved through a separate Vote of the holders of all the Series of the Bonds so affected;

(iii) a resolution which in the opinion of the Bond Trustee affects more than one Series of Bonds and gives or may give rise to a conflict of interest between the holders of one Series of Bonds so affected and the holders of another Series of Bonds shall be deemed to have been duly approved only if approved through separate Votes of the holders of each Series of Bonds;

(iv) in respect of all such approvals all the preceding provisions of this Condition shall apply *mutatis mutandis* as though references therein to Bonds and Bondholders were references to the Series of Bonds in question or to the holders of such Series of Bonds, as the case may be;

(v) no Extraordinary Resolution involving a Basic Terms Modification (other than where such Basic Terms Modification is of the kind specified in limb (i) of the definition thereof and where such Basic Terms Modification is passed by the holders of all affected Series of Bonds in accordance with (vi) below) that is approved by the holders of one Series of Bonds shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Series of Bonds (to the extent that there are Bonds outstanding in each such other Series); and

(vi) an Extraordinary Resolution involving a Basic Terms Modification of the kind specified in limb (i) of the definition thereof may be approved by the holders of all Series of Bonds adversely affected by such Basic Terms Modification (but need not be approved by the holders of Series of Bonds which are not affected thereby).

(b) Modification, waiver and substitution

As set out in the Bond Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders or (subject as provided below) any other Issuer Secured Creditor, concur with the Issuer or any other relevant parties or direct the Issuer Security Trustee to concur with the Issuer or any other relevant parties in making: (i) any modification to the Bond Trust Deed, the Conditions, the Bonds, the Receipts, the Coupons or the Issuer Documents (other than the Dealership Agreement or any Subscription Agreement) (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 Bond Trustee such modification is made to correct a manifest error 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 Bond Trust Deed, the

Conditions, the Bonds, the Receipts, the Coupons or any Issuer Document (other than the Dealership Agreement or any Subscription Agreement) (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 Bond 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 Bonds then outstanding 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. In addition, the Bond Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(m) without the consent of the Bondholders.

As more fully set out in the Bond Trust Deed and the Issuer Deed of Charge (and subject to the conditions and qualifications therein), the Bond Trustee may, without the consent of the Bondholders (subject as provided below) or any other Issuer Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Issuer Event of Default, from time to time and at any time but only if and insofar as in its opinion the interests of the holders of the Bonds then outstanding 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 Document (other than a Common Document, the Dealership Agreement or any Subscription Agreement) to which it is a party or in respect of which it holds security or determine that any event which would otherwise constitute an Issuer Event of Default shall not be treated as such for the purposes of the Bond 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 Bond 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 one quarter in aggregate of the principal amount of the Bonds 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.

15. Bond Trustee Protections

(a) Trustee Considerations

In connection with the exercise by the Bond Trustee under these Conditions, the Bond Trust Deed or the Issuer Documents of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Bond Trustee shall, where it is required to have regard to the interests of the holders of the Bonds or any Series of Bonds, have regard to the general interests of the holders of the Bonds or such Series of Bonds as a class and will not have regard to the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Bond Trustee shall not be entitled to require from the Issuer, nor shall any Bondholders be entitled to claim from the Issuer or the Bond Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Bondholders of any such exercise.

(b) Reliance on certificates

The Bond Trustee shall be entitled to rely absolutely on a certificate of any director of the Issuer in relation to any matter and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter stated in such certificate.

16. Notices

Notices to holders of Registered Bonds 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 Bondholders will be valid if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial 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. Any such notice (other than to holders of Registered Bonds 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 Bonds in accordance with this Condition 16.

So long as any Bonds are represented by Global Bonds, notices in respect of those Bonds may be given only by delivery of the relevant notice to Euroclear Bank SA/NV or Clearstream Banking S.A. or any other relevant clearing system as specified in the relevant Final Terms or Pricing Supplement for communication by them to entitled account holders in substitution for publication in a daily newspaper with general circulation in London. Such notices shall be deemed to have been received by the Bondholders on the day of delivery to such clearing systems.

The Bond Trustee will provide each Rating Agency, at its request, from time to time and provided that the Bond Trustee will not contravene any duty of confidentiality or law or regulation in so doing, with all notices, written information and reports that the Bond Trustee makes available to the Bondholders except to the extent that such notices, information or reports contain information confidential to third parties.

17. Limited Recourse

Each of the Bondholders is deemed to agree with the Issuer that, notwithstanding any other provision of the Issuer Documents, all obligations of the Issuer to the Bondholders, including its obligations under the Bonds and the Issuer Documents, are limited in recourse to the Issuer Charged Property. If:

(i) there is no Issuer Charged Property remaining which is capable of being realised or otherwise converted into cash;

(ii) all amounts available from the Issuer Charged Property have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Deed of Charge; and

(iii) there are insufficient amounts available from the Issuer Charged Property to pay in full, in accordance with the provisions of the Issuer Deed of Charge, the Issuer Secured Liabilities,

then the Bondholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

18. Miscellaneous

(a) Governing Law

The Bond Trust Deed, the Issuer Deed of Charge, the Bonds, the Coupons, the Receipts, the Talons (if any) and the other Issuer Documents and any non-contractual obligations arising out of or in connection with them 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 including any dispute as to any non-contractual obligations that may arise out of or in connection with the Bond Trust Deed, the Issuer Deed of Charge, the Bonds, the Coupons, the Receipts, the Talons and the other Issuer Documents and, accordingly, any legal action or proceedings arising out of or in connection with the Bonds, the Coupons, the Receipts, the Talons (if any) and/or the Transaction Documents may be brought in such courts. The Issuer has in each of the Transaction 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 Bonds or the Bond Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

(d) Rights Against Issuer

Under the Bond 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 Bonds will (subject to the terms of the Bond Trust Deed) acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Bond became void, they had been the registered Holders of Bonds in an aggregate principal amount equal to the principal amount of Bonds 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 the Conditions of the Bonds to "**Bondholder**" are references to the bearer of the relevant Bearer Global Bond or the person shown in the Register as the holder of the Registered Global Bond.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (the "**Clearing Systems**"), as the case may be, as being entitled to an interest in a Global Bond (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 Bond. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Bond 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 Bonds are represented by a Global Bond, Accountholders shall have no claim directly against the Issuer or in respect of payments due under the Bonds and such obligations of the Issuer will be discharged by payment to the bearer or registered holder of the Global Bond, as the case may be.

FORMS OF THE BONDS

The Bonds of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. The Bonds of each Series will be issued outside the United States in reliance on Regulation S.

Bearer Bonds

Each Series of Bearer Bonds will be initially issued in the form of a Temporary Bearer Global Bond or, if so specified in the applicable Final Terms or Pricing Supplement, a Permanent Bearer Global Bond and, together with a Temporary Bearer Global Bond which, in either case, will:

(a) if the Global Bonds are intended to be issued in NGB form, as stated in the applicable Final Terms or Pricing Supplement, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; and

(b) if the Global Bonds are not intended to be issued in NGB form, be delivered on or prior to the original issue date of such Series of Bonds to the Common Depositary for, Euroclear and Clearstream, Luxembourg.

While any Bearer Bond is represented by a Temporary Bearer Global Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bonds due prior to the Exchange Date will be made (against presentation of the Temporary Bearer Global Bond if the Temporary Bearer Global Bond is not intended to be issued in NGB form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the Exchange Date interests in such Temporary Bearer Global Bond will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Bearer Global Bond of the same Series; or (ii) Bearer Definitive Bonds of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms or Pricing Supplement and subject, in the case of Bearer Definitive Bonds, to such notice period as is specified in the applicable Final Terms or Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive Bearer Definitive Bonds. The holder of a Temporary Bearer Global Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Bond for an interest in a Permanent Bearer Global Bond or for Bearer Definitive Bonds is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Bond will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Bond if the Permanent Bearer Global Bond is not intended to be issued in NGB form) without any requirement for certification.

The applicable Final Terms or Pricing Supplement may specify that a Permanent Bearer Global Bond will be exchangeable (free of charge), in whole but not in part, for Bearer Definitive Bonds with, where applicable, receipts, interest coupons and talons attached upon either (a) as specified in the applicable Final Terms or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that an Issuer has or will become subject to adverse Tax consequences which would not be suffered were the Bonds in definitive form and a certificate to such effect from two Directors of the Issuer has been given to the Bond Trustee or the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have

announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Bond Trustee is available. The Issuer will promptly give notice to Bondholders in accordance with Condition 16 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or the common depositary or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, on their behalf (acting on the instructions of any holder of an interest in such Permanent Bearer Global Bond) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 30 days after the occurrence of the Exchange Event.

The following legend will appear on all Bearer Bonds which have an original maturity of more than 365 days and on all Receipts, Coupons and Talons relating to such Bonds:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) 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 provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Bonds, Receipts, Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bonds, receipts or interest coupons.

Bonds which are represented by a Bearer Global Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Where the Bearer Global Bonds issued in respect of any Tranche are in NGB form, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not such Bearer Global Bonds are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Bonds are to be so held does not necessarily mean that the Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Registered Bonds

The Registered Bonds of each Series will be offered and sold in reliance on Regulation S to non-U.S. persons outside the United States such Registered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S) save as otherwise provided in Condition 2 (*Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds*) may not be held otherwise than through Euroclear or Clearstream, Luxembourg and will bear a legend regarding such restrictions on transfer.

Payments of principal, interest and any other amount in respect of the Registered Global Bonds will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the Registered Global Bonds. None of the Issuer, any Paying Agent, the Bond Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Bonds in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in Condition 8 (*Payments*).

Interests in a Registered Global Bond will be exchangeable (free of charge), in whole but not in part, for definitive Registered Bonds without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Issuer has or will become subject to adverse Tax consequences which would not be suffered were the Bonds in definitive form and a certificate to such effect from two Directors of the Issuer has been given to the Bond Trustee; or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Bond Trustee is available. The Issuer will promptly give notice to Bondholders in accordance with Condition 16 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Bond) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Registrar.

Where the Global Bonds issued in respect of any Tranche are held under the New Safekeeping Structure, Euroclear and Clearstream, Luxembourg will be notified by or on behalf of the Issuer whether or not such Global Bonds are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Bonds are to be so held does not necessarily mean that the Bonds of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Transfer of Interests

No beneficial owner of an interest in a Registered Global Bond will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream, Luxembourg, and any additional or alternative clearing system(s) in which such Registered Bonds have been accepted for trading, in each case to the extent applicable. Registered Bonds are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "*Subscription and Sale*" and "*Transfer Restrictions*".

General

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Bonds is issued which is intended to form a single Series with an existing Tranche of Bonds, the Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, any other securities identification number(s) which are different from the common code and ISIN assigned to Bonds of the same Series.

Any reference herein 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 Pricing Supplement or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Bond Trustee.

No Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Bond Trustee or the Issuer Security Trustee, as the case may be, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Dealer that Bonds may be issued in a form not contemplated by the Terms and Conditions of the Bonds herein, in which event a new Prospectus or a supplement to this Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Bonds.

Provisions Relating to the Bonds while in Global Form

Global Bonds will contain provisions that apply to the Bonds which they represent, some of which modify the effect of the Conditions of the Bonds as set out in this Prospectus. The following is a summary of certain of those provisions:

(a) *Meetings*: The holder of a Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of a Global Bond shall be treated as having one vote in respect of each minimum denomination of Bonds for which such Global Bond may be exchanged.

(b) *Cancellation*: Cancellation of any Bond represented by a Global Bond 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 Bond.

(c) *Notices*: So long as any Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear, Clearstream, Luxembourg or any other relevant Clearing System, notices to the Bondholders 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 Bondholders on the date of delivery to such clearing systems.

Eurosystem eligibility

The Issuer will notify the ICSDs and the Paying Agents upon issue whether the Bonds are intended, or are not intended, to be held in a manner which would allow Eurosystem eligibility and deposited with one of the ICSDs as common safekeeper (and in the case of registered Bonds, registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Where the Bonds are not intended to be deposited with one of the ICSDs as common safekeeper upon issuance, should the Eurosystem eligibility criteria be amended in the future such that the Bonds are capable of meeting such criteria, the Bonds may then be deposited with one of the ICSDs as common safekeeper. Where the Bonds are so deposited with one of the ICSDs as common safekeeper (and in the case of registered Bonds, registered in the name of a nominee of one of the ICSDs acting as common safekeeper) upon issuance or otherwise, this does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Issuer-ICSDs Agreement

Prior to the issuance of any NGBs, the Issuer will enter into an Issuer-ICSDs Agreement with Euroclear Bank SA/NV and Clearstream Banking S.A. (the "**ICSDs**") in respect of any Bonds issued in NGB form. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such NGBs, maintain their respective portion of the issue outstanding amount through their records. The Issuer-ICSDs Agreement will be governed by English law.

BOOK-ENTRY CLEARANCE PROCEDURE

The information set out below has been obtained from the Clearing Systems 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 information published by the Clearing Systems and so far as the Issuer is aware and is able to ascertain from the information published by the Clearing Systems, 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 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 Bonds and cross-market transfers of the Bonds associated with secondary market trading. Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates 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 Bonds directly through Euroclear or Clearstream, Luxembourg as Direct Participants or indirectly as Indirect Participants.

Investors may hold their interests in a Global Bond directly through DTC if they are participants ("**Direct Participants**") in the DTC system, or indirectly through organisations which are participants in such system ("**Indirect Participants**" and together with Direct Participants, "**Participants**").

Book-entry ownership

Each Global Bond will have an ISIN and a common code and will be deposited with a common depositary or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg. Each Global Bond will have an ISIN and a common code and will be registered in the name of a common depositary or nominee 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 Bond represented by a Global Bond 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 Bond and in relation to all other rights arising under the Global Bond, 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 Bonds represented by a Global Bond, the common depositary or common safekeeper, as the case may be, by whom such Bond 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 Bond (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 Bond 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 Bonds for so long as the Bonds are represented by such Global Bond and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Bond in respect of each amount so paid.

Settlement and transfer of Bonds

Subject to the rules and procedures of each applicable Clearing System, purchases of Bonds held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Bonds on the Clearing System's records. The ownership interest of each actual purchaser of each such Bond (the "**Beneficial Owner**") will in turn be recorded on the Direct Participants' and Indirect Participants' records. Transfers of ownership interests in Bonds 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 Bonds, unless and until interests in any Global Bond held within a Clearing System are exchanged for Definitive Bonds.

No Clearing System has knowledge of the actual Beneficial Owners of the Bonds held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Bond to such persons may be limited. The Clearing Systems can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, so the ability of a person having an interest in a Global Bond to pledge such interest to persons or entities that do not participate in such Clearing System, or otherwise take actions in respect of such interest, may be affected by a lack of a physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market sales of book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg (subject to the transfer restrictions applicable to the Bonds described in "*Transfer Restrictions*" and will be settled using the procedures applicable to conventional Eurobonds and U.S. dollar denominated bonds.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Bonds are capable of being transferred, in accordance with Condition 2 (*Exchanges of Bearer Bonds for Registered Bonds and Transfers of Registered Bonds*) (see also "*Transfer Restrictions*") from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a participant in The Depository Trust Company ("**DTC**") clearance and settlement system wishing to purchase a beneficial interest in a Global Bond (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Global Bond who will in turn deliver evidence of such book-entry interests in the Bonds free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to: (i) decrease the amount of Bonds registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Global Bond; and (ii) increase the amount of Bonds registered in the name of Cede & Co. and evidenced by the relevant Global Bond.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in applicable Global Bonds among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

PRO FORMA FINAL TERMS

PROHIBITION OF SALES TO EEA INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

Manchester Airport Group Funding PLC
Legal Entity Identifier (LEI): 2138006NA5VAMMBK3892

Issue of [Tranche [–[●]] [Aggregate Nominal Amount of Tranche] [Fixed Rate][Floating Rate][Zero-Coupon][Index-Linked][Instalment] Bonds
under the Programme

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 Prospectus dated 6 March 2025 [and the supplemental or drawdown prospectus dated [●] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended or superseded) (the "**UK Prospectus Regulation**"). This document constitutes the Final Terms of the Bonds described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental/drawdown Prospectus] [is] [are] available for viewing at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and copies may be obtained from the Specified Office of the Paying Agents.

1	Issuer:		Manchester Airport Group Funding PLC
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Bonds will be considered and form a single series:	[Not Applicable] [The Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with [●] on [the Issue Date /exchange of the Temporary Global Bond for interests in the Permanent Global Bond, as referred to in paragraph 23 below, which is expected to occur on or about [●]].
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount of Bonds admitted to trading:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i)	Specified Denominations:	[●][€/£100,000/$200,000 and integral multiples of [€/£/$1,000] in excess thereof up to and including [€/£99,000/$199,000]. No Bonds in definitive form will be issued with a denomination of integral multiples above [€/£ 99,000/$199,000].]
	(ii)	Calculation Amount:	[€/£/$]1,000

7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●] [Issue Date] [Not Applicable]
8	Final Maturity Date:		[●]
9	Instalment Date:		[Not Applicable][●]
10	Interest Basis:		[[●] per cent. Fixed Rate] [[●] +/- [●] 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:		[Optional Redemption – Condition 7(b) applies] [Not Applicable]
14	[Date [Board] approval for issuance of Bonds obtained:		[●] and [●] respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Bond Provisions:		[Applicable/Not Applicable]
	(i)	Interest Rate:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]
	(ii)	Interest Determination Date:	[●] in each year
	(iii)	Interest Payment Date(s):	[●] [and [●]] in each year
	(iv)	First Interest Payment Date:	[●]
	(v)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(vi)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/ Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360 or Bond basis] [30E/360 or Eurobond Basis]
	(vii)	Reference Bond:	[[●]] [Not Applicable]
16	Floating Rate Bond Provisions:		[Applicable/Not Applicable]
	(i)	Specified Period(s):	[●]

(ii)	Specified Interest Payment Dates:	[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in paragraph (iv) below]
(iii)	First Interest Payment Date:	[●]
(iv)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(v)	Manner in which the Interest Rate(s) is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Interest Rate(s), Interest Amount(s) and Redemption Amount (if not the Agent Bank):	[Not Applicable]/[●] as Calculation Agent]
(vii)	Screen Rate Determination:	
	– Relevant Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Page:	[●]
	– Relevant Time:	[●]
(viii)	ISDA Determination:	
	– ISDA Definitions	[2006 ISDA Definitions]/[2021 ISDA Definitions]
	– Floating Rate Option:	[●] (specify using terminology in 2006 ISDA Definitions or the 2021 ISDA Definitions, as applicable)
	– Specified Duration (if other than the relevant Interest Period):	[●]/[Not Applicable]
	– Reset Date:	[●]
(ix)	Linear Interpolation:	[Not Applicable/Applicable – the Interest Rate for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(x)	Margin(s):	[+/-][●] per cent. per annum
(xi)	Minimum Interest Rate:	[[●] per cent. per annum] [Not Applicable]
(xii)	Maximum Interest Rate:	[[●] per cent. per annum] [Not Applicable]

	(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/ Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis]
	(xiv)	Representative Amount:	[●]
	(xv)	Reference Banks:	[●]
17	Zero Coupon Bond Provisions:		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Day Count Fraction in relation to Redemption Amounts and late payment:	[As set out in Condition 7(h)][●]
18	Index Linked Bond Provisions:		[Applicable/Not Applicable]
	(i)	Index/Formula:	[RPI/CPI/CPIH]
	(ii)	Interest Rate:	[●]
	(iii)	Party responsible for calculating the Interest Rate(s), Interest Amount and Redemption Amount(s) (if not the Agent Bank):	[Not Applicable]/[[●] as Calculation Agent]
	(iv)	Provisions for determining Interest in the event of changes in circumstances, disruptions, cessation of fundamental changes to the Index:	Applicable – Condition 6(c) and 7(e)
	(v)	Interest or calculation period(s):	[●]
	(vi)	Interest Payment Dates:	[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in paragraph (viii) below)
	(vii)	First Interest Payment Date:	[●]
	(viii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(ix)	Minimum Indexation Factor:	[Not Applicable][●]
	(x)	Maximum Indexation Factor:	[Not Applicable][●]
	(xi)	Base Index Figure:	[●]

	(xii)	Limited Indexation Month(s):	[●]
	(xiii)	"Index Figure":	Sub-paragraph [(i)/(ii)/(iii)] of the definition of the relevant "Index" as set out in Condition 6(a) shall apply
	(xiv)	Reference Gilt:	[●] ([+/-][●] per cent. per annum)
	(xv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/ Actual] [Actual/365 Fixed] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis]

PROVISIONS RELATING TO REDEMPTION

19	Issuer Optional Redemption:		[Applicable in accordance with Condition [7(b)]] [Not Applicable]
	(i)	Make-Whole Redemption Option	[Applicable in accordance with Condition [7(b)(i)]/ [7(b)(ii)]] /Not Applicable]
	(ii)	Issuer Maturity Call	[Applicable in accordance with Condition 7(b)(iii)/Not Applicable]
	(iii)	Clean-up Call:	[Applicable in accordance with Condition 7(b)(iv)/Not Applicable]
	(iv)	Reference Bond:	[●] / [Not Applicable]
	(v)	Quotation Time:	[●]/ [Not Applicable]
	(vi)	Redemption Margin:	[[●] per cent.][None]
	(vii)	Optional Redemption Date(s):	[In accordance with Condition 7(b)(i), on any day prior to the Maturity Date.]/[In case of Floating Rate Bonds, any Interest Payment Date falling on or after [●] and at a premium of [●].]/[If the Issuer Maturity Call is applicable, any date from (and including) the first day of the Issuer Maturity Call Period as specified in the relevant notice.]
	(viii)	Redemption Amount(s) of each Bond:	[[●]][Alternative Redemption Amount]
	(ix)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(x)	Notice period:	[●]

	(xi)	Alternative Redemption Amount:	[[●] per Calculation Amount][Not Applicable]
	(xii)	Issuer Maturity Call Period:	The period commencing on (and including) the day that is [●] days prior to the Maturity Date to (and excluding) the Maturity Date.
20	Redemption Amount of each Bond:		[●] per Calculation Amount
	In cases where the Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/variable:	[RPI/CPI/CPIH]
	(ii)	Party responsible for calculating the Redemption Amount (if not the Agent Banks):	[Not Applicable]/[[●] as Calculation Agent]
	(iii)	Provisions for determining Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	The Redemption Amount of each Bond shall be determined in accordance with Condition 7(d)
	(iv)	Determination Date(s):	[●]
	(v)	Provisions for determining Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	Applicable – Condition 6(c) and 6(e)
	(vi)	Payment Date:	[●]
	(vii)	Minimum Redemption Amount:	[●] per Calculation Amount
	(viii)	Maximum Redemption Amount:	[●] per Calculation Amount
21	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 BONDS

22	Form of Bonds:		[Bearer/Registered]
	(i)	If issued in bearer form:	[Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond (TEFRA D Rules apply).]

			[Temporary Global Bond exchangeable for Definitive Bonds on [●] days' notice (TEFRA D Rules apply).] [Permanent Global Bond exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond (TEFRA C Rules apply).]
	(ii)	If Registered Bonds:	[Global Bond 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 Registered Definitive Bonds on [●] days' notice in the circumstances specified in the Global Bond]
23	New Global Bond:		[Yes][No]
24	New Safekeeping Structure:		[Yes][No]
25	Relevant Financial Centre(s):		[Not Applicable][●]
26	Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature):		[No][Yes]
27	Details relating to Instalment Bonds:		[Not Applicable]
	(i)	Instalment Date:	[●]
	(ii)	Instalment Amount:	[●]

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

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

(i)	Listing:	London
(ii)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the FCA with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the FCA and this is expected to be effective from [●].]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2 RATINGS

Ratings:	The Bonds to be issued [[have been] [are expected to be] rated]: [Fitch Ratings Ltd: [●]] [Moody's Investors Service Limited: [●]] [are unrated]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[●]/[Save [for the fees of [●] payable to the Dealers]/[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 Bonds has an interest material to the offer.]

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i)	Reasons for the offer:	[●]
(ii)	Estimated net proceeds:	[●]
(iii)	Estimated total expenses:	[●]

[5 YIELD (Fixed Rate Bonds only)

Indication of yield:	[●]]

5 [PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i)	Name of underlying index:	[UK Retail Prices Index (RPI) (all items) published by the Office for National Statistics]/[UK Consumer Prices Index (CPI) (all items) published by the Office for National Statistics]/[UK Consumer Prices Index including Owner Occupiers' Housing costs and Council Tax (CPIH) (all items) published by the Office for National Statistics]
(ii)	Information about the Index, its volatility and past and future performance can be obtained from:	Information on [RPI/CPI/CPIH] can be found at [www.statistics.gov.uk / www.ons.gov.uk]

6 OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable][●]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
[Intended to be held in a manner which would allow Eurosystem eligibility:]	[Yes. Note that the designation "yes" simply means that the Bonds 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 Bonds 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 ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Bonds are capable of meeting them the Bonds may then 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]. Note that this does not necessarily mean that the Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]
Name and address of Calculation Agent (if any):	[●]

ISIN Code:	[●]
Common Code:	[●]
CFI:	[●]
FISN:	[●]
Benchmarks Regulation:	Amounts payable under the Bonds will be calculated by reference to [[*specify benchmark*]] which is provided by [*administrator legal name*]]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] [does not fall within the scope of Regulation (EU) 2016/1011][by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of Regulation (EU) 2016/1011 apply] such that [*administrator legal name*] is not currently required to obtain authorisation or registration (or if located outside the EU, recognition, endorsement or equivalence)] / [Amounts payable under the Bonds will be calculated by reference to SONIA which is provided by the [*administrator legal name*]. As at the date hereof, the [*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 2 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmark Regulation**")]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] [does not fall within the scope of the Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmark Regulation**")][by virtue of Article 2 of that regulation/the transitional provisions in Article 2 of the UK Benchmark Regulation apply] such that the [*administrator legal name*] is not currently required to obtain authorisation or registration (or if located outside the UK, recognition, endorsement or equivalence)] /[Not Applicable]

7 [DISTRIBUTION

(i)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*]

PRO FORMA PRICING SUPPLEMENT

Set out below is a form of Pricing Supplement for use in connection with Exempt Bonds issued under the Programme. This *pro forma* Pricing Supplement is subject to completion and amendment to set out the terms upon which each Tranche or Series of Exempt Bonds is to be issued.

IMPORTANT NOTICE

In accessing the attached pricing supplement (the "**Pricing Supplement**") you agree to be bound by the following terms and conditions.

The information contained in the Pricing Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Pricing Supplement and/or in the Prospectus (as defined in the Pricing Supplement) and is not intended for use and should not be relied upon by any person outside those countries and/or to whom the offer contained in the Pricing Supplement is not addressed. Prior to relying on the information contained in the Pricing Supplement, you must ascertain from the Pricing Supplement and/or Prospectus whether or not you are an intended addressee of the information contained therein.

Neither the Pricing Supplement nor the Prospectus constitutes an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED OR SUPERSEDED, THE UK PROSPECTUS REGULATION) FOR THIS ISSUE OF BONDS. THE BONDS WHICH ARE THE SUBJECT OF THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE UK PROSPECTUS REGULATION AND THE FCA HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.

PROHIBITION OF SALES TO EEA INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded) (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by

virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Pricing Supplement dated [●]

Manchester Airport Group Funding PLC
Legal Entity Identifier (LEI): 2138006NA5VAMMBK3892

Issue of [Tranche [–[●]] [Aggregate Nominal Amount of Tranche] [Fixed Rate][Floating Rate][Zero-Coupon][Index-Linked][Instalment] Bonds under the Programme

The Prospectus referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Bonds in any member state of the European Economic Area or the UK will be made pursuant to an exemption under the EU Prospectus Regulation, the UK Prospectus Regulation and the FSMA, respectively, from the requirement to publish a prospectus for offers of the Bonds. Accordingly, any person making or intending to make an offer in any Member State of the European Economic Area or the UK of the Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to the EU Prospectus Regulation, the UK Prospectus Regulation or the FSMA (as applicable, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Bonds in any other circumstances.

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 Prospectus dated 6 March 2025 [and the supplemental or drawdown prospectus dated [●] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended or superseded) (the "**UK Prospectus Regulation**"). This document constitutes the Pricing Supplement of the Bonds described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction

with such Base Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus [and the supplemental/drawdown Prospectus] [is] [are] available for viewing at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and copies may be obtained from the Specified Office of the Paying Agents.

1	Issuer:		Manchester Airport Group Funding PLC
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Bonds will be considered and form a single series:	[Not Applicable] [The Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with [●] on [the Issue Date /exchange of the Temporary Global Bond for interests in the Permanent Global Bond, as referred to in paragraph 24 below, which is expected to occur on or about [●]].
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount of Bonds admitted to trading:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i)	Specified Denominations:	[●][€/£100,000/$200,000 and integral multiples of [€/£/$1,000] in excess thereof up to and including [€/£99,000/$199,000]. No Bonds in definitive form will be issued with a denomination of integral multiples above [€/£ 99,000/$199,000].]
	(ii)	Calculation Amount:	[€/£/$]1,000
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●] [Issue Date] [Not Applicable]
8	Final Maturity Date:		[●]
9	Instalment Date:		[Not Applicable][●]
10	Interest Basis:		[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Zero Coupon] [Index-Linked Interest]

11	Redemption/Payment Basis:		[Redemption at par] [Index-Linked Redemption] [Instalment] [Other (specify)]
12	Change of Interest or Redemption/Payment Basis:		[●] [Not Applicable]
13	Put/Call Options:		[Optional Redemption – Condition 7(b) applies] [Not Applicable]
14	[Date [Board] approval for issuance of Bonds obtained:		[●] and [●] respectively]]
15	Method of Distribution:		[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Bond Provisions:		[Applicable/Not Applicable]
	(i)	Interest Rate:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]
	(ii)	Interest Determination Date:	[●] in each year
	(iii)	Interest Payment Date(s):	[●] [and [●]] in each year
	(iv)	First Interest Payment Date:	[●]
	(v)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(vi)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360 or Bond basis] [30E/360 or Eurobond Basis]
	(vii)	Reference Bond:	[[●][Not Applicable]]
	(viii)	Other terms applicable	[●]
17	Floating Rate Bond Provisions:		[Applicable/Not Applicable]
	(i)	Specified Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in paragraph (iv) below]
	(iii)	First Interest Payment Date	[●]

(iv)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Interest Rate(s), Interest Amount(s) and Redemption Amount (if not the Agent Bank):	[Not Applicable]/[●] as Calculation Agent]
(vii)	Screen Rate Determination:	
	– Relevant Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Page:	[●]
	– Relevant Time:	[●]
(viii)	ISDA Determination:	
	– ISDA Definitions	[2006 ISDA Definitions]/[2021 ISDA Definitions]
	– Floating Rate Option:	[●] (specify using terminology in 2006 ISDA Definitions or the 2021 ISDA Definitions, as applicable)
	– Specified Duration (if other than the relevant Interest Period):	[●]/[Not Applicable]
	– Reset Date:	[●]
(ix)	Linear Interpolation:	[Not Applicable/Applicable – the Interest Rate for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(x)	Margin(s):	[+/-][●] per cent. per annum
(xi)	Minimum Interest Rate:	[[●] per cent. per annum] [Not Applicable]
(xii)	Maximum Interest Rate:	[[●] per cent. per annum] [Not Applicable]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/ Actual] [Actual/365 Fixed] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis]
(xiv)	Representative Amount:	[●]
(xv)	Reference Banks:	[●]

	(xvi)	Other terms applicable:	[●]
18	Zero Coupon Bond Provisions:		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Day Count Fraction in relation to Redemption Amounts and late payment:	[As set out in Condition 7(h)][●]
	(iv)	Other terms applicable:	[●]
19	Index Linked Bond Provisions:		[Applicable/Not Applicable]
	(i)	Index/Formula:	[RPI/CPI/CPIH]
	(ii)	Interest Rate:	[●]
	(iii)	Party responsible for calculating the Interest Rate(s), Interest Amount and Redemption Amount(s) (if not the Agent Bank):	[Not Applicable] / [[●] as Calculation Agent]
	(iv)	Provisions for determining Interest in the event of changes in circumstances, disruptions, cessation of fundamental changes to the Index:	Applicable – Condition 6(c) and 7(e)
	(v)	Interest or calculation period(s):	[●]
	(vi)	Interest Payment Dates:	[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in paragraph (viii) below)
	(vii)	First Interest Payment Date:	[●]
	(viii)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(ix)	Minimum Indexation Factor:	[Not Applicable][●]
	(x)	Maximum Indexation Factor:	[Not Applicable][●]
	(xi)	Base Index Figure:	[●]
	(xii)	Limited Indexation Month(s):	[●]
	(xiii)	"Index Figure":	Sub-paragraph [(i)/(ii)/(iii)] of the definition of the relevant "Index" as set out in Condition 6(a) shall apply

	(xiv)	Reference Gilt:	[●]([+/-][●] per cent. per annum)
	(xv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/ Actual] [Actual/365 Fixed] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis]
	(xvi)	Other terms applicable:	[●]

PROVISIONS RELATING TO REDEMPTION

20	Issuer Optional Redemption:		[Applicable in accordance with Condition 7(b)] [Not Applicable]
	(i)	Make-Whole Redemption Option	[Applicable in accordance with Condition [7(b)(i)]/ [7(b)(ii)]] [Not Applicable]
	(ii)	Issuer Maturity Call	[Applicable in accordance with Condition 7(b)(iii)] [Not Applicable]
	(iii)	Clean-up Call:	[Applicable in accordance with Condition 7(b)(iv)/Not Applicable]
	(iv)	Reference Bond:	[●] / [Not Applicable]
	(v)	Quotation Time:	[●]/ [Not Applicable]
	(vi)	Redemption Margin:	[[●] per cent.][None]
	(vii)	Optional Redemption Date(s):	[In accordance with Condition 7(b)(i), on any day prior to the Maturity Date.]/[In case of Floating Rate Bonds, any Interest Payment Date falling on or after [●] and at a premium of [●].]/[If the Issuer Maturity Call is applicable, any date from (and including) the first day of the Issuer Maturity Call Period as specified in the relevant notice.]
	(viii)	Redemption Amount(s) of each Bond:	[●][Alternative Redemption Amount]
	(ix)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(x)	Notice period:	[●]
	(xi)	Alternative Redemption Amount:	[●] per Calculation Amount][Not Applicable]
	(xii)	Issuer Maturity Call Period:	The period commencing on (and including) the day that is [●] days prior to the Maturity Date to (and excluding) the Maturity Date.

21	Redemption Amount of each Bond:		[●] per Calculation Amount
	In cases where the Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/variable:	[RPI/CPI/CPIH]
	(ii)	Party responsible for calculating the Redemption Amount (if not the Agent Banks):	[Not Applicable]/[[●] as Calculation Agent]
	(iii)	Provisions for determining Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	The Redemption Amount of each Bond shall be determined in accordance with Condition 7(d)
	(iv)	Determination Date(s):	[●]
	(v)	Provisions for determining Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	Applicable – Condition 6(c) and 6(e)
	(vi)	Payment Date:	[●]
	(vii)	Minimum Redemption Amount:	[●] per Calculation Amount
	(viii)	Maximum Redemption Amount:	[●] per Calculation Amount
22	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 BONDS

23	Form of Bonds:		[Bearer/Registered]
	(i)	If issued in bearer form:	[Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond (TEFRA D Rules apply).] [Temporary Global Bond exchangeable for Definitive Bonds on [●] days' notice (TEFRA D Rules apply).] [Permanent Global Bond exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond (TEFRA C Rules apply).]

	(ii)	If Registered Bonds:	[Global Bond 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 Registered Definitive Bonds on [●] days' notice in the circumstances specified in the Global Bond]
24	New Global Bond:		[Yes][No]
25	New Safekeeping Structure:		[Yes][No]
26	Relevant Financial Centre(s):		[Not Applicable][●]
27	Talons for future Coupons or Receipts to be attached to Definitive Bonds (and dates on which such Talons mature):		[No][Yes]
28	Details relating to Instalment Bonds:		[Not Applicable]
	(i)	Instalment Date:	[●]
	(ii)	Instalment Amount:	[●]

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

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

(i)	Listing:	[●]
(ii)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the FCA with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the FCA and this is expected to be effective from [●].] [Not applicable]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2 RATINGS

Ratings:	The Bonds to be issued [[have been] [are expected to be] rated]: [Fitch Ratings Ltd: [●]] [Moody's Investors Service Limited: [●]][are unrated]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[●]/[Save [for the fees of [●] payable to the Dealers]/[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 Bonds has an interest material to the offer.]

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i)	Reasons for the offer:	[●]
(ii)	Estimated net proceeds:	[●]
(iii)	Estimated total expenses:	[●]

[5 YIELD (Fixed Rate Bonds only)

Indication of yield:	[●]]

5 [PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i)	Name of underlying index:	[UK Retail Prices Index (RPI) (all items) published by the Office for National Statistics]/[UK Consumer Prices Index (CPI) (all items) published by the Office for National Statistics]/[UK Consumer Prices Index including Owner Occupiers' Housing costs and Council Tax (CPIH) (all items) published by the Office for National Statistics]
(ii)	Information about the Index, its volatility and past and future performance can be obtained from:	Information on [RPI/CPI/CPIH] can be found at [www.statistics.gov.uk / www.ons.gov.uk]

6 OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable][●]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
Name and address of Calculation Agent (if any):	[●]
ISIN Code:	[●]
Common Code:	[●]
CFI:	[●]
FISN:	[●]
[Intended to be held in a manner which would allow Eurosystem eligibility:]	[Yes. Note that the designation "yes" simply means that the Bonds 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 Bonds 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 ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Bonds are capable of meeting them the Bonds may then 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]. Note that this does not necessarily mean that the Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

7 [DISTRIBUTION

(i)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*]

USE OF PROCEEDS

The net proceeds of each series of Bonds will be lent by the Issuer to the Borrower under the Issuer Loan Agreement.

The Borrower will apply proceeds of the Issuer Loans for, amongst other things, its general corporate purposes and the payment of fees associated with the issuance.

DESCRIPTION OF HEDGE COUNTERPARTIES

The Obligors and the Issuer may enter into hedging arrangements with Hedge Counterparties from time to time in accordance with the Hedging Policy. For general details of the hedging arrangements see "*Summary of the Common Documents – Common Terms Agreement – Hedging Policy*".

DESCRIPTION OF LIQUIDITY FACILITY PROVIDERS

BNP Paribas, London Branch

BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is http://www.bnpparibas.com/en

BNP Paribas, together with its consolidated subsidiaries (the BNP Paribas Group) is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world.

BNP Paribas' organisation is based on three operating divisions: Corporate and Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment and Protection Services (IPS). These divisions include the following businesses.

- **Corporate and Institutional Banking** division, combines:
  - Global Banking,
  - Global Markets; and
  - Securities Services.
- **Commercial, Personal Banking & Services division**, covers:
  - Commercial & Personal Banking in the Euro-zone:
    - Commercial & Personal Banking in France (CPBF),
    - BNL banca commerciale (BNL bc), Italian Commercial & Personal Banking,
    - Commercial & Personal Banking in Belgium (CPBB),
    - Commercial & Personal Banking in Luxembourg (CPBL);
  - Commercial & Personal Banking outside the Euro-zone, organised around Europe-Mediterranean, covering Commercial & Personal Banking outside the Euro-zone, in particular in Central and Eastern Europe, Türkiye and Africa;
  - Specialised Businesses:
    - BNP Paribas Personal Finance,
    - Arval and BNP Paribas Leasing Solutions,
    - New Digital Businesses (in particular Nickel, Floa, Lyf) and BNP Paribas Personal Investors.
- **Investment and Protection Services** division, combines:
    - Insurance (BNP Paribas Cardif);
    - Wealth and Asset Management: BNP Paribas Asset Management, BNP Paribas Real Estate, the management of the BNP Paribas Group's portfolio of unlisted and listed

industrial and commercial investments (BNP Paribas Principal Investments) and BNP Paribas Wealth Management.

The information contained in this section relates to and has been obtained from BNP Paribas. The information concerning BNP Paribas and the BNP Paribas Group contained herein is furnished solely to provide limited introductory information regarding BNP Paribas and the BNP Paribas Group and does not purport to be comprehensive.

The delivery of the information contained in this section shall not create any implication that there has been no change in the affairs of BNP Paribas or the BNP Paribas Group since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to https://invest.bnpparibas/en/"

Barclays Bank PLC

Barclays Bank PLC (the "Bank", and together with its subsidiary undertakings, the "Barclays Bank Group") is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank 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, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the Group or Barclays) is the ultimate holding company of the Group.

Barclays is a diversified bank with five operating divisions comprising: Barclays UK, Barclays UK Corporate Bank, Barclays Private Bank and Wealth Management, Barclays Investment Bank and Barclays US Consumer Bank supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group.

Barclays Bank PLC is the non-ring-fenced bank within the Group and its principal activity is to offer products and services designed for larger corporate, private bank and wealth management, wholesale and international banking clients. The Barclays Bank Group contains the Barclays UK Corporate Bank (UKCB), Barclays Private Bank and Wealth Management (PBWM), Barclays Investment Bank (IB) and Barclays US Consumer Bank (USCB) businesses. Barclays Bank PLC offers customers and clients a range of products and services spanning consumer and wholesale banking.

Barclays UK broadly represents businesses within the Group that sit within Barclays Bank UK PLC, the UK ring-fenced bank, and its subsidiaries, and comprises UK Personal Banking, UK Business Banking and Barclaycard Consumer UK. The UK Personal Banking business offers retail solutions to help customers with their day-to-day banking needs, the UK Business Banking business serves business clients, from high growth start ups to small-and-medium-sized enterprises, with specialist advice, and the Barclaycard Consumer UK business offers flexible borrowing and payment solutions. From 1 November 2024, Barclays UK includes the retail banking business ("Tesco Bank") acquired from Tesco Personal Finance plc – which includes credit cards, unsecured personal loans, savings and operating infrastructure.

The short term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long term obligations of the Bank are rated A+ by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited. The Bank's credit ratings included or referred to in this Prospectus will be treated for the purposes of the UK CRA Regulation as having been issued by Fitch Ratings Limited

("Fitch"), Moody's Investors Service Ltd. ("Moody's") and S&P Global Ratings UK Limited ("S&P"), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. As such, each of S&P, Moody's and Fitch appears on the latest update of the list of registered credit rating agencies (as of the date of this Prospectus on the FCA's Financial Services Register. The ratings each of Fitch, Moody's and S&P have given in relation to the Bank are endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited, respectively, each of which is established in the European Economic Area (EEA) and registered under the EU CRA Regulation.

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2024, the Barclays Bank Group had total assets of £1,218,524m (December 2023: £1,185,166m), total loans and advances, debt securities at amortised cost of £195,054m (December 2023: £185,247m), total deposits at amortised cost of £319,376m (December 2023: £301,798m), and total equity of £59,220m (December 2023: £60,504m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2024 was £4,747m (December 2023: £4,223m) after credit impairment charges of £1,617m (December 2023: credit impairment charges of £1,578m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2024, as set out in the 2024 20-F.

Canadian Imperial Bank of Commerce, London Branch

Canadian Imperial Bank of Commerce (**"CIBC"**) is a diversified financial institution governed by the *Bank Act* (Canada) (the "Bank Act"). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is CIBC SQUARE, 81 Bay St., Toronto, Ontario, Canada M5J 0E7.

CIBC is a leading Canadian-based global financial institution. As set out in the Bank Act, its corporate purpose is to act as a financial institution throughout Canada and can carry on business, conduct its affairs and exercise its powers in any jurisdiction outside Canada to the extent and in the manner that the laws of that jurisdiction permit. Through its four strategic business units – Canadian Personal and Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management, and Capital Markets – CIBC provides a full range of financial products and services to 13 million personal banking, business, public sector and institutional clients in Canada, the United States and around the world.

As at 31 October 2024, CIBC had total assets of C$1,041.98 billion, total deposits of C$764.86 billion and common shareholders' equity of C$53.79 billion.

The short term senior unsecured and unguaranteed obligations of CIBC are, as at the date of this Prospectus, rated P-1 by Moody's, A-1 by Standard & Poor's USA, F1+ by Fitch and R-1(high) by DBRS and the long term senior unsecured and unguaranteed obligations of CIBC are rated Aa2 by Moody's, A+ by Standard & Poor's, AA by Fitch and AA by DBRS.

Canadian Imperial Bank of Commerce, London Branch (**"CIBC, London Branch"**)'s principal place of business in the United Kingdom is 150 Cheapside, London EC2V 6ET. CIBC, London Branch is engaged in commercial and investment banking to both Canadian and European clients.

CIBC is regulated by the Office of the Superintendent of Financial Institutions (**"OSFI"**) in Canada and CIBC, London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

HSBC UK Bank plc

HSBC UK Bank plc ("**HSBC UK**") largely comprises retail banking and wealth management, commercial banking and private banking. These businesses were transferred from HSBC Bank plc on 1 July 2018, following the court approval of the ring-fenced transfer scheme to meet the regulatory ring-fencing requirements in accordance with the Financial Services (Banking Reform) Act 2013 and related legislation.

HSBC UK has over 15 million customers being served by over 18,400 employees across the UK, supported by a further 5,000 employees based in its UK service company HSBC Global Services (UK) Limited which provides services to HSBC UK and the wider HSBC Group.

The long term senior unsecured and unguaranteed obligations of HSBC UK are rated A+ by Standard & Poor's, A1 Moody's rating and HSBC UK has a long-term issuer default rating of AA- from Fitch.

HSBC UK Bank plc and its subsidiaries form part of the HSBC Group.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide across 58 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US$3 trillion at 31 December 2024, HSBC is one of the world's largest banking and financial services organisations.

HSBC UK Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC UK Bank plc's principal place of business in the United Kingdom is 1 Centenary Square, Birmingham, B1 1HQ.

National Australia Bank Limited (ABN 12 004 044 937)

National Australia Bank Limited (ABN: 12 004 044 937) ("**NAB**") is a public limited company incorporated in the Commonwealth of Australia and operates under Australian legislation including the Corporations Act 2001 of Australia. Its registered office is Level 28, 395 Bourke Street, Melbourne, Victoria 3000, Australia. NAB is the holding company for the NAB Group (comprising NAB and its controlled entities), as well as being the main operating company.

The short term senior unsecured and unguaranteed obligations of NAB are rated Prime-1 by Moody's, A-1+ by Standard & Poor's and F1+ by Fitch and the long term senior unsecured and unguaranteed obligations of NAB are rated Aa2 by Moody's, AA- by Standard & Poor's and AA- by Fitch.

Handelsbanken plc

Handelsbanken plc is a wholly owned UK subsidiary of Svenska Handelsbanken AB (publ) ("**Handelsbanken**") which was founded in Stockholm on 5th June, 1871 and its commercial name is "Handelsbanken". Handelsbanken is a public limited liability banking company incorporated under the banking laws of Sweden and is registered with the Municipality of Stockholm under the registration number 502007-7862. The registered office of Handelsbanken is SE-106 70 Stockholm, Sweden (telephone number: +46 8 701 10 00). Handelsbanken plc is incorporated in England and Wales (company number 11305395) with the registered office: 3 Thomas More Square, London, E1W 1WY and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Handelsbanken Group is a leading Swedish full service banking group, meaning that it provides various investment and other financial services, in addition to its wide range of traditional banking services, both domestically and internationally, for private and corporate customers. These services include deposit-taking, lending, property mortgages, payment facilities, investment banking, factoring, leasing and life insurance. The Handelsbanken Group considers Sweden, Norway, the United Kingdom and the Netherlands as its domestic

markets and any operations conducted in these areas are considered local operations. The Handelsbanken Group has over; 390 branches in Sweden, 40 branches in Norway, 36 branches in Finland, over 160 branches in the UK and 25 branches in the Netherlands. The Handelsbanken Group also has limited operations elsewhere in Europe, as well as the United States. The Handelsbanken Group's average number of employees worldwide was over 12,000.

The short term senior unsecured and unguaranteed obligations of Svenska Handelsbanken AB (publ) are, as at the date of this Prospectus, rated P-1 by Moody's, A-1+ by Standard & Poor's and F1+ by Fitch and the long term senior unsecured and unguaranteed obligations of Svenska Handelsbanken AB (publ) are rated Aa2 by Moody's, AA- by Standard & Poor's and AA by Fitch.

National Westminster Bank Plc

National Westminster Bank Plc ("**NWB Plc**") is a wholly-owned subsidiary of NatWest Holdings Limited and its ultimate holding company is NatWest Group plc, a banking and financial services group. NWB Group (NWB Plc and its subsidiaries) serves customers across the UK with a range of retail and commercial banking products and services. A wide range of personal products are offered including current accounts, credit cards, personal loans, mortgages and wealth management services. For more information, please see the NWB Group Annual Report and Accounts 2024, available at https://investors.natwestgroup.com/.

The most recent ratings of NWB Plc can be found on https://investors.natwestgroup.com/fixed-income-investors/credit-ratings.

Sumitomo Mitsui Banking Corporation

Sumitomo Mitsui Banking Corporation is incorporated in Japan and is registered as a Limited Company at the Tokyo Legal Affairs Bureau under number 010001008813.Head Office: 1-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan. Registered in England and Wales under number FC034697. Sumitomo Mitsui Banking Corporation, London Branch is authorised and regulated by the Financial Services Agency of Japan, authorised by the Prudential Regulation Authority, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

TAX CONSIDERATIONS

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution. The comments below deal primarily with certain UK withholding tax issues which arise on payments of interest in respect of the Bonds. They are not exhaustive and they do not address any other UK taxation implications of acquiring, holding or disposing of Bonds. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a holder of Bonds. Any holders of the Bonds who are in doubt as to their own tax position should consult their professional advisers.

UNITED KINGDOM TAXATION

The comments in this part are based on current United Kingdom law as applied in England and Wales and HM Revenue & Customs current practice (which may not be binding on HM Revenue & Customs) and which may be subject to change, sometimes with retrospective effect.

References in this part to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.

Interest on the Bonds

While the Bonds are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007, payments of UK source interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are and continue to be included in the Official List by the FCA and are admitted to trading on the Market (excluding the High Growth Segment).

In all other cases, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

U.S. TAXATION

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "**Foreign Financial Institution**" (as defined by FATCA, and including an intermediary through which the Bonds are held) may be required to withhold at a rate of 30% on certain payments it makes ("**Foreign Passthru Payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to Foreign Passthru Payments on instruments such as the Bonds, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining Foreign Passthru Payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required

pursuant to FATCA or an IGA with respect to any payment on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Dealership Agreement

Bonds may be sold from time to time by the Issuer to any one or more of 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 (as amended and/or restated from time to time). The arrangements under which a particular Series of Bonds 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 Series of Bonds. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Bonds, the price at which such Bonds 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 of Bonds.

In the Dealership Agreement, the Issuer, failing whom the Obligors, has agreed to reimburse the Arranger and the Dealers for certain of their expenses in connection with the establishment and maintenance of the Programme and the issue of Bonds under the Dealership Agreement and the Issuer and each of the Obligors has agreed to indemnify the Arranger and the Dealers against certain liabilities incurred by them in connection therewith.

United States of America

The Bonds have not been and, will not be, registered under the Securities Act or any securities or blue sky laws of any state or other jurisdiction of the United States, and may include Bearer Bonds that are subject to U.S. tax law requirements. Additionally, the Issuer has not been, and will not be, registered under the Investment Company Act. The Bonds may not be offered sold, pledged or, in the case of Bearer Bonds, delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds will be offered, sold, pledged, or in the case of Bearer Bonds, delivered only outside the United States, to persons who are not U.S. persons, in offshore transactions in reliance on Regulation S. Terms used in this paragraph and not otherwise defined in this Prospectus have the meaning given to them in Regulation S.

Bearer Bonds 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 of 1986 (the "**Code**") and Treasury regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold, pledged or, in the case of Bearer Bonds, delivered and it will not offer, sell, pledge or, in the case of Bearer Bonds, deliver the Bonds of any Series (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering (the "**Distribution Compliance Period**"), except in either case, in accordance with Regulation S under the Securities Act. Accordingly, each Dealer has also represented and agreed that neither it, its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has further represented and agreed that it and its affiliates, at or prior to confirmation of a sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds

from it during such 40-day Distribution Compliance Period a confirmation or notice to substantially the following effect:

> "The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act."

In addition, until 40 days after the commencement of an offering of Bonds, an offer or sale of such Bonds within the United States by a 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, or in a transaction not subject to, the registration requirements of the Securities Act.

Terms used in the preceding two paragraphs and not otherwise defined in this Prospectus have the meanings given to them by Regulation S.

Each Dealer represents and warrants that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Bonds, except with its affiliates or with the prior written consent of the Issuer.

In respect of Bearer Bonds where the applicable Final Terms specify that TEFRA D Rules apply:

(a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**TEFRA D Rules**"), each Dealer (i) severally represents and warrants that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Bonds in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents and warrants that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bonds in bearer form that are sold during the restricted period;

(b) each Dealer severally represents and warrants that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bonds in bearer form are aware that such Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if it is a United States person, each Dealer severally represents and warrants that it is acquiring Bonds in bearer form for purposes of resale in connection with their original issuance and if it retains Bonds in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section l.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code);

(d) with respect to each affiliate that acquires Bonds in bearer form from a Dealer for the purpose of offering or selling such Bonds during the restricted period, such Dealer either (i) severally repeats and confirms the representations and agreements contained in clauses (a), (b) and (c) of this paragraph on such affiliate's behalf or (ii) agrees that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code)) that purchases any Bonds in bearer form from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of clauses (a), (b), (c) and (d) of

this paragraph insofar as they relate to the TEFRA D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder, including the TEFRA D Rules.

In respect of Bearer Bonds where the applicable Final Terms specify that TEFRA C Rules apply, under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**TEFRA C Rules**"), such Bearer Bonds must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer severally represents and warrants and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Bonds within the United States or its possessions in connection with their original issuance. Further, each Dealer severally represents and warrants and agrees in connection with the original issuance of such Bearer Bonds that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either of them is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Bonds. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder, including the TEFRA C Rules.

Each issue of Index-Linked Bonds shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Bonds, which additional selling restrictions shall be set out in the relevant Subscription Agreement. The relevant Dealer agrees that it shall offer, sell and deliver such Bonds only in compliance with such additional U.S. selling restrictions.

Purchasers of Bonds shall be deemed to have made the representations set forth under "*Transfer Restrictions*".

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms or Pricing Supplements in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65 EU (as amended, "**MiFID II**");

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**")), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**").

For the purposes of this provision, the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Prospectus

as completed by the Final Terms or Pricing Supplements in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail investor as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(c) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) ***No deposit-taking***: in relation to any Bonds 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 Bonds 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 Bonds 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 Bonds 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 Bonds in, from or otherwise involving the United Kingdom.

Belgium

Other than in respect of Bonds for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms or Pricing Supplement (as the case may be), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent

and agree, that an offering of Bonds may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Bonds, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Bonds, directly or indirectly, to any Belgian Consumer.

General

Each Dealer acknowledges that other than having obtained the approval of the Prospectus by the FCA in accordance with Part VI of the FSMA for the Bonds to be admitted to listing on the Official List of the FCA and to trading on the Market or the Professional Securities Market of the London Stock Exchange, no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of Bonds, or possession or distribution of the Prospectus or any other offering material, in any jurisdiction where action for that purpose is required. Each Dealer shall to the best of its knowledge and belief comply with all applicable laws and regulations in each jurisdiction in or from which it purchases, offers, sells or delivers Bonds or has in its possession or distributes the Prospectus or any other offering material, in all cases at its own expense unless agreed otherwise.

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 Subscription Agreement (in the case of a supplement or modification relevant only to a particular Series of Bonds).

TRANSFER RESTRICTIONS

The Bonds have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and the Issuer has not been, and will not be, registered under the Investment Company Act. Accordingly, to ensure compliance with applicable laws, including the Securities Act and the Investment Company Act, transfers of the Bonds (or beneficial interests therein) will be subject to restrictions and to certification requirements as set forth below (as the same may be amended, supplemented or modified in respect of a particular Series pursuant to the relevant Final Terms or Pricing Supplement).

Each purchaser (other than the Dealers) or transferee of any Bonds (or beneficial interest therein) will be deemed to have represented, warranted, acknowledged and agreed for the benefit of the Issuer and the Bond Trustee as follows:

1 In connection with the purchase of such Bonds: (a) none of the Issuer, the Arranger, the Dealers, the Bond Trustee, or any affiliate thereof or any person acting on behalf of the foregoing, is acting as a fiduciary or financial or investment adviser for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Arranger or the Dealers or any affiliate thereof, the Bond Trustee, or any person acting on behalf of the foregoing, other than in the Final Terms or Pricing Supplement and the Prospectus and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Arranger or the Dealers or any affiliate thereof, the Bond Trustee, or any person acting on behalf of the foregoing, has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in such Bonds; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Bond Trust Deed) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Arranger or the Dealers or any affiliate thereof, the Bond Trustee, or any person acting on behalf of the foregoing; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of such Bonds with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; (f) the purchaser is a sophisticated investor; and (g) the purchaser understands that these acknowledgements, representations, and agreements are required in connection with U.S. securities laws and it agrees to indemnify and hold harmless the Issuer, the Arranger, the Dealers, the Bond Trustee and any affiliates thereof from and against all losses, liabilities, claims, costs, charges and expenses which they may incur by reason of its failure to fulfil any of the terms, conditions or agreements set forth above or by reason of any breach of its representations and warranties herein.

2 It is, and the person, if any, for whose account it is acquiring such Bonds is, or at the time such Bonds are purchased will be, the beneficial owner of such Bonds and (i) it is not an affiliate of the Issuer or a person acting on behalf of an affiliate of the Issuer (ii) it is purchasing such Bonds for its own account or for one or more accounts, as to each of which the purchaser exercises sole investment discretion and, insofar as this sub-paragraph (ii) applies to any person purchasing such during the Distribution Compliance Period, it and/or each account for which it is purchasing such Bonds (as applicable) is a non-U.S. person (as defined in Regulation S) located outside of the United States and is purchasing such Bonds in an offshore transaction in reliance on Regulation S, (iii) if it should resell or otherwise transfer such Bonds, it will do so only: (a) in accordance with the Agency Agreement in respect of such Bonds, (b) prior to the end of the Distribution Compliance Period, to persons (other than the Issuer or any affiliate thereof) who are non-U.S. persons (as defined in Regulation S) located outside of the United States and who are purchasing such Bonds in an offshore transaction in reliance on Rule 903 or 904 of Regulation S, (c) after the end of the Distribution Compliance Period, (1) in accordance

with sub-paragraph (b) above, (2) inside the United States to a person whom the Seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act purchasing such Bonds for its own account or for one or more qualified institutional buyers in a transaction meeting the requirements of Rule 144A under the Securities Act, (3) pursuant to any other available exemption from registration under the Securities Act, or (4) pursuant to an effective registration statement under the Securities Act and, in all cases, (x) in circumstances that will not require the Issuer to register as an investment company under the Investment Company Act; and (y) in accordance with all applicable securities laws of the United States (including any applicable registration on transfer imposed by the U.S. Commodity Exchange Act of 1936, as amended), any state of the United States and any other jurisdiction; and (d) it acknowledges that such Bonds will bear a legend as set out below unless otherwise agreed to by the Issuer.

3 It understands that unless the Issuer determines otherwise in compliance with applicable law, such Bonds will bear a legend as follows:

"THIS SECURITY (OR ANY INTEREST HEREIN) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY SECURITIES OR BLUE SKY LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), ACCORDINGLY, THIS SECURITY (OR ANY INTEREST HEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR DELIVERED 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) EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER REPRESENTS AND AGREES THAT (A) INSOFAR AS IT IS PURCHASING THIS SECURITY (OR ANY INTEREST HEREIN) DURING THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED BELOW), IT IS A NON-U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) LOCATED OUTSIDE THE UNITED STATES AND IT IS ACQUIRING THIS SECURITY (OR ANY INTEREST HEREIN) IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT; (B) IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY (OR ANY INTEREST HEREIN) EXCEPT (1) IN ACCORDANCE WITH THE AGENCY AGREEMENT IN RESPECT OF THIS SECURITY , (2) PRIOR TO THE DATE WHICH IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE OF THE OFFERING (THE "**DISTRIBUTION COMPLIANCE PERIOD**"), TO PERSONS (OTHER THAN THE ISSUER OR AN AFFILIATE THEREOF) WHO ARE NON- U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) LOCATED OUTSIDE THE UNITED STATES AND WHO ARE PURCHASING SUCH BONDS IN AN OFFSHORE TRANSACTION IN RELIANCE ON RULE 903 OR 904 OF REGULATION S, (3) AFTER THE END OF THE DISTRIBUTION COMPLIANCE PERIOD, (W) IN ACCORDANCE WITH SUB-PARAGRAPH (B)(2) ABOVE, (X) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (Y) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (Z) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN ALL CASES, (I) IN CIRCUMSTANCES THAT WOULD NOT REQUIRE THE ISSUER TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT, AND (II) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES (INCLUDING ANY APPLICABLE REGISTRATION ON TRANSFER IMPOSED BY THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED), ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO

EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.].

EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE FINAL TERMS OR PRICING SUPPLEMENT, BY ITS PURCHASE AND HOLDING OF THIS BOND (OR ANY INTEREST THEREIN) EACH PURCHASER AND HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER (1) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DESCRIBED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME ACT OF 1974, AS AMENDED ("**ERISA**") AND SUBJECT TO TITLE I OF ERISA, OR A "PLAN" SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE THE ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"); OR (2) (I) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS BOND DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, ANY SUCH SUBSTANTIALLY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE AND (II) NONE OF THE ISSUER, THE GUARANTORS, THE ARRANGERS, THE DEALERS NOR ANY OF THEIR RESPECTIVE AFFILIATES (THE "**TRANSACTION PARTIES**") IS A FIDUCIARY OF, NOR HAS BEEN RELIED UPON FOR ANY INVESTMENT ADVICE BY, THE PURCHASER IN CONNECTION WITH THE ACQUISITION AND HOLDING OF SUCH BOND (UNLESS A STATUTORY OR ADMINISTRATIVE EXEMPTION APPLIES (ALL OF THE APPLICABLE CONDITIONS OF WHICH ARE SATISFIED) OR THE TRANSACTION IS NOT OTHERWISE PROHIBITED)."

4 It further understands that unless the Issuer determines otherwise in compliance with applicable law, such Bonds (and all Receipts, Coupons and Talons relating to such Bonds) will bear a legend as follows:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) 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."

5 With respect to such Bonds (or any interest therein), either: (a) such purchaser or transferee is not, and for so long as such Bonds (or any interest therein) are held will not be (i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" that is subject to section 4975 of the Code; or (iii) any entity whose underlying assets include (or are deemed for the purposes of ERISA or Section 4975 to include) "plan assets" by reason of an ERISA plan; or (b) (i) such purchaser's or transferee's purchase and holding of such Bonds will not constitute or result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code for which an exemption is not available and (ii) none of the Issuer, the Guarantors, the Arrangers, the Dealers nor any of their respective affiliates (the Transaction Parties) is a fiduciary of, nor has been relied upon for any investment advice by, the purchaser in connection with the acquisition and holding of such Bonds (unless a statutory or administrative exemption applies (all of the applicable conditions of which are satisfied) or the transaction is not otherwise prohibited). Any purported transfer of such Bonds (or any interest therein) to a purchaser that does not comply with the requirements of this paragraph 5 will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer such Bonds (or any interest therein), as applicable, to a person who meets the foregoing criteria.

6 It understands that before any interest in such Bond may be offered, resold, pledged, delivered or otherwise transferred to, or for the account or benefit of, a U.S. person (as defined in Regulation S), it will be required to provide the Registrar with a written certification as to compliance with the transfer restrictions described herein.

GENERAL INFORMATION

Authorisation

The establishment and subsequent updates of the Programme, the issue of Bonds thereunder and the security provided by the Issuer in favour of the Issuer Security Trustee were duly authorised by resolutions of the Board of Directors of the Issuer passed at meetings of the Board held on 28 January 2014, 7 April 2014, 25 October 2017, 24 April 2019, 31 August 2023 and 3 March 2025.

The establishment of the Programme was duly authorised by resolutions of the Board of Directors of each Obligor (other than MAG Airport Limited, MAG US (Apollo) Limited, CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc., MAG US Terminal Management LLC, CAVU eCommerce (AMER) LLC and MAG US (Apollo) Inc.) at meetings of the relevant Board held on 28 January 2014.

The borrowings of the Obligors (other than MAG Airport Limited, MAG US (Apollo) Limited, CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc., MAG US Terminal Management LLC, CAVU eCommerce (AMER) LLC and MAG US (Apollo) Inc.) and the security provided by the Obligors (other than MAG Airport Limited, MAG US (Apollo) Limited, CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce (EMEA) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc., MAG US Terminal Management LLC, CAVU eCommerce (AMER) LLC and MAG US (Apollo) Inc.) in favour of the Obligor Security Trustee were duly authorised by resolutions of the Board of Directors of the each Obligor (other than MAG Airport Limited) at meetings of the relevant Board held on 28 January 2014.

MAG Airport Limited acceded as an Obligor on 16 April 2019. The borrowings of MAG Airport Limited and the security provided by MAG Airport Limited in favour of the Obligor Security Trustee and the accession of MAG Airport Limited to the Programme was duly authorised by resolutions of the Board of Directors of MAG Airport Limited at a meeting of the Board held on 16 April 2019.

MAG US (Apollo) Limited acceded as an Obligor on 22 May 2020. The borrowings of MAG US (Apollo) Limited and the security provided by MAG US (Apollo) Limited in favour of the Obligor Security Trustee and the accession of MAG US (Apollo) Limited to the Programme was duly authorised by resolutions of the Board of Directors of MAG US (Apollo) Limited at a meeting of the Board held on 31 August 2023.

CAVU Group Limited acceded as an Obligor on 15 January 2021. The borrowings of CAVU Group Limited and the security provided by CAVU Group Limited in favour of the Obligor Security Trustee and the accession of CAVU Group Limited to the Programme was duly authorised by resolutions of the Board of Directors of CAVU Group Limited at a meeting of the Board held on 31 August 2023.

CAVU Experiences (EMEA) Limited acceded as an Obligor on 15 January 2021. The borrowings of CAVU Experiences (EMEA) Limited and the security provided by CAVU Experiences (EMEA) Limited in favour of the Obligor Security Trustee and the accession of CAVU Experiences (EMEA) Limited to the Programme was duly authorised by resolutions of the Board of Directors of CAVU Experiences (EMEA) Limited at a meeting of the Board held on 31 August 2023.

CAVU eCommerce (EMEA) Limited acceded as an Obligor on 15 January 2021. The borrowings of CAVU eCommerce (EMEA) Limited and the security provided by CAVU eCommerce (EMEA) Limited in favour of the Obligor Security Trustee and the accession of CAVU eCommerce (EMEA) Limited to the Programme was duly authorised by resolutions of the Board of Directors of CAVU eCommerce (EMEA) Limited at a meeting of the Board held on 31 August 2023.

MAG Investments US Ltd acceded as an Obligor on 15 January 2021. The borrowings of MAG Investments US Ltd and the security provided by MAG Investments US Ltd in favour of the Obligor Security Trustee and

the accession of MAG Investments US Ltd to the Programme was duly authorised by resolutions of the Board of Directors of MAG Investments US Ltd at a meeting of the Board held on 31 August 2023.

CAVU Holdings (AMER) Inc. acceded as an Obligor on 15 January 2021. The borrowings of CAVU Holdings (AMER) Inc. and the security provided by CAVU Holdings (AMER) Inc. in favour of the Obligor Security Trustee and the accession of CAVU Holdings (AMER) Inc. to the Programme was duly authorised by resolutions of the Board of Directors of CAVU Holdings (AMER) Inc. at a meeting of the Board held on 31 August 2023.

MAG US Terminal Management LLC acceded as an Obligor on 15 January 2021. The borrowings of MAG US Terminal Management LLC and the security provided by MAG US Terminal Management LLC in favour of the Obligor Security Trustee and the accession of MAG US Terminal Management LLC to the Programme was duly authorised by resolutions of the Board of Directors of MAG US Terminal Management LLC at a meeting of the Board held on 31 August 2023.

CAVU eCommerce (AMER) LLC acceded as an Obligor on 15 January 2021. The borrowings of CAVU eCommerce (AMER) LLC and the security provided by CAVU eCommerce (AMER) LLC in favour of the Obligor Security Trustee and the accession of CAVU eCommerce (AMER) LLC to the Programme was duly authorised by resolutions of the Board of Directors of CAVU eCommerce (AMER) LLC at a meeting of the Board held on 31 August 2023.

MAG US (Apollo) Inc. acceded as an Obligor on 15 January 2021. The borrowings of MAG US (Apollo) Inc. and the security provided by MAG US (Apollo) Inc.in favour of the Obligor Security Trustee and the accession of MAG US (Apollo) Inc.to the Programme was duly authorised by resolutions of the Board of Directors of MAG US (Apollo) Inc. at a meeting of the Board held on 31 August 2023.

The 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 Bonds.

Listing of Bonds

It is expected that each Series of Bonds admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a Global Bond or Bonds initially representing the Bonds of such Series.

Documents Available

For so long as the Programme remains in effect or any Bonds shall be outstanding, copies of the following documents may (when published) be inspected during normal business hours (in the case of Bearer Bonds) at the specified office of the Principal Paying Agent, (in the case of Registered Bonds) at the specified office of the Registrar and the Transfer Agents and (in all cases) at the registered office of the Bond Trustee:

(a) the Memorandum and Articles of Association of each of the Issuer and the Obligors;

(b) the Terms and Conditions of the Bonds as contained at pages 159 to 198 (inclusive) of the Prospectus dated 2 November 2017 in connection with the Programme;

(c) the Terms and Conditions of the Bonds as contained at pages 162 to 203 (inclusive) of the Prospectus dated 25 April 2019 in connection with the Programme;

(d) the Terms and Conditions of the Bonds as contained at pages 192 to 235 (inclusive) of the Prospectus dated 11 September 2023 in connection with the Programme;

(e) the audited annual financial statements and audit report of Manchester Airport Group Funding PLC for the year ended 31 March 2023;

(f) the audited annual financial statements and audit report of Manchester Airport Group Funding PLC for the year ended 31 March 2024;

(g) the audited annual financial statements and audit report of Manchester Airport Group Finance Limited for the year ended 31 March 2023;

(h) the audited annual financial statements and audit report of Manchester Airport Group Finance Limited for the year ended 31 March 2024;

(i) the audited consolidated financial statements and audit report of Manchester Airport Group Investments Limited for the year ended 31 March 2023;

(j) the audited consolidated financial statements and audit report of Manchester Airport Group Investments Limited for the year ended 31 March 2024;

(k) the unaudited consolidated interim report of Manchester Airport Group Investments Limited for the 6 months ended 30 September 2024;

(l) the audited annual financial statements and audit report of Stansted Airport Limited for the year ended 31 March 2023;

(m) the audited annual financial statements and audit report of Stansted Airport Limited for the year ended 31 March 2024;

(n) the audited annual financial statements and audit report of Manchester Airport Plc for the year ended 31 March 2023;

(o) the audited annual financial statements and audit report of Manchester Airport Plc for the year ended 31 March 2024;

(p) the audited annual financial statements and audit report of East Midlands International Airport Limited for the year ended 31 March 2023;

(q) the audited annual financial statements and audit report of East Midlands International Airport Limited for the year ended 31 March 2024;

(r) the audited annual financial statements and audit report of MAG Airport Limited for the year ended 31 March 2023;

(s) the audited annual financial statements and audit report of MAG Airport Limited for the year ended 31 March 2024;

(t) the audited annual financial statements and audit report of CAVU eCommerce (EMEA) Limited for the year ended 31 March 2023;

(u) the audited annual financial statements and audit report of CAVU eCommerce (EMEA) Limited for the year ended 31 March 2024;

(v) a copy of this Prospectus;

(w) the Bond Trust Deed (as the same may be amended, varied, supplemented or novated from time to time);

(x) the Agency Agreement (as the same may be amended, varied, supplemented or novated from time to time);

(y) each Final Terms or Pricing Supplement relating to Bonds;

(z) each Investor Report;

(aa) the Common Documents (other than any deeds of accession to the STID) (as the same may be amended, varied, supplemented or novated from time to time); and

(bb) the Issuer Deed of Charge (as the same may be amended, varied, supplemented or novated from time to time).

Clearing Systems

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg as specified in the relevant Final Terms or Pricing Supplement. The appropriate Common Code and ISIN for each Series of Bonds allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms or Pricing Supplement. In addition, the Issuer may make an application for any Registered Bonds to be accepted for trading in book entry form by additional or alternative clearing system(s) (including Sicovam) as specified in the relevant Final Terms or Pricing Supplement. The applicable securities identification numbers and any other appropriate information for each Tranche of Registered Bonds accepted for trading in book entry form in such additional or alternative clearing system(s), together with the relevant ISIN and Common Code, will be specified in the relevant Final Terms or Pricing Supplement.

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 Pricing Supplement.

The Legal Entity Identifier (LEI) of Manchester Airport Group Funding PLC is 2138006NA5VAMMBK3892.

Significant or Material Change

There has been neither a material adverse change in the financial position or prospects of the Issuer nor a significant change in the financial position and financial performance of the Issuer, in each case since 31 March 2024.

There has been no significant change in the financial position and financial performance of Manchester Airport Group Finance Limited, Manchester Airport plc, Stansted Airport Limited, East Midlands International Airport Limited, MAG Airport Limited and CAVU eCommerce (EMEA) Limited and their respective subsidiaries since 31 March 2024. There has been no significant change in the financial position and financial performance of Manchester Airport Group Investments Limited since 30 September 2024.

There has been no material adverse change in the prospects of any of Manchester Airport Group Finance Limited, Manchester Airport plc, Manchester Airport Group Investments Limited, Stansted Airport Limited, East Midlands International Airport Limited, MAG Airport Limited and CAVU eCommerce (EMEA) Limited and their respective subsidiaries since 31 March 2024.

Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in each case within a period of 12 months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

Save as disclosed in the section entitled "*Business of Manchester Airports Group - Litigation*", there are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the relevant Obligor is aware) within a period of 12 months preceding the

date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of any of the Obligors and their respective subsidiaries.

Availability of Financial Statements

The audited annual financial statements of the Issuer and each Obligor will be prepared as of 31 March in each year.

The Issuer has not published and does not intend to publish any interim financial information, but Manchester Airports Group Investments Limited provides semi-annual unaudited financial information to various parties under the terms of the Common Terms Agreement.

The unaudited interim financial information of Manchester Airports Group Investments Limited will be prepared as of 30 September in each year.

All future audited annual financial statements (and any published interim financial information) of the Issuer and each of the Obligors will be available free of charge in accordance with "*Documents Available*" above.

Auditors

The auditors of the Issuer and the Obligors are Ernst & Young LLP, members of the Institute of Chartered Accountants in England and Wales, who have audited the Issuer's and each of the Obligor's accounts, without qualification, in accordance with generally accepted auditing standards in the UK. The audited accounts include reports prepared by the auditors. Ernst & Young LLP were first appointed as auditor of the Issuer and Obligors for the year ended 31 March 2023 and have been reappointed each year in accordance with the provisions of the Companies Act.

Ernst & Young LLP has no material interest in the Issuer or any of the Obligors.

Legend

Bearer Bonds, Receipts, Talons and Coupons appertaining thereto will bear a legend substantially to the following effect: "**Any United States person (as defined in the Internal Revenue Code of the United States) 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 Bond, Coupon, Receipt or Talon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Bond, 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 Bonds

The issue price and the amount of the relevant Bonds will be determined, before filing of the relevant Final Terms or Pricing Supplement 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 Bonds except for the Investor Report which will be prepared by the Security Group Agent in accordance with the CTA and published on the designated website of MAG, being https://www.magairports.com/investor-relations/investor-documents/ and made available at the specified office of the Principal Paying Agent, (in the case of Registered Bonds) at the specified office of the Registrar and the Transfer Agents and (in all cases) at the registered office of the Bond Trustee. The Investor Report will include, *inter alia*, a general overview, a regulatory and business update, details of the current financing position, changes to the Security Group structure, the current hedging position, confirmation as to the Interest Coverage Ratio and the Leverage Ratio and details of any Distributions.

Material Contracts

Neither the Issuer nor any of the Obligors have entered into contracts outside the ordinary course of their business, which could result in the Issuer or an Obligor or any member of the Security Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Bonds.

Other Activities of the Dealers

The Dealers and their respective affiliates (i) have provided, and may in the future provide, investment banking, commercial lending, consulting and financial advisory services to; (ii) have entered into and may, in the future enter into, other related transactions with; and (iii) have made or assisted or advised any party to make, and may in the future make or assist or advise any party to make, acquisitions and investments in or related to, the Issuer or the Obligors and their respective subsidiaries and affiliates or other parties that may be involved in or related to the transactions contemplated in this Prospectus, in each case in the ordinary course of business or as Liquidity Facility Providers in respect of the Liquidity Facility made available to the Obligors under a Liquidity Facility Agreement. The Dealers and their respective affiliates may, in the future, act as Hedge Counterparties.

Forward-Looking Statements

This Prospectus includes "forward-looking statements". All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer's and the Guarantors' financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Among the important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, those discussed under Risk Factors. These forward-looking statements speak only as of the date on which they are made. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

PROGRAMME INFORMATION

Under the Programme the Issuer may, subject to all applicable legal and regulatory requirements, from time to time issue Bearer Bonds and Registered Bonds. The maximum aggregate nominal amount of all Bonds from time to time outstanding under the Programme will not exceed £5 billion (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein), subject to increase as described therein. Copies of each Final Terms or Pricing Supplement will be available (in the case of all Bonds) from the specified office set out below of Citicorp Trustee Company Limited as the Bond Trustee (in the case of Bearer Bonds), from the specified office set out below of each of the Paying Agents and (in the case of Registered Bonds) from the specified office set out below of each of the Registrar and the Transfer Agent.

Details of the aggregate principal amount, interest (if any) payable, the issue price and certain other information, which is applicable to each Tranche of each Series (all as defined below) will be set forth in the relevant Final Terms, Pricing Supplement, or in a Drawdown Prospectus, see "*Final Terms, Pricing Supplement and Drawdown Prospectuses*" below. In the case of a Tranche of Bonds which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the relevant Final Terms or Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise. The Final Terms will be delivered to the FCA and the London Stock Exchange on or before the relevant date of issue of the Bonds of such Tranche. The Issuer may agree with any Dealer and the Bond Trustee that Bonds may be issued in a form not contemplated by the Conditions herein, in which event a Drawdown Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Bonds.

Bonds issued under the Programme will be issued in Series on each Issue Date and each Series may comprise one or more Tranches.

Certain Series of Bonds to be issued under the Programme may be rated by Fitch Ratings Ltd. ("**Fitch**") and/or Moody's Investors Service Limited ("**Moody's**") (together, the "**Rating Agencies**"). Each of Fitch and Moody's is established in the United Kingdom and is registered under the Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). The ratings Fitch and Moody's have given to the Bonds to be issued under the Programme are respectively endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH, which are established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**") and, as such, each of Fitch and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Where a Series of Bonds is rated, such rating will be disclosed in the Final Terms or Pricing Supplement.

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 Bonds may adversely affect the market price of such Bonds.

If issued under the relevant Final Terms or Pricing Supplement, Bonds that are Bearer Bonds may be represented initially by one or more Temporary Bearer Global Bonds, without interest coupons, which will be deposited with a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg on or about the Issue Date of such Series of Bonds. Each such Temporary Bearer Global Bond will be exchangeable for Permanent Bearer Global Bonds or definitive securities in bearer form as specified in the relevant Final Terms or Pricing Supplement 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 "*Forms of the Bonds*". Bearer Bonds are subject to U.S. tax law requirements. Subject to certain exceptions, the Bearer Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

If issued under the relevant Final Terms or Pricing Supplement, Bonds that are Registered Bonds will be represented on issue by beneficial interests in a Registered Global Bond, in fully registered form, without interest coupons attached, which will, in the case of Bonds not issued under the New Safekeeping Structure form, be deposited with, and be registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Bonds issued under the New Safekeeping Structure, will be deposited with, and registered in the name of, a common safekeeper for Euroclear and Clearstream, Luxembourg. Ownership interests in the Registered Global Bonds will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Bonds in definitive, certificated and fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of Bonds will be deemed to have made certain representations and agreements. See "*Forms of the Bonds*" and "*Subscription and Sale*" above.

INDUSTRY SOURCES AND TERMINOLOGY

Unless otherwise indicated, the information contained in this Prospectus relating to the Airports' market share and the size of the relevant market sector is based on MAG's own internal estimates based on information published or provided by airlines and other companies, as well as MAG's own knowledge of the market.

References in this Prospectus to "**passengers**" refer to the sum of all arriving and departing passengers, other than transfer passengers.

References in this Prospectus to "**origin and destination**" or "**O&D**" traffic refers to any traffic that is not transfer traffic and originates from or terminates at a particular airport.

References in this Prospectus to "**transfer**" traffic relates to passengers who use an airport for the sole purpose of connecting from one aircraft to another. They are counted as both arriving and departing passengers.

References in this Prospectus to "**transit**" or "**in-transit**" traffic relates to those passengers who arrive and depart on the same aircraft within 24 hours.

References in this Prospectus to "**T&T**" traffic refers to those passengers who are transfer passengers or in-transit passengers.

References in this Prospectus to "**VFR**" traffic refers to those passengers who are visiting friends and relatives.

References in this Prospectus to any figure or statistic in respect of the number of people living within catchment areas and the volume of passenger traffic at the Airports is an approximation of such figure or statistic.

References in this Prospectus to any amounts being calculated on a "management accounting basis" means such amounts are financial information received by management as part of the monthly management reporting process. Such information may be calculated on a different basis from the statutory financial statements prepared by MAG.

Where reference is made to CAA publications or data, efforts have been made to ensure data is reproduced and presented in a similar style to aid comparison and cross-reference, but may not be identical as a result of modifications made for presentational purposes.

GLOSSARY

$	has the meaning given to it on page vi.
£	has the meaning given to it on page vi.
€	has the meaning given to it on page vi.
1986 Act	has the meaning given to it on page 101.
2011 Regulations	has the meaning given to it on page 104.
2012 Act	has the meaning given to it on pages 24 and 101.
30/360	has the meaning given to it on page 215.
30E/360	has the meaning given to it on page 215.
360/360	has the meaning given to it on page 215.
€STR	has the meaning given to it on page 37.
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 BBB or higher by S&P or Fitch or Baa2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency, or in each case, such lower rating notified by the Security Group Agent to the Obligor Security Trustee which in the opinion of the Security Group Agent having discussed with the relevant Rating Agency, would not lead to any downgrade or withdrawal of the then current ratings ascribed to any Bonds, provided that such rating shall not be required from any such Rating Agency that is not then rating such Bonds; (b) prior to the Discharge Date in respect of the Initial Authorised Credit Facilities, any Original Initial ACF Lender; or (c) any other bank or financial institution approved by the Obligor Security Trustee in accordance with the STID.
Accession Deed	means a document substantially in the form set out in schedule 6 (Form of Deed of Accession) to the Obligor Security Agreement.
Accession Memorandum	means the relevant accession memorandum entered into with respect to the STID, the Common Terms Agreement and the Master Definitions Agreement.
Accountholder	has the meaning given to it on page 243.
Accounting Standards	means, in respect of any Obligor, the accounting principles and practices generally accepted in the jurisdiction of incorporation of that Obligor from time to time, provided that when:

(a) deriving or calculating any Ratio;

(b) determining whether a liability constitutes Financial Indebtedness; or

(c) determining whether any other matter is permitted or restricted under the Master Definitions Agreement,

the Accounting Standards used to make such derivations, calculations or determinations shall be as amended in accordance with any Change of Basis Election in accordance with paragraph 2(c) of Part 1 of Schedule 2 to the Common Terms Agreement.

Accrual Yield has the meaning given to it on pages 216 and 232.

Acquiring Company has the meaning given to it on page 156.

Actual/360 has the meaning given to it on page 215.

Actual/365 has the meaning given to it on page 214.

Actual/365 (Fixed) has the meaning given to it on page 215.

Actual/Actual has the meaning given to it on page 214.

Actual/Actual (ICMA) has the meaning given to it on page 214.

Additional Equity means the net amount received in cash in respect of the subscription by any person (other than a member of the Security Group) for ordinary shares in the Parent or for subordinated loan notes or other subordinated debt instruments issued by the Parent, provided that the subordination is in accordance with the terms of the STID or otherwise on terms acceptable to the Obligor Security Trustee.

Additional Obligor means any person wishing or required to become an Obligor who accedes to the Common Terms Agreement, the Master Definitions Agreement and the STID in accordance with clause 4 (Accession and Resignation of Obligors) of the STID.

Adjourned Voting Date has the meaning given to it on page 188.

Adjustment Spread has the meaning given to it in Condition 5(i).

Administrative Party means the Obligor Security Trustee, any Facility Agent or any Agent.

Advance means an advance made or to be made to the Borrower under the terms of an Issuer Loan Agreement.

Aeronautical has the meaning given to it on page 15.

Affected Obligor Secured Creditor means each Obligor Secured Creditor who is affected by an Entrenched Right (and, where the Issuer is the relevant Affected Obligor Secured Creditor, the term Affected Obligor Secured Creditor includes each Issuer Secured Creditor).

Affiliate	means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company **provided that**, notwithstanding the foregoing, in relation to The Royal Bank of Scotland plc, the term "Affiliate" shall not include: (a) the UK government or any other member or instrumentality thereof, including His Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof); or (b) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including His 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.
affiliate	has the meaning given to it on page 221.
Agency Agreement	has the meaning given to it on page 199.
Agent	means each of the Principal Paying Agent, the Transfer Agents, the Calculation Agent, the Agent Bank, the Registrar, the Exchange 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	has the meaning given to it on page 200.
Aggregate Available Liquidity	means the sum of the aggregate commitments under the Liquidity Facility Agreement and the balance (if any) on the Debt Service Reserve Accounts at such Calculation Date.
AGOSS	has the meaning give to it on page 92.
Airport City	has the meaning given to it on page 80.
Airport City Development	means the development of land by the Airport City Joint Venture.
Airport City Land	has the meaning given to that term in the Obligor Security Agreement.
Airport City South Leases	has the meaning given to that term in the Obligor Security Agreement.
Airport City Joint Venture	means the joint venture entered into between Airport City, BCEG International (UK) Co. Ltd, Carillion (Maple Oak) Limited, Kingfisher Property Partnerships Limited and Airport City (General Partner) Limited.
Airports	has the meaning given to it on pages 4 and 46.
Alternative Rate	has the meaning given to it in Condition 5(i).
Alternative Redemption Amount	has the meaning given to it on page 231.

AMER	has the meaning given to it on page 77.
Annual Financial Statements	means the financial statements delivered pursuant to paragraph 1(a) of part 1 (Information Covenants) of Schedule 2 (Security Group Covenants) to the Common Terms Agreement.
ANPS	has the meaning given to it on page 22.
AOS	has the meaning given to it on page 95.
Appointee	means any attorney, manager, agent, delegate, nominee, custodian, Receiver or other person appointed by the Issuer Security Trustee under the Issuer Deed of Charge, by the Bond Trustee under the Bond Trust Deed or by the Obligor Security Trustee under any Obligor Security Document.
Arranger	means Barclays Bank PLC and any other entity appointed as an arranger for the Programme or in respect of any particular issue of Bonds under the Programme and references to the Arranger shall be references to the relevant Arranger.
ASAs	has the meaning given to it on page 18.
Authorisation	means an authorisation, consent, approval, permit, resolution, licence, exemption, filing, notarisation or registration.
Authorised Credit Facility or Authorised Credit Facilities	means any facility or agreement from time to time entered into by any Obligor for Obligor Secured Debt as permitted by the terms of the Common Terms Agreement, the providers of which are parties to or have acceded to the STID, the Common Terms Agreement and the Master Definitions Agreement, and includes: (a) the Initial Authorised Credit Facilities; (b) the Liquidity Facilities; (c) the Obligor Hedging Agreements; (d) each Issuer Loan; (e) any PP Debt; (f) any fee letter or commitment letter entered into in connection with the facilities or agreements referred to in paragraphs (a) to (e) (inclusive) above or the transactions contemplated by such facilities or agreements; and (g) any other document (not being a Common Document) that has been entered into in connection with the facilities or agreements referred to in paragraphs (a) to (e) (inclusive) above or the transactions contemplated by such facilities or agreements that has been designated as a document that should be deemed to be an Authorised Credit Facility for the purposes of this definition by the parties thereto (including at least one Obligor).

Authorised Credit Facility Agreement	means an agreement documenting an Authorised Credit Facility.
Authorised Credit Party	means any person providing credit pursuant to an Authorised Credit Facility including the Administrative Parties and all other arrangers, agents, representatives and trustees appointed in connection with any such Authorised Credit Facilities, including the Obligor Security Trustee.
Authorised Credit Provider	means a lender, a holder or creditor of PP Debt or other provider of credit or financial accommodation under any Authorised Credit Facility.
Available Enforcement Proceeds	means on any date, all monies received or recovered by the Obligor Security Trustee (or any Receiver appointed by it) in respect of the Obligor Security and under the guarantees from the Obligors, but excluding any amounts standing to the credit of or recovered by the Obligor Security Trustee from any Defeasance Account, any Obligor Liquidity Standby Account and any Tax credits.
AVPS	has the meaning given to it on page 85.
BAA	has the meaning given to it on page 94.
Bainsdown Airport City Land	means the freehold land owned by Bainsdown Limited registered as at the Initial Issue Date at the Land Register with title number GM513511.
Base Index Figure	has the meaning given to it on page 219.
Basic Terms Modification	has the meaning given to it in paragraph 4.8 of schedule 4 (Provisions for Voting) to the Bond Trust Deed.
Bearer Bonds	has the meaning given to it on page 201.
Bearer Definitive Bond	means a Bearer Bond in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Bond Trust Deed in exchange for either a Temporary Bearer Global Bond or part thereof or a Permanent Bearer Global Bond or part thereof (all as indicated in the applicable Final Terms), such Bearer Bond in definitive form being in the form or substantially in the form set out in part 3 (Form of Bearer Definitive Bond) of schedule 1 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant stock exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Bond in bearer form) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue.

Bearer Global Bond means a Temporary Bearer Global Bond and/or a Permanent Bearer Global Bond, as the context may require.

Benchmark Amendments has the meaning given to it in Condition 5(i).

Benchmark Event has the meaning given to it in Condition 5(i).

Beneficial Owner has the meaning given to it on page 249.

Block Voting Instruction means:

(a) in relation to voting by the holders of Bearer Bonds:

(i) a document in the English language issued by a Paying Agent;

(ii) certifying that the Deposited Bonds have been deposited with such Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system and will not be released until the earlier of:

(A) close of business (London time) on the Voting Date; and

(B) the surrender to such Paying Agent, not less than 24 hours before the Voting Date of the receipt for the Deposited Bonds and notification thereof by such Paying Agent to the Bond Trustee;

(iii) certifying that the depositor of each Deposited Bond or a duly authorised person on its behalf has instructed the relevant Paying Agent that the Votes attributable to such Deposited Bond are to be cast in a particular way on a Voting Matter and that, until the end of the Voting Period, such instructions may not be amended or revoked;

(iv) listing the aggregate principal amount and (if in definitive form) the serial numbers of the Deposited Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such Voting Matter; and

(v) authorising the Principal Paying Agent or a tabulation agent, as proxy for the holders of the Deposited Bonds, to vote in respect of the Deposited Bonds in connection with such Voting Matter in accordance with such instructions and the provisions of the Bond Trust Deed;

(b) in relation to voting by the holders of Registered Bonds:

(i) a document in the English language issued by the Registrar or the Principal Paying Agent;

(ii) certifying:

(A) (where the Registered Bonds are represented by a Global Bond) that certain specified Registered Bonds (each a "**Blocked Bond**") have been blocked in an account with a clearing system and will not be released until close of business (London time) on the Voting Date and that the holder of each Blocked Bond or a duly authorised person on its behalf has instructed the Registrar that the Votes attributable to such Blocked Bond are to be cast in a particular way on a Voting Matter; or

(B) (where the Registered Bonds are represented by Registered Definitive Bonds) that each registered holder of certain specified Registered Bonds (each a "**Relevant Bond**") or a duly authorised person on its behalf has instructed the Registrar that those Votes attributable to each Relevant Bond held by it are to be cast in a particular way on such Voting Matter; and

in each case that, until the end of the Voting Period, such instructions may not be amended or revoked;

(iii) listing the aggregate principal amount of the Blocked Bonds and the Relevant Bonds, distinguishing between those in respect of which instructions have been given to Vote for, or against, such Voting Matter; and

(iv) authorising the Principal Paying Agent, or a tabulation agent, as proxy for the holders of the Deposited Bonds, to vote in respect of the Blocked Bonds and the Relevant Bonds in connection with such Voting Matter in accordance with such instructions and the provisions of the Bond Trust Deed.

Blocked Bond	has the meaning given to it on page 308.
Bond Basis	has the meaning given to it on page 215.
Bond Relevant Date	has the meaning given to it on page 214.
Bond Trust Deed	has the meaning given to it on page 199.
Bond Trustee	means Citicorp Trustee Company Limited or any other or additional trustee appointed pursuant to the Bond Trust Deed, for and on behalf of the Bondholders, the Receiptholders and the Couponholders.
Bondholder	has the meaning given to it on pages 202 and 243.
Bonds	has the meaning given to it on page 199.

Business Day	has the meaning given to it on page 212.
business day	has the meaning given to it on page 235.
Business Day Convention	has the meaning given to it on page 206.
CAA	has the meaning given to it on pages 9 and 24.
CAGR	has the meaning given to it on page 64.
Calculation Agency Agreement	has the meaning given to it on page 200.
Calculation Agent	has the meaning given to it on page 200.
Calculation Amount	has the meaning given to it on page 214.
Calculation Date	means: (a) 31 March and 30 September in each year commencing on 31 March 2014; or (b) such other dates as may be agreed as a result of a change in the financial year end (and associated change in the calculation of financial covenants) relating to any Obligor.
Calculation Period	has the meaning given to it on page 214.
Call Protected Floating Rate Bonds	has the meaning given to it on page 231.
Cash	means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of an Obligor with an Acceptable Bank and to which an Obligor is alone (or together with other Obligors) beneficially entitled and for so long as: (a) that cash is repayable on demand or within 30 days of demand; (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Security Group or of any other person whatsoever or on the satisfaction of any other condition; and (c) there is no Security Interest over that cash except under the Obligor Security Documents or any Permitted Security constituted by a netting or set-off arrangement entered into by any member of the Security Group in the ordinary course of their banking arrangements.
Cash Equivalent Investments	means at any time: (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of:

(i) the United States of America;

(ii) the United Kingdom; or

(iii) any member state of the European Economic Area or any Participating Member State which in each case has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within six months after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;

(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 F1 or higher by 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 their dematerialised equivalent);

(e) any investment in money market funds which:

(i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's;

(ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above; and

(iii) can be turned into cash on not more than 30 days' notice; and

(f) any other debt security approved or consented to by:

(i) in the case of any Cash Equivalent Investments purchased by or on behalf of an Obligor, the Obligor Security Trustee; or

(ii) in the case of any Cash Equivalent Investments purchased by or on behalf of the Issuer, the Issuer Security Trustee,

in each case, denominated in Sterling, dollars or euro and to which the Issuer or any Obligor (as applicable) is alone (or in the case of an Obligor, together with other Obligors) beneficially entitled at that time and which is not issued or guaranteed by any member of the Security Group or subject to any Security Interest (other than any Security Interest arising under the Obligor Security Documents or the Issuer Deed of Charge, as the case may be) and which constitute financial assets within the meaning of generally accepted accounting practice.

Change of Basis Election has the meaning given to that term in paragraph 2(c) (Form of Financial Statements) of part 1 (Information Covenants) of schedule 2 (Security Group Covenants) to the Common Terms Agreement.

Change of Control means any one or more Initial Investors, taken together, cease to (directly or indirectly) cast, or control the casting of, at least 50.1 per cent. of the maximum number of votes that might be cast at a general meeting of the Security Group Agent.

Clearing Systems has the meaning given to it on page 243.

Clearstream, Luxembourg means Clearstream Banking S.A.

COBS has the meaning given to it on page 243.

Code has the meaning given to it on page 234.

Combined Swap Transaction means a Swap Transaction and an Offsetting Transaction.

Commitment has the meaning given to such term in the relevant Authorised Credit Facility Agreement.

Common Assurance means any Security Interest, guarantee, indemnity, assurance against loss or other credit support given by, or recourse to, any Obligor, the benefit of which (however conferred) is, to the extent legally possible, given to each Obligor Secured Creditor (or the Obligor Security Trustee on behalf of the Obligor Secured Creditors) on an equal and rateable basis.

Common Depositary means the agent appointed by the International Central Securities Depositaries to act as the common depositary for Euroclear and Clearstream, Luxembourg, in respect of the Bonds.

Common Documents means the Obligor Security Documents, the Common Terms Agreement, the Master Definitions Agreement and the Tax Deed of Covenant.

Common Safekeeper means an ICSD in its capacity as common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper.

Common Terms Agreement means the common terms agreement dated on or about the Initial Issue Date between, among others, the Obligors, the Issuer, the Obligor Security Trustee and the Issuer Security Trustee.

Companies Act has the meaning given to it on page 221.

Competition Appeal Tribunal means the Competition Appeal Tribunal of the United Kingdom established pursuant to the Enterprise Act 2002.

Competition Commission means the Competition Commission of the United Kingdom established pursuant to the Competition Act 1998.

Compliance Certificate means a certificate, substantially in the form of schedule 4 (Form of Compliance Certificate) to the Common Terms Agreement in which the Obligors periodically provide certain financial information and statements as required by the Common Terms Agreement.

Conditions has the meaning given to it on page 199.

Coupon means an interest coupon appertaining to a Bearer Definitive Bond (other than a Zero Coupon Bond), such coupon being:

(a) if appertaining to a Fixed Rate Bond, in the form or substantially in the form set out in Part 5A (Form of Coupon) of schedule 2 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed or in such other form, having regard to the terms of issue of the Bonds of the relevant Tranche, as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s); or

(b) if appertaining to a Floating Rate Bond or an Index-Linked Bond, in the form or substantially in the form set out in part 5B (Form of Coupon) of schedule 1 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed or in such other form, having regard to the terms of issue of the Bonds of the relevant Tranche, as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s); or

(c) if appertaining to a Bearer Definitive Bond which is neither a Fixed Rate Bond nor a Floating Rate Bond nor an Index-Linked Bond, in such form as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s),

	and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 13 (*Replacement of Bonds, Coupons, Receipts and Talons*).
Couponholders	means the several persons who are, for the time being, holders of the Coupons and includes, where applicable, the Talonholders.
CPI	has the meaning given to it on page 218.
CPIH	has the meaning given to it on page 218.
CRD	has the meaning given to it on page 38.
CSR	has the meaning given to it on page 84.
CTA	means the Common Terms Agreement.
CTI	has the meaning given to it on page 76.
date for payment	has the meaning given to it on page 223.
Day Count Fraction	has the meaning given to it on page 214.
DC Plan	has the meaning given to it on page 79.
Dealers	has the meaning given to it on page 200.
DC Scheme	has the meaning given to it on page 79.
DDA	has the meaning given to it on page 80.
Dealership Agreement	has the meaning given to it on page 200.
Debt Service Reserve Account	means any account opened or maintained by the Issuer or the Borrower entitled "Debt Service Reserve Account" which may be credited with a cash reserve for satisfying all or part of the minimum debt service funding requirements required under the Transaction Documents.
Decision Commencement Date	has the meaning given to it on page 171.
Decision Period	has the meaning given to it on page 171.
Default Ratio	means: (a) in respect of the Interest Coverage Ratio, the Interest Coverage Ratio falls below 1.40 to 1; and (b) in respect of the Leverage Ratio, the Leverage Ratio exceeds 7.50 to 1.
Defeasance Account	means each bank account opened or maintained by the Borrower in accordance with the Transaction Documents in respect of Defeased Debt.

Defeasance Amounts	means amounts standing to the credit of a Defeasance Account or any amount representing proceeds of withdrawal from a Defeasance Account (other than amounts permitted to be withdrawn from the Defeasance Accounts in accordance with the terms of the Common Terms Agreement).
Defeased Debt	means any Obligor Senior Debt (including each Issuer Loan) in respect of which the relevant Obligor Secured Creditor Representative (or, in respect of any Issuer Loan, the Issuer or the Bond Trustee) has designated the relevant Obligor Senior Debt as Defeased Debt.
Definitive Bond	means a Bearer Definitive Bond and/or, as the context may require, a Registered Definitive Bond.
Delegate	means any delegate, agent, attorney or co-trustee appointed by the Obligor Security Trustee.
designated airports	has the meaning given to it on page 101.
Designated Website	has the meaning given to it on page 147.
Determination Date	has the meaning given to it on page 214.
Determination Period	has the meaning given to it on page 214.
Direct Participants	has the meaning given to it on page 248.
Direction Notice	has the meaning given to it in clause 23.1 (Direction Notice) of the STID.
Discharge Date	means in relation to any Authorised Credit Facility, the date on which the Obligor Security Trustee receives a notice delivered under clause 7.4 (Discharge of Obligor Secured Liabilities) of the STID from the Authorised Creditor Representative for that Authorised Credit Facility confirming that the Obligor Secured Liabilities in respect of that Authorised Credit Facility have been discharged in full and that none of the Obligor Secured Creditors under that Authorised Credit Facility, if any such obligation applied in respect of any such Obligor Secured Creditor, are under any further actual or contingent obligation to make advances or provide any other financial accommodation under any of the Transaction Documents.
Discretion Matter	means a matter in which the Obligor Security Trustee may exercise its discretion to approve any request made in a STID Proposal without any requirement to seek the approval of any Obligor Secured Creditor, Issuer Secured Creditor or any of their representatives.
Disposing Company	has the meaning given to it on page 156.
Disruption Event	means in relation to any Authorised Credit Facility, either or both of: (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with such Authorised Credit Facility (or otherwise in

order for the transactions contemplated by the Obligor Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the parties to such Obligor Documents; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a party to such Obligor Document preventing that, or any other party to such Obligor Document:

(i) from performing its payment obligations under the Obligor Documents; or

(ii) from communicating with other parties to such Obligor Documents in accordance with the terms of the Obligor Documents,

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

Dissenting Creditors has the meaning given to it on page 169.

Distressed Disposal means a disposal of an asset of a member of the Security Group which is:

(a) being effected pursuant to instruction in accordance with the STID in circumstances where the Obligor Security has become enforceable; or

(b) being effected by enforcement of the Obligor Security.

Distribution means:

(a) the declaration, making or payment of any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(b) the repayment or distribution of any dividend or share premium reserve;

(c) the issue of any shares;

(d) the payment or the allowing of any member of the Security Group to pay any management, advisory or other fee to or to the order of any shareholder of the Parent or to any direct or indirect shareholder of such shareholders (including any Investor);

(e) the making of any loan to any shareholder of the Parent or to any Sponsor Affiliate which is not a member of the Security Group (including any Investor);

(f) the repayment of any amount (in cash or in kind) (including in respect of principal, interest, capitalised interest, commission,

charges and fees) under any Subordinated Liabilities Instrument; or

(g) the redemption, repurchase, defeasement, retirement or repayment of any of its share capital or the resolving to do so.

Distribution Compliance Period has the meaning given to that term in Regulation S, as more fully described on page 276.

Distribution Condition means:

(a) no Obligor Default is continuing or would result from making any proposed Distribution;

(b) the Compliance Certificate last provided by the Security Group Agent:

(i) demonstrates in respect of the Relevant Historic Period to which that Compliance Certificate relates; and

(ii) confirms in respect of the Relevant Forward Looking Period to which that Compliance Certificate relates,

that, taking into account the proposed Distribution:

(A) the Interest Coverage Ratio is not less than 2.00:1; and

(B) the Leverage Ratio is not greater than 6.00:1;

(c) the sum of the amount available under a Liquidity Facility Agreement and any amount credited to the Debt Service Reserve Accounts is in aggregate not less than the Liquidity Required Amount;

(d) neither the Issuer nor any Obligor has drawn down under a Liquidity Facility (excluding any drawing or repayment of any Standby Drawing) or withdrawn sums credited to a Debt Service Reserve Account, or an Obligor Liquidity Standby Account, where the withdrawal of such amount is for the purposes of making scheduled debt service payments on the Senior Debt and has not been repaid in full;

(e) the long-term credit rating of any Bonds ascribed by at least one Rating Agency which have been engaged by the Issuer to provide a public long-term credit rating is Investment Grade;

(f) as at the date of the relevant Distribution, the aggregate of (i) the amount of all accretions by indexation to the original notional amounts of any inflation linked Hedging Agreement and (ii) the outstanding amount of any advance or fee payable under the Issuer Loan Agreement corresponding to accretions by indexation to the notional amount of any inflation linked Hedging Agreement, less any Cash or Cash Equivalent Investments held by the Obligors (in the case of the Liquidity

Facility Agreement, excluding Standby Drawings but including amounts drawn from a Debt Service Reserve Account) does not exceed an amount equal to 10 per cent. of Total Net Debt (or its equivalent in other currencies) as at the most recent Calculation Date; and

(g) the auditors of the Parent have not qualified the Annual Financial Statements of the Parent in terms or as to issues which are or would be reasonably likely to have a Material Adverse Effect.

Distribution Ratios means the financial ratios set out in paragraph (b) of the definition of Distribution Condition.

dollars has the meaning given to it on page vi.

Drawdown Prospectus means a separate prospectus specific to a Tranche of Bonds.

DTC means The Depository Trust Company.

EASA has the meaning given to it on page 97.

EBITDA means, in respect of any Relevant Period, the consolidated results from operations of the Obligors before taking into account any Significant Items, adjusted by:

(a) **adding** depreciation and amortisation;

(b) **excluding** any amount attributable to minority interests in Subsidiaries;

(c) **including** the consolidated results from operations of each Obligor or business or assets acquired by any Obligor during the Relevant Period (adjusted as set out in paragraphs (a) and (b) above) for that part of the Relevant Period when such company was not an Obligor or such business or assets were not owned by an Obligor;

(d) **excluding** the consolidated results from operations (adjusted as set out in paragraphs (a) and (b) above) attributable to any Obligor or business or assets sold by any Obligor during the Relevant Period; and

(e) **excluding** any Equity Cure Amount,

in each case calculated in accordance with the Accounting Standards.

Economic Licence has the meaning given to it on page 102.

ED&I has the meaning given to it on page 86.

EEA has the meaning given to it on page 291.

EMA has the meaning given to it on page 3.

EMANDLL has the meaning given to it on page 115.

EMEA	has the meaning given to it on page 77.
EMIA	has the meaning given to it on page 85 and 86.
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 Liabilities under a Hedging Agreement (other than a Permitted Hedge Termination); (c) enforcing any Liabilities by attachment, set-off, execution, diligence, arrestment or otherwise; (d) crystallising, or requiring the Obligor Security Trustee to crystallise, any floating charge in the Obligor Security Documents; (e) enforcing, or requiring the Obligor Security Trustee to enforce, any Obligor Security; (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 Obligor in any jurisdiction; (ii) any voluntary arrangement, scheme of arrangement or assignment for the benefit of creditors; or (iii) any similar proceedings involving any Obligor whether by petition, convening a meeting, voting for a resolution or otherwise; (g) bringing or joining any legal proceedings against any Obligor (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 Obligor Security; or (i) otherwise exercising any other remedy for the recovery of any Liabilities.
Enforcement Instruction Notice	has the meaning given to it in clause 19.2(a) (Enforcement Instruction Notices) of the STID.

Enforcement Instruction Notice has the meaning given to it on page 176.

Entrenched Right STID Proposal has the meaning given to it on page 187.

Entrenched Rights are matters which:

(a) would delay the date fixed for payment of principal or interest in respect of the relevant Obligor Secured Creditor's debt or would reduce the amount of principal or make-whole amounts or the rate of interest payable in respect of such debt;

(b) would bring forward the date fixed for payment of principal or interest in respect of an Obligor Secured Creditor's debt or would increase the amount of principal or the rate of interest payable on any date in respect of the Obligor Secured Creditor's debt;

(c) would adversely change or have the effect of adversely changing (i) any requirement set out in any Common Document that certain payments, applications or distributions should be made in accordance with the Obligor Post-Enforcement Priority of Payments or (ii) the Obligor Post-Enforcement Priority of Payments or application thereof (or ranking of any claims pursuant thereto) (including by amending any of the defined terms referred to therein), in each case in respect of an Obligor Secured Creditor (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change);

(d) would have the effect of adversely changing the application of any proceeds of enforcement of the Obligor Security Documents;

(e) would deprive an Obligor Secured Creditor of its status as an Obligor Secured Creditor;

(f) would result in the exchange of the relevant Secured Creditor's debt for, or the conversion of such debt into, shares, notes or other obligations of any other person;

(g) would change or would relate to the currency of payment due under the relevant Obligor Secured Creditors debt (other than, in relation to Sterling-denominated debt, due to the United Kingdom adopting the Euro);

(h) would change or would relate to any existing obligation of an Obligor to gross up any payment in respect of the relevant Obligor 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);

(i) would change or would have the effect of changing (i) any of the following definitions or their use: Qualifying Obligor Secured Creditors, Qualifying Obligor Senior Debt, STID Proposal, Discretion Matter, Ordinary Voting Matter, Secured Debt, Extraordinary Voting Matter, Voted Qualifying Debt, Reserved Matter, Entrenched Right, Obligor Secured Liabilities; (ii) the Decision Period, Quorum Requirement or voting majority required in respect of any Ordinary Voting Matter, Extraordinary Voting Matter, Qualifying Obligor Secured Creditor Instruction Notice, Enforcement Instruction Notice or Further Enforcement Instruction Notice; (iii) any of the matters that give rise to Entrenched Rights under the STID; (iv) clause 17.1 (Scope of Entrenched Rights) of the STID; or (v) the manner in which Entrenched Rights or Reserved Matters may be exercised or the consequences of exercising such Entrenched Rights or Reserved Matters;

(j) would change or have the effect of changing clause 11.3 (Participating Qualifying Obligor Secured Creditors) of the STID;

(k) would change or have the effect of changing schedule 3 (Reserved Matters) of the STID;

(l) would change or would have the effect of changing the governing law or the dispute resolution clauses of any Common Document or Obligor Document;

(m) would approve an assignment of any rights or a transfer of any obligations of an Obligor under any Common Document (other than as contemplated in any Common Document);

(n) in respect of each Hedge Counterparty:

(i) would change or would have the effect of changing any of the following definitions: Obligor Hedge Counterparty, Obligor Hedging Agreement, Obligor Hedging Transaction, Obligor Subordinated Hedge Amounts, Combined Swap Transaction, Hedge Counterparties, Hedging Agreement, Hedging Policy, Hedging Transaction, Hedge Replacement Premium, ISDA Master Agreement, Issuer Hedge Counterparty, Issuer Hedging Agreement, Issuer Hedging Transaction, Issuer Subordinated Hedge Amounts, Pari Passu Obligor Hedge Counterparty, Pari Passu Obligor Hedging Agreement, Pari Passu Hedge Counterparty, Pari Passu Hedging Agreement, Pari Passu Issuer Hedge Counterparty, Pari Passu Issuer Hedging Agreement, Pari Passu Issuer Hedging Transaction, Super Senior Obligor Hedging Agreement, Super Senior Hedge Counterparty, Super Senior Hedging Agreement, Super Senior Issuer Hedging Agreement, Swap Transaction or Treasury Transaction;

(ii) would change or would have the effect of changing the limits specified in paragraph 10 (General Principles) and paragraphs 5 to 21 (Interest Rate Risk Principles) of schedule 6 (Hedging Policy) to the Common Terms Agreement;

(iii) would change or have the effect of changing the definition of Permitted Hedge Termination or any of the Hedge Counterparties' rights to terminate the Hedging Agreements as set out in the Hedging Policy (including paragraphs 9 and 25 to schedule 6 (Hedging Policy) of the Common Terms Agreement);

(iv) would change or have the effect of changing clause 6.1 (Obligor Events of Default) of the Common Terms Agreement;

(v) would change or have the effect of changing the definition of Obligor Acceleration Notice or would change or have the effect of changing clause 20.2 (Consequences of Delivery of Obligor Acceleration Notice) of the STID or clause 21.4 (Obligor Post-Enforcement Priority of Payments) of the STID;

(vi) would change or have the effect of changing the purpose of the Liquidity Facility so as to result in it no longer being available to service payments due under the Hedging Agreements;

(vii) would release any of the Obligor Security (unless at least equivalent replacement security is taken at the same time) unless such release is permitted in accordance with the Common Documents; and

(viii) would change or have the effect of changing paragraph 10 (Disposals) of part 3 (General Covenants) of schedule 2 (Security Group Covenants) of the Common Terms Agreement;

(o) in respect of each Liquidity Facility Provider, would change the effect of clause 21.4 (Obligor Post-Enforcement Priority of Payments) of the STID or would affect the ability of such Liquidity Facility Provider to enforce its rights under a Liquidity Facility Agreement; and

(p) in respect of each Initial ACF Lender, relates to those changes referred to in paragraph (a) of clause 34.3 (Exceptions) of the Initial ACF Agreement and (2) in respect of each Initial ACR Lender which is an Affected Obligor Secured Creditors, relates to those changes referred to in paragraph (b) of clause 34.3 (Exceptions) of the Initial ACF Agreement,

	provided that reference in this definition to "**adversely**" or "**adverse**" means, in respect of a change, a change which has the effect of changing the priority of any Secured Creditor relative to any other Secured Creditor, provided that the creation of payments which rank subordinate to the relevant Secured Creditor shall not be an adverse change.
Environment	means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media: (a) air (including air within natural or man-made structures, whether above or below ground); (b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and (c) land (including land under water).
Environmental Law	means any applicable law or regulation which relates to: (a) the pollution or protection of the Environment; (b) the conditions of the workplace; or (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste.
Environmental Noise Regulations	has the meaning given to it on page 25.
Equity Cure Amount	has the meaning given to it on page 164.
Equity Cure Right	has the meaning given to it on page 164.
Equivalent Amount	means the amount in question expressed in the terms of the Base Currency, calculated on the basis of the Exchange Rate.
ERISA	has the meaning given to it on page 291.
EURIBOR	has the meaning given to it on page 194.
EU	has the meaning given to it on page 17,
EU CRA	has the meaning given to it on page 299
EU PRIIPs Regulation	has the meaning given to it on page v.
EU Prospectus Regulation	means Regulation (EU) 2017/1129 as amended or superseded.
Euro	has the meaning given to it on page vi.
Eurobond Basis	has the meaning given to it on page 215.

Euroclear means Euroclear Bank SA/NV.

Eurosystem-eligible NGB means an NGB which is intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms.

EUWA has the meaning given to it on page ii.

Event of Default means an Obligor Event of Default or an Issuer Event of Default.

Exchange Agent has the meaning given to it on page 200.

Exchange Date means the date which falls 40 days after a Temporary Bearer Global Bond has been issued.

Exchange Event has the meaning given to it on pages 244 and 246.

Exchange Rate means the strike rate specified in any related Super Senior Hedging Agreement or Pari Passu Hedging Agreement or, failing that, the spot rate for the conversion of the Non-Base Currency into the Base Currency as quoted by the Agent Bank as at 11.00 a.m.:

(a) for the purposes of clauses 13.7 (STID Voting Request), 19.3 (Quorum and voting requirements in respect of an Enforcement Instruction Notice and a Further Enforcement Instruction Notice) or 22 (Qualifying Obligor Secured Creditor Instructions) of the STID, on the date that the STID Voting Request, an Enforcement Instruction Notice and a Further Enforcement Instruction Notice or a Qualifying Obligor Secured Creditor Instruction Notice (as the case may be) is dated; and

(b) in any other case, on the date as of which calculation of the Equivalent Amount of the Outstanding Principal Amount is required,

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

Excluded Tax means:

(a) in relation to any person, any Tax to the extent:

(i) imposed on or calculated by reference to the net income, profits or gains of that person, in each case excluding any deemed income, profits or gains of that person other than to the extent such deemed income, profits or gains do not exceed any actual income, profits or gains of an Affiliate of that person; or

(ii) arising from the fraud, gross negligence, wilful default or unreasonable delay of the relevant person; or

(iii) it is recoverable VAT; and

(b) in relation to the Issuer only, corporation tax at the applicable rate on its retained profit as defined for the purposes of

Regulation 4(3) and 10 of the Taxation of Securitisation Companies Regulations 2006,

and, in each case, including any related costs.

Exempt Bonds has the meaning given to it on page i.

Existing Security means the Security Interests created pursuant to the Existing Security Agreement.

Existing Security Agreement means the security agreement dated 28 February 2013 between, among others, the Parent, the Borrower and the Existing Security Trustee.

Existing Security Trustee means Deutsche Trustee Company Limited in its capacity as security trustee under the Existing STID.

Existing STID means the security trust and intercreditor deed dated 15 January 2013 between, among others, the Parent, the Borrower and the Existing Security Trustee.

Expert has the meaning given to it on page 221.

Extraordinary Quorum Requirements has the meaning given to it on page 239.

Extraordinary Resolution means (a) a resolution approved by the Bondholders by a majority of not less than three-quarters of the aggregate Principal Amount Outstanding of the outstanding Bonds who (i) for the time being are entitled to receive notice of a voting matter and (ii) have participated in the approval process in respect of such resolution, subject to the quorum requirements set out in paragraph 4 (Other Voting Matters) of schedule 5 (Provisions for Voting) of the Bond Trust Deed; (b) a resolution in writing signed by or on behalf of the holders of not less than three quarters of the aggregate Principal Amount Outstanding of the outstanding Bonds who for the time being are entitled to receive notice of a voting matter, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders; or (c) a resolution by an Electronic Consent.

Extraordinary STID Resolution has the meaning given thereto in clause 16.3 (Requisite majority in respect of an Extraordinary Voting Matter) of the STID.

Extraordinary Voting Matters are matters which:

(a) would change (i) material definitions which relate to the key structural principles on which the voting mechanics of the Extraordinary Voting Matters have been founded, or (ii) any of the matters constituting Extraordinary Voting Matters;

(b) would change any Obligor Event of Default in relation to non-payment, the making of Distributions or financial ratios;

(c) would relate to the waiver of any Obligor Event of Default in relation to non-payment, financial ratios or the making of Distributions;

(d) would change in any material respect the restriction on any disposal of an Obligor or any other Material Subsidiary or relate to a consent in respect of any such disposal;

(e) would relate to a consent in respect of any disposal of all or substantially all of the assets and business constituting Manchester International Airport or Stansted International Airport (whether by way of asset or share sale) or any change to sub-paragraph (ii) of the proviso in the definition of Permitted Disposal;

(f) would materially change or have the effect of materially changing the definition of Permitted Business;

(g) would change or have the effect of changing the provisions relating to or relate to the waiver of the Permitted Additional Financial Indebtedness tests set out in the definition of "Permitted Additional Financial Indebtedness" in the Master Definitions Agreement;

(h) would result in the Aggregate Available Liquidity being less than the Liquidity Required Amount; or

(i) would release any of the Obligor Security (unless equivalent replacement security is taken at the same time) unless such release is permitted in accordance with the terms of the Common Documents.

F&B has the meaning given to it on page 60.

Facility Agent means, as the context requires, any or all of the Initial ACF Agent, the Liquidity Facility Agent and any agent appointed in respect of any Authorised Credit Facility.

FATCA has the meaning given to it on page 282.

FCA means the Financial Conduct Authority or any successor authority or authorities (as applicable) in its capacity as competent authority under FSMA.

Federal Reserve System has the meaning given to it on page 224.

Final Maturity Date means:

(a) in relation to a Bond, the final date on which that Bond is expressed to be redeemable; and

(b) in relation to any other 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).

Final Terms has the meaning given to it on page 199.

Finance Lease means any lease or hire purchase contract which would, in accordance with the Accounting Standards, be treated as a finance or capital lease.

Financial Adviser has the meaning given to it on page 224.

Financial Half-Year means the six month accounting period of the Security Group ending on or about 30 September in each year.

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of Finance Leases;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close out of that Treasury Transaction (being the "**Crystallised Amount**"), that amount) shall be taken into account);

(g) any counter indemnity obligation in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or other instrument issued by a bank or financial institution;

(h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply; or

(i) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Standards; and

(j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above,

but in each case without double counting.

Financial Ratio Event of Default means an Obligor Event of Default pursuant to paragraph 2 (Financial Covenants) of schedule 3 (Obligor Events of Default) to the Common Terms Agreement.

Financial Statements means the Annual Financial Statements or the Semi-Annual Financial Statements as applicable.

Financial Year means the annual accounting period of the Security Group ending on or about 31 March in each year.

Fitch has the meaning given to it on page 299.

Fixed Rate Bonds has the meaning given to it on page 199.

Floating Rate Bonds has the meaning given to it on page 199.

Following Business Day Convention has the meaning given to it on page 206.

Foreign Passthru Payments has the meaning given to it on page 282.

FSMA means the Financial Services and Markets Act 2000.

FRS102 has the meaning given to it on page x.

Further Enforcement Instruction Notice has the meaning given to it in clause 19.2 (Enforcement Instruction Notices) of the STID.

Further Enforcement Instruction Notice has the meaning given to it on page 177.

Global Bond means a Temporary Bearer Global Bond and/or a Permanent Bearer Global Bond issued in respect of the Bonds of any Tranche and/or a Registered Global Bond, as the context may require.

GMPF has the meaning given to it on pages 80 and 92.

Gross Assets means:

(a) in respect of any member of the Security Group, the aggregate of all tangible assets of that company less any assets which constitute liabilities of another member of the Security Group owed to that company, calculated in accordance with the Accounting Standards;

(b) in respect of any Obligor, the aggregate of all tangible assets of that company less any assets which constitute liabilities of another Obligor owed to that company, calculated in accordance with the Accounting Standards; and

	(c) in respect of any Guarantor, the aggregate of all tangible assets of that company less any assets which constitute liabilities of another Guarantor owed to that company, calculated in accordance with the Accounting Standards, and a reference to (i) the "Gross Assets of the Security Group" is to the aggregate of the Gross Assets of each member of the Security Group; (ii) the "Gross Assets of the Obligors" is to the aggregate of the Gross Assets of each Obligor; or (iii) the "Gross Assets of the Guarantors" is to the aggregate of the Gross Assets of each Guarantor.
Gross Real Redemption Yield	has the meaning given to it on page 225.
Gross Redemption Yield	has the meaning given to it on pages 227 and 231.
Group Payment Arrangement	means the arrangement made pursuant to section 59F on the Taxes Management Act 1970 involving certain members of the Security Group.
Guarantee	means, in relation to each Obligor, the guarantee of such Obligor given by it pursuant to the Obligor Security Documents to which it is a party.
Guarantor	means each Original Guarantor and each other person who accedes to, inter alia, the Common Terms Agreement, the Master Definitions Agreement and the STID as an Obligor and provides a Guarantee, in each case, in accordance with the terms of the Obligor Documents.
GVA	has the meaning given to it on page 55.
HAHL	means Heathrow Airport Holding Limited.
Hedge Counterparty	means an Issuer Hedge Counterparty or an Obligor Hedge Counterparty.
Hedge Replacement Premium	means an Issuer Hedge Replacement Premium or an Obligor Hedge Replacement Premium.
Hedging Agreement	means an Obligor Hedging Agreement or an Issuer Hedging Agreement.
Hedging Policy	has the meaning given to it on page 165.
Hedging Transaction	means an Obligor Hedging Transaction or an Issuer Hedging Transaction.
Holder	has the meaning given to it on page 202.
holder of Bonds	has the meaning given to it on page 202.
Holding Company	means, in relation to a person, any other person in respect of which it is a Subsidiary.
HS2	has the meaning given to it on page 22.
ICSDs	has the meaning given to it on page 247.
IFA	has the meaning given to it on page 218.

IFM	has the meaning given to it on page 6.
IFM Investors	has the meaning given to it on page 71.
IFRS	means the International Financial Reporting Standards.
IGAs	has the meaning given to it on page 275.
ILFP Information	has the meaning given to it on page vii.
Incoming Creditors	has the meaning given to it on page 155.
Independent Adviser	has the meaning given to it in Condition 5(i).
Index	has the meaning given to it on page 221.
Indexed	means, in respect of any reference to that amount, an amount to that amount (as previously indexed) as such amount may be adjusted following the Initial Issue Date up or down at the beginning of each Financial 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 Transaction Document.
Index Event	has the meaning given to it on page 229.
Index Figure	has the meaning given to it on page 222.
Index Figure applicable	has the meaning given to it on page 214.
Index Ratio	has the meaning given to it on page 222.
Indexation Adviser	has the meaning given to it on page 222.
Indexed Bonds	has the meaning given to it on page 199.
Index-Linked Bond	means a Bond in respect of which the amount payable in respect of principal and interest is calculated by reference to an index and/or formula as the Issuer and the relevant Dealer(s) may agree (as indicated in the relevant Final Terms).
Indirect Participants	has the meaning given to it on page 248.
Initial ACF Agent	means The Royal Bank of Scotland plc as agent under the Initial Authorised Credit Facilities, or any of its successors thereto.
Initial ACF Agreement	means the Initial Authorised Credit Facilities Agreement.
Initial ACF Arrangers	means the financial institutions listed in Part 1 (*The Effective Date Initial ACF Arrangers*) of Schedule 1 (*The Effective Date Parties*) as arrangers under the Initial Authorised Credit Facilities.
Initial ACF Lenders	means:

(a) Barclays Bank PLC;

(b) BNP PARIBAS, London Branch;

(c) Canadian Imperial Bank of Commerce, London Branch;

(d) HSBC Bank plc;

(e) National Westminster Bank PLC

(f) National Australia Bank Limited (ABN 12 004 044 937);

(g) Sumitomo Mitsui Banking Corporation, London Branch.; and

(h) Handelsbanken PLC, acting through its Large Corporate (North) Branch.

Initial Authorised Credit Facilities means the senior revolving facilities to be made available to the Borrower by the Initial ACF Lenders pursuant to the Initial ACF Agreement.

Initial Authorised Credit Facilities Agreement means the agreement dated on or around the Initial Issue Date documenting the Initial Authorised Credit Facilities.

Initial Date Representations has the meaning given to it on page 144.

Initial Investors means:

(a) The Council of the City of Manchester;

(b) Greater Manchester District Councils (excluding The Council of the City of Manchester); and

(c) IFM.

Initial Issue Date means 14 February 2014.

Initial Issuer Loan Agreement means the Issuer Loan Agreement entered into between the Issuer and the Borrower on the Initial Issue Date.

Initial Liquidity Facility Agreement has the meaning given to it on pages 179 and 197.

Initial Liquidity Facility Providers has the meaning given to it on page 197.

Initial Obligor Hedge Counterparties means Barclays Bank PLC, BNP PARIBAS, Canadian Imperial Bank of Commerce, Commonwealth Bank of Australia, HSBC Bank plc, Lloyds Bank plc, Merrill Lynch International, Mitsubishi UFJ Securities International plc, National Australia Bank Limited, Royal Bank of Canada and The Royal Bank of Scotland plc.

Initial Obligor Hedging Agreement means each ISDA Master Agreement dated on or about 28 February 2013 between the Borrower and an Initial Obligor Hedge Counterparty, as amended and restated on or about the Initial Issue Date which complies

with the Hedging Policy as at the Initial Issue Date and which governs the Obligor Hedging Transactions between such parties, and such term includes the schedule to the relevant ISDA Master Agreement and the confirmations evidencing the Hedging Transactions entered into under such ISDA Master Agreement.

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 Obligor Security Trustee, being disputed in good faith with a reasonable prospect of success or which are or frivolous or vexatious and discharged, stayed or dismissed within 30 days of commencement or, if earlier, the date on which it is advertised;

(b) becomes insolvent or is unable to pay its debts in each case, under the laws of any relevant jurisdiction applicable to that company or fails or admits in writing its inability generally to pay its debts as they become due;

(c) the giving of notice of appointment of an administrator or the making of an administration order or an administrator being appointed in respect of all or substantially all of its assets;

(d) an encumbrancer taking possession of the whole or any part of the undertaking or assets of such company;

(e) 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 and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days;

(f) a composition, compromise, assignment or arrangement with creditors of such company (as part of a general composition, compromise, assignment or arrangement affecting such company's creditors generally) other than a composition compromise, assignment or arrangement with respect to any subordinated Financial Indebtedness, any intragroup loan or guarantee;

(g) the passing by such company of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up, liquidation or dissolution of such company (except, in the case of the Issuer, a winding up for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Bond Trustee or by an Extraordinary Resolution);

(h) 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;

(i) save as permitted in the STID, the cessation or suspension of payment of its debts generally or a public announcement by such company of an intention to do so; or

(j) save as provided in the STID, a moratorium is declared in respect of any indebtedness of such company.

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

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

Instalment Amount has the meaning given to it on pages 212 and 215.

Instalment Bonds has the meaning given to it on page 199.

Instalment Date has the meaning given to it on page 232.

Intellectual Property Rights means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each Obligor (which may now or in the future subsist).

Intercreditor Arrangements has the meaning given to it on page 167.

Interest Amount has the meaning given to it on page 212.

Interest Basis has the meaning given to it in the applicable Final Terms or Pricing Supplement.

Interest Commencement Date has the meaning given to it on page 215.

Interest Coverage Ratio means, in respect of any Relevant Period, the ratio of:

	(a) EBITDA minus any amounts paid in respect of tax; to (b) Net Finance Charges.
Interest Determination Date	has the meaning given to it on page 215.
Interest Payment Date	has the meaning given to it on page 215.
Interest Period	has the meaning given to it on page 215.
Interest Rate	has the meaning given to it on page 215.
in-transit	has the meaning given to it on page 301.
Investment Company Act	means the U.S. Investment Company Act of 1940, as amended.
Investment Grade	means a rating of at least BBB- by Fitch, Baa3 by Moody's or BBB- by S&P.
Investment Property	has the meaning given to it on page 80.
Investor Report	means each report produced by the Security Group Agent to be delivered with each Compliance Certificate, substantially in the form set out in schedule 5 (Form of Investor Report) to the Common Terms Agreement.
Investors	mean each Initial Investor and their subsequent successors or assigns or transferees.
ISDA Definitions	has the meaning given to it on page 215.
ISDA Determination	has the meaning given to it on page 207.
ISDA Master Agreement	means an agreement in the form of the 2002 ISDA Master Agreement (including the schedule and credit support annex thereto) or any successor thereto published by ISDA unless otherwise agreed by the Obligor Security Trustee acting in accordance with the STID.
Issue Date	has the meaning given to it on page 216.
Issue Price	means the price as stated in the relevant Final Terms or Pricing Supplement, generally expressed as a percentage of the nominal amount of the Bonds, at which the Bonds will be issued.
Issuer	has the meaning given to it on pages i, 105 and 199.
Issuer Account Bank	means HSBC Bank plc.
Issuer Account Bank Agreement	means the agreement dated on or about the Initial Issue Date between, among others, the Issuer and the Issuer Account Bank.
Issuer Accounts	has the meaning given to it on page 192.
Issuer Charged Documents	means the Issuer Documents and the Obligor Documents to which the Issuer is a party and all other contracts, documents, agreements and deeds

	to which it is, or may become, a party (other than the Issuer Deed of Charge and the Bond Trust Deed).
Issuer Charged Property	has the meaning given to it on page 191.
Issuer Debt Service Reserve Account	means any Debt Service Reserve Account from time to time opened or maintained by the Issuer.
Issuer Deed of Charge	has the meaning given to it on page 200.
Issuer Document	means: (a) the Bonds, the Coupons, the Receipts and any Final Terms relating to the Bonds; (b) the Bond Trust Deed (including the Conditions); (c) the Dealership Agreement; (d) each relevant Subscription Agreement; (e) the Agency Agreement; (f) the Issuer Deed of Charge; (g) the Common Terms Agreement; (h) the STID; (i) the Master Definitions Agreement; (j) each Issuer Loan Agreement; (k) the Liquidity Facility Agreement; (l) the Tax Deed of Covenant; (m) each Issuer Hedging Agreement; (n) the Issuer Account Bank Agreement; (o) any back-to-back hedging agreement between the Issuer and the Borrower, any other agreement, instrument or deed designated as such by the Issuer and the Bond Trustee.
Issuer Enforcement Notice	means a notice delivered by the Bond Trustee to the Issuer in accordance with Condition 10(b) (*Delivery of Issuer Enforcement Notice*) which declares the Bonds to be immediately due and payable.
Issuer Event of Default	has the meaning given to it on page 236.
Issuer Discharge Date	means the date on which the Issuer has repaid or discharged all amounts due in respect of the Bonds.

Issuer Hedge Counterparty means a Hedge Counterparty who is party to an Issuer Hedging Agreement from time to time.

Issuer Hedging Agreement means each ISDA Master Agreement entered into by the Issuer and an Issuer Hedge Counterparty for the purpose of hedging the Issuer Senior Debt in accordance with the Hedging Policy (in the form in effect at the time the relevant ISDA Master Agreement is entered into) and which governs the Issuer Hedging Transactions between such parties.

Issuer Hedging Transaction means any fixed rate, currency, inflation-linked or index linked Treasury Transaction or any other Treasury Transaction governed by an Issuer Hedging Agreement and entered into with the Issuer in accordance with the Hedging Policy.

Issuer ICSD Agreement means the agreement entered into between the Issuer and the ICSDs on or about the Initial Issue Date.

Issuer Liquidity Required Amount means an amount equal to the projected interest and commitment or commission payments and payments of principal that are part of the scheduled amortisation (including any final payment of scheduled amortisation on a Final Maturity Date but not including, for the avoidance of doubt, any payments of principal on a Final Maturity Date in connection with non-amortising debt) of:

(a) the Issuer Senior Debt; and

(b) net payments (other than accretion payments, payments on any break or final termination payments) under the Issuer Hedging Agreements,

to which the Issuer is a party for the following 12 months (calculated on a rolling basis on each Calculation Date).

Issuer Liquidity Shortfall means after taking into account funds available for drawing from the Issuer Debt Service Reserve Account and the Issuer Accounts, with respect to any Interest Payment Date in respect of the Bonds (as determined by the Issuer on the corresponding Determination Date), there will be insufficient funds to pay on such Interest Payment Date any of the amounts to be paid in respect of the items listed in paragraphs:

(a) (a) to (c) (inclusive);

(b) (d)(i) (excluding termination payments and accretion and other pay as you go payments);

(c) (e)(i) and (iv); and

(d) (f)(i) (where such payments are of scheduled amortisation),

of the Issuer Post-Enforcement Priority of Payments (notwithstanding that the Issuer Post-Enforcement Priority of Payments is not applicable at such time).

Issuer Liquidity Standby Account	means the reserve account to be opened, if required, in the name of the Issuer and held with the applicable Liquidity Facility Provider in respect of whom the Standby Drawing has been made or, if such Liquidity Facility Provider does not have the Minimum Long Term Rating, at an Acceptable Bank under paragraph (a) or paragraph (c) of the definition thereof.
Issuer Loan	means an advance made under an Issuer Loan Agreement.
Issuer Loan Agreement	means each loan agreement entered into between the Issuer as lender and the Borrower as borrower.
Issuer Post-Enforcement Priority of Payments	has the meaning given to it on page 197.
Issuer Profit Amount	means £5,000.00 per annum or £1,250.00 if paid in quarterly instalments to be retained by the Issuer in each accounting period as contemplated by regulations 4(3) and 10 of the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296).
Issuer Proportion	means the proportion which the Principal Amount Outstanding of the Bonds bears to the Obligor Senior Debt.
Issuer Secured Creditor Entrenched Right	means, in respect of an Issuer Secured Creditor, any modification, consent, direction or waiver in respect of an Issuer Document that would: (a) result in an increase in or would adversely modify such Issuer Secured Creditor's obligations or liabilities under such Issuer Document; (b) have the effect of adversely changing the Issuer Post-Enforcement Priority of Payments or application thereof in respect of such Issuer Secured Creditor; (c) release any Issuer Security (except where such release is expressly permitted by the Issuer Deed of Charge); (d) alter adversely the voting entitlement of such Issuer Secured Creditor under the STID or the Conditions; (e) in respect of an Issuer Hedge Counterparty, constitute an Entrenched Right pursuant to the definition of Entrenched Right; or (f) amend this definition, provided that reference in this definition to "**adversely**" or "**adverse**" means, in respect of a change, a change which has the effect of changing the priority of any Issuer Secured Creditor relative to any other Issuer Secured Creditor in respect of payment, provided that the creation of payments which rank subordinate to the relevant Issuer Secured Creditor shall not be an adverse change.
Issuer Secured Creditors	means:

(a) the Issuer Security Trustee (for itself and on behalf of the other Issuer Secured Creditors) under the Issuer Deed of Charge;

(b) the Bondholders, the Couponholders and the Receiptholders;

(c) the Bond Trustee and any Appointee;

(d) each Issuer Hedge Counterparty under its Issuer Hedging Agreement;

(e) each Liquidity Facility Provider and the Liquidity Facility Agent under the Liquidity Facility Agreement in respect of amounts owed to each of them by the Issuer from time to time; or

(f) the Principal Paying Agent, Exchange Agent, Transfer Agent, Registrar and Agent Bank under the Agency Agreement and any Calculation Agent under a Calculation Agency Agreement and any additional agents appointed by the Issuer from time to time.

Issuer Secured Liabilities has the meaning given to it on page 204.

Issuer Security has the meaning given to it on pages 190 and 204.

Issuer Security Trustee has the meaning given to it on page 200.

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 Bonds;

(b) the liabilities under the Pari Passu Issuer Hedging Agreements; and

(c) any further debt incurred in due course which ranks *pari passu* with the debt specified in paragraphs (a) and (b) above.

Issuer Subordinated Hedge Amounts means any termination payment due or overdue to an Issuer Hedge Counterparty under any Issuer Hedging Agreement which arises as a result of the occurrence of an Event of Default (as defined in the relevant Hedging Agreement) where the relevant Issuer Hedge Counterparty is the defaulting party (as defined in the relevant Issuer Hedging Agreement).

Joint Venture means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

LCC has the meaning given to it on page 7.

Legend has the meaning given to it in paragraph 13 of Schedule 3 to the Agency Agreement.

Leverage Ratio means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

LF Borrowers	means the Issuer and MFL, as borrowers under the Liquidity Facility Agreement.
LF Event of Default	has the meaning given to such term in the Liquidity Facility Agreement, as the context requires.
LF Termination Date	means the earliest of: (c) the Issuer Discharge Date and the Obligor Discharge Date; (d) the final discharge under the Obligor Security Documents (other than the STID) and the Issuer Deed of Charge; (e) following an LF Event of Default, the relevant date on which amounts outstanding under this Agreement, including Standby Drawings, are declared due and payable; and (f) the fifth anniversary of the effective date or any renewal of the Liquidity Facility Agreement in accordance with clause 3.3 (*Renewal*) therein.
LF Notice of Drawing	has the meaning given to such term in the Liquidity Facility Agreement, as the context requires.
LGW	has the meaning given to it on page 22.
LHR	has the meaning given to it on page 22.
Liabilities	means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceedings or other liability whatsoever (including in respect of Taxes and any related costs but excluding any Excluded Tax)) and legal fees and properly incurred expenses on a full indemnity basis.
Limitation Acts	means the UK Limitation Act 1980 and the UK Foreign Limitation Periods Act 1984.
Limited Index Ratio	has the meaning given to it on page 222.
Limited Indexation Factor	has the meaning given to it on page 222.
Limited Indexation Month	has the meaning given to it on page 222.
Limited Indexed Bonds	has the meaning given to it on page 222.
Liquidity Facilities	has the meaning given to it on page 200.
Liquidity Facility Agent	means The Royal Bank of Scotland plc or any successor agent appointed pursuant to the Liquidity Facility Agreement.
Liquidity Facility Agreement	means any liquidity facility agreement the terms of which shall require that the relevant liquidity facility provider(s) has/have at least the Minimum Long Term Rating and which shall have regard to the then customary market practice for such liquidity facilities and the criteria of

	the Rating Agencies then rating any Financial Indebtedness under any Authorised Credit Facility or the Bonds.
Liquidity Facility Providers	means: (a) BNP PARIBAS, London Branch; (b) Barclays Bank PLC; (c) Canadian Imperial Bank of Commerce, London Branch; (d) HSBC Bank plc; (e) National Australia Bank Limited (ABN 12 004 044 937); (f) Handelsbanken PLC, acting through its Large Corporate (North) Branch; (g) Sumitomo Mitsui Banking Corporation, London Branch; (h) National Westminster Bank PLC; and (i) any bank or financial institution which has become a party to the Liquidity Facility Agreement in accordance with the terms of the Liquidity Facility Agreement which in each case has not ceased to be a party in accordance with the terms of the Liquidity Facility Agreement.
Liquidity Required Amount	means the sum of the Obligor Liquidity Required Amount and the Issuer Liquidity Required Amount.
Liquidity Shortfall	means: (a) an Obligor Liquidity Shortfall; or (b) an Issuer Liquidity Shortfall.
London Business Day	has the meaning given to it on page 201.
London Stock Exchange	means the London Stock Exchange plc or any other body to which its functions have been transferred.
MAG	has the meaning given to it on page 46.
MAGAL	means MAG Airport Limited.
MAGIL	means Manchester Airport Group Investments Limited.
Make-Whole Amount	means any premium payable on redemption of any Senior Debt in excess of: (a) the principal amount outstanding of such debt; plus (b) accrued interest on such debt; plus

(c) any final payment in respect of accretions for inflation on any such debt that is index-linked.

MAN has the meaning given to it on pages 4 and 46.

Man Air has the meaning given to it on page 113.

Manchester Airports Group has the meaning given to it on page 3.

MANTP has the meaning given to it on page 3.

Manchester Metrolink Project means the construction and operation of a light rail public transport link connecting into the Metrolink network which will, among other things, link Manchester International Airport at its existing rail station to the whole Metrolink network.

Margin has the meaning given to it on page 216.

Master Definitions Agreement has the meaning given to it on page 201.

Material Adverse Effect means an effect which is or which is reasonably likely to be materially adverse to:

(a) the business or financial condition of the Obligors (taken as a whole);

(b) (taking into account the resources available to an Obligor from other Obligors and any guarantees given by other Obligors) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Transaction Documents; or

(c) subject to the Reservations, the validity, legality or enforceability of any Obligor Document or the validity, legality, enforceability, priority, or ranking of any Security Interest granted or purporting to be granted pursuant to any of the Obligor Security Documents.

Material Subsidiary means a Subsidiary of the Parent (other than the Issuer), the amount of EBITDA and/or Gross Assets of which (consolidated where that Subsidiary itself has Subsidiaries) accounts for 10 per cent. or more of the EBITDA and/or Gross Assets of the Security Group (taken as a whole).

Maturity Date has the meaning given to it on page 216.

Maximum Indexation Factor has the meaning given to it on page 222.

Maximum Interest Rate has the meaning given to it on pages 206 and 216.

MCC has the meaning given to it on page 6.

Member State means a member state of the European Union.

MFL has the meaning given to it on pages 11 and 107.

MiFID II	has the meaning given to it on page v.
MiFID Product Governance Rules	has the meaning given to it on page v.
Minimum Indexation Factor	has the meaning given to it on page 222.
Minimum Interest Rate	has the meaning given to it on pages 206 and 216.
Minimum Long Term Rating	has the meaning given to that term in the Liquidity Facility Agreement.
Modified Following Business Day Convention	has the meaning given to it on page 206.
Moody's	has the meaning given to it on page 299.
NATO	has the meaning given to it on page 17.
Net Finance Charges	means, in respect of any Relevant Period, the finance income less finance costs recognised in the consolidated financial statements of the Parent excluding: (a) non-cash costs in relation to the amortisation of arrangement and other fees; (b) non-cash pension financing costs; (c) gains credited or losses charged in respect of any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price; and (d) interest payable in respect of Subordinated Liabilities and any Subordinated Intragroup Liabilities, in each case calculated in accordance with the Accounting Standards.
New Obligor	has the meaning given to it in the relevant Accession Memorandum.
New Safekeeping Structure	means the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.
NGB or **New Global Bond**	means a Temporary Bearer Global Bond or a Permanent Bearer Global Bond, in either case in respect of which the applicable Final Terms indicates is a New Global Bond (including, for the avoidance of doubt, both Eurosystem-eligible NGBs and Non-eligible NGBs).
NIS Regulations	has the meaning given to it on page 16.
Non-Aeronautical	has the meaning given to it on page 15.
Non-Base Currency	means a currency other than Sterling.

Non-eligible NGB	means a NGB which is not intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms.
Non-Obligor Member	has the meaning given to it on page 153.
O&D	has the meaning given to it on pages 46 and 301.
Obligor Acceleration Notice	means a notice delivered by the Obligor Security Trustee pursuant to clause 20.1 of the STID by which the Obligor Security Trustee declares that some or all of the Obligor Secured Liabilities shall be accelerated.
Obligor Accounts	means each bank account that may be opened from time to time by an Obligor or an Additional Obligor, including: (a) each Obligor Transaction Account; and (b) any other bank accounts required to be opened by an Obligor pursuant to and/or in accordance with any Obligor Document, and includes any sub-account or sub-accounts relating to any such bank accounts and any replacement bank accounts from time to time.
Obligor Charged Property	means the property, assets, rights and undertaking of each Obligor that are the subject of the Security Interests created in or pursuant to the Obligor Security Documents and includes, for the avoidance of doubt, each Obligor's rights to or interests in any chose in action and each Obligor's rights under the Transaction Documents.
Obligor Debt Service Reserve Account	means any Debt Service Reserve Account from time to time opened or maintained by the Borrower.
Obligor Default	means: (a) an Obligor Event of Default; or (b) a Potential Obligor Event of Default.
Obligor Discharge Date	means the date on which the Company has repaid or discharged all amounts due in respect of all Senior Debt owed by it or the other Obligors.
Obligor Document	means: (a) each Hedging Agreement and any other credit support or collateral documentation entered into in connection therewith or pursuant thereto; (b) each Issuer Loan Agreement; (c) the Common Documents; (d) the CP Agreement; (e) the Global Termination and Settlement Deed;

(f) each Liquidity Facility Agreement;

(g) the Initial ACF Agreement;

(h) any PP Documents;

(i) any other Authorised Credit Facility Agreements;

(j) any fee letter, commitment letter or Request entered into in connection with the facilities referred to in paragraphs (g) or (i) or the transactions contemplated in such facilities and any other document that has been entered into in connection with such facilities or the transactions contemplated thereby that has been designated as an Obligor Document by the parties thereto (including at least one Obligor);

(k) any Common Assurance; and

(l) each agreement or other instrument between at least one Obligor and an Additional Obligor Secured Creditor designated as an Obligor Document by at least one Obligor, the Obligor Security Trustee and such Additional Obligor Secured Creditor in the Accession Memorandum for such Additional Obligor Secured Creditor.

Obligor Enforcement Notice means a notice delivered by the Obligor Security Trustee to the Security Group Agent in accordance with clause 19.5 (Obligor Enforcement Notice) of the STID.

Obligor Event of Default has the meaning given to it on page 160.

Obligor Hedge Counterparty means a Hedge Counterparty who is a party to an Obligor Hedging Agreement.

Obligor Hedging Agreement means:

(a) each Initial Obligor Hedging Agreement; and

(b) each ISDA Master Agreement entered into by the Borrower and an Obligor Hedge Counterparty in accordance with the Hedging Policy (in the form in effect at the time the relevant ISDA Master Agreement is entered into) and which governs the Obligor Hedging Transactions between such parties, and such term includes the schedule to the relevant ISDA Master Agreement and the confirmations evidencing the Hedging Transactions entered into under such ISDA Master Agreement.

Obligor Hedging Transaction means any fixed rate, currency, inflation-linked, index-linked swap, purchase or sale agreement or other Treasury Transaction with respect to the Obligor Secured Debt, or any other Treasury Transaction governed by an Obligor Hedging Agreement and entered into with the Borrower in accordance with the Hedging Policy.

Obligor Liquidity Required Amount means an amount equal to the projected interest and commitment or commission payments and payments of principal that are part of the scheduled amortisation (including any final payment of scheduled amortisation on a Final Maturity Date but not including, for the avoidance of doubt, any payments of principal on a Final Maturity Date in connection with non-amortising debt) of:

(a) the Obligor Senior Debt (other than any amounts due under any Issuer Loan Agreement); and

(b) net payments (other than accretion payments, payments on any break or final termination payments) under the Obligor Hedging Agreements,

for the following 12 months (calculated on a rolling basis on each Calculation Date).

Obligor Liquidity Shortfall means after taking into account funds available for drawing from the Obligor Debt Service Reserve Account and the Obligor Accounts, with respect to any Payment Date under Liquidity Facility Agreement (as determined by the Security Group Agent on the Determination Date), there will be insufficient funds to pay on such Payment Date any of the amounts to be paid in respect of the items listed in paragraphs:

(a) (a) and (b) (inclusive);

(b) (d)(ii) and (d)(iii) (excluding any Subordinated Liquidity Payments);

(c) (e)(i) (excluding termination payments and accretion and other pay as you go payments);

(d) (f)(ii) and (f)(iii);

(e) (f)(vi); and

(f) (g)(ii) (excluding any unscheduled payments of principal or bullet final payments under any Authorised Credit Facilities),

of the Obligor Post-Enforcement Priority of Payments (notwithstanding that the Obligor Post-Enforcement Priority of Payments is not applicable at such time).

Obligor Liquidity Standby Account means the reserve account to be opened, if required, in the name of the Borrower and held with the applicable Liquidity Facility Provider in respect of whom the Standby Drawing has been made or, if such Liquidity Facility Provider does not have the Minimum Long Term Rating, at an Acceptable Bank under paragraph (a) or paragraph (c) of the definition thereof.

Obligor Post-Enforcement Priority of Payments has the meaning given to it on page 194.

Obligor Secured Creditor means:

(a) the Obligor Security Trustee (in its own capacity and on behalf of the other Obligor Secured Creditors) and any Delegate and any Appointee;

(b) the Issuer;

(c) an Obligor Hedge Counterparty;

(d) an Initial ACF Lender;

(e) a Liquidity Facility Provider;

(f) a PP Debtholder;

(g) any other Authorised Credit Provider;

(h) a PP Secured Creditor Representative;

(i) the Initial ACF Agent;

(j) a Liquidity Facility Agent;

(k) any other Facility Agent under an Authorised Credit Facility; or

(l) an Additional Obligor Secured Creditor,

in each case provided that such person is a party to or has acceded to the STID, the Common Terms Agreement and the Master Definitions Agreement.

Obligor Secured Creditor Representative means the representative of an Obligor Secured Creditor appointed in accordance with clause 10 (Appointment of Representatives) of the STID.

Obligor Secured Debt means any financial accommodation that is, for the purposes of the STID, to be treated as Obligor Secured Debt and includes the Security Group's liabilities (as appropriate) under:

(a) the Initial Authorised Credit Facilities;

(b) each Issuer Loan Agreement;

(c) the Liquidity Facility;

(d) each Obligor Hedging Agreement;

(e) any PP Debt;

(f) each other Authorised Credit Facility; and

(g) any further debt incurred in due course, the provider of which accedes to the relevant Transaction Documents as an Obligor Secured Creditor.

Obligor 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 Obligor to any Obligor Secured Creditor under each Obligor Document to which such Obligor is a party.
Obligor Security	means the Security Interests constituted by the Obligor Security Documents.
Obligor Security Agreement	has the meaning given to it on page 200.
Obligor Security Documents	has the meaning given to it on page 200.
Obligor Security Trustee	means Citicorp Trustee Company Limited or any successor appointed as obligor security trustee pursuant to the STID.
Obligor Senior Debt	means any financial accommodation that is, for the purposes of the STID, to be treated as Obligor Senior Debt and includes: (a) the Initial Authorised Credit Facility, each Issuer Loan, any PP Debt and all liabilities under the Pari Passu Obligor Hedging Agreements; and (b) any further debt incurred which ranks *pari passu* with the debt specified in paragraph (a) above.
Obligor Subordinated Hedge Amounts	means any termination payment due or overdue to an Obligor Hedge Counterparty under any Obligor Hedging Agreement which arises as a result of the occurrence of an Event of Default (as defined in the relevant Hedging Agreement) where the relevant Obligor Hedge Counterparty is the Defaulting Party (as defined in the relevant Obligor Hedging Agreement).
Obligor Transaction Accounts	means the Obligor Debt Service Reserve Account, the Obligor Liquidity Standby Account and the Defeasance Account.
Obligors	means Manchester Airport Group Finance Limited, Manchester Airport Group Investments Limited, Manchester Airport plc, East Midlands Airport Nottingham Derby Leicester Limited, East Midlands International Airport Limited, Stansted Airport Limited, MAG Airport Limited, CAVU Group Limited, CAVU Experiences (EMEA) Limited, CAVU eCommerce Limited, MAG US (Apollo) Limited, MAG Investments US Ltd, CAVU Holdings (AMER) Inc., MAG US (Apollo) Inc., CAVU eCommerce (AMER) LLC and MAG US Terminal Management LLC and "**Obligor**" means any of them.
OES	has the meaning given to it on page 16.
Official List	means the official list of the FCA referenced in section 103 of FSMA.
Offsetting Transaction	has the meaning given to such term in paragraph 10 of schedule 6 (Hedging Policy) of the Common Terms Agreement.
Ongoing Facility Fee	means in respect of each Issuer Loan, the ongoing facility fee payable by the Borrower to the Issuer pursuant to the relevant Issuer Loan

Agreement and subject to any rebate under the relevant Issuer Loan Agreement.

Optional Redemption Date has the meaning given to it in the relevant Final Terms or Pricing Supplement.

Ordinary Resolution means:

(a) a resolution approved by the Bondholders by a simple majority of the aggregate Principal Amount Outstanding of the outstanding Bonds of a Series who (i) for the time being are entitled to receive notice of a Voting Matter; and (ii) have participated in the approval process in respect of such resolution, subject to the quorum requirements set out in paragraph 4 (Other Voting Matters) of schedule 5 (Provisions for Voting) to the Bond Trust Deed; or

(b) a resolution in writing signed by or on behalf of the holders of not less than half of the aggregate Principal Amount Outstanding of the outstanding Bonds of a Series who for the time being are entitled to receive notice of a Voting Matter, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders of such Series.

Ordinary STID Resolution has the meaning given to it in clause 15.3 (Requisite majority in respect of an Ordinary Voting Matter) of the STID.

Ordinary Voting Matters are matters which are not Discretion Matters, matters which are the subject of an Enforcement Instruction Notice or Further Enforcement Instruction Notice or Extraordinary Voting Matters.

origin and destination has the meaning given to it on page 301.

Original Initial ACF Lenders means:

(a) Bank of America, N.A.;

(b) Barclays Bank PLC;

(c) BNP PARIBAS Fortis S.A./N.V.;

(d) Canadian Imperial Bank of Commerce, London Branch;

(e) Commonwealth Bank of Australia;

(f) HSBC Bank plc;

(g) Lloyds Bank plc;

(h) National Australia Bank Limited;

(i) Prudential Capital plc;

(j) Royal Bank of Canada;

(k) The Royal Bank of Scotland plc; and

(l) The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Original Guarantors means the Original Obligors.

Original Jurisdiction means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the Signing Date or, in the case of an Additional Obligor, as at the date on which it accedes to the STID, the Common Terms Agreement and the Master Definitions Agreement.

Original Obligor means the Parent and each person listed in Part 1 (The Original Obligors) of Schedule 2 (The Original Parties).

Original Reference Rate has the meaning given to it in Condition 5(i).

Other Voting Matter has the meaning given to it on page 238.

Outstanding Principal Amount means:

(a) in respect of any Authorised Credit Facilities that are loans, the principal amount, including any accretion on Index-linked debt, (or the Equivalent Amount) of any drawn amounts that are outstanding or committed under such Authorised Credit Facility;

(b) in respect of each Pari Passu Hedging Agreement, an amount calculated in accordance with paragraph (b) or (c) (as applicable) of clause 12.3 (Voting in respect of Pari Passu Hedging Transactions by Pari Passu Hedge Counterparties) of the STID; and

(c) in respect of any other Obligor Secured Liabilities, the outstanding principal amount of such debt (or if such debt is not in the Base Currency, the Equivalent Amount) on such date in accordance with the relevant Obligor Document,

on the date on which the Qualifying Obligor Secured Creditors have been notified of a STID Voting Request, an Enforcement Instruction Notice, a Further Enforcement Instruction Notice, a Qualifying Obligor Secured Creditor Instruction Notice or a Direction Notice, as the case may be, all as most recently certified or notified to the Obligor Security Trustee, where applicable, pursuant to clause 11.2 (Notification of Outstanding Principal Amount of Qualifying Obligor Senior Debt) of the STID.

Overhedged Position has the meaning given to it in paragraph 17 of schedule 6 (Hedging Policy) to the Common Terms Agreement.

Par Redemption Amount means an amount equal to the Principal Amount Outstanding on the Call Protected Floating Rate Bonds of any Series or the relevant portion thereof available for redemption, plus accrued but unpaid interest on the Principal Amount Outstanding or the relevant portion thereof available for redemption to (but excluding) the date of redemption.

Parent has the meaning given to it on pages 11 and 109.

Pari Passu Hedge Counterparty	means a Hedge Counterparty who is a party to a Pari Passu Obligor Hedging Agreement or a Pari Passu Issuer Hedging Agreement.
Pari Passu Hedging Agreement	means a Pari Passu Obligor Hedging Agreement or a Pari Passu Issuer Hedging Agreement.
Pari Passu Issuer Hedge Counterparty	means a Hedge Counterparty who is party to a Pari Passu Issuer Hedging Agreement from time to time.
Pari Passu Issuer Hedging Agreement	means an Issuer Hedging Agreement under which the obligations of the Issuer rank *pari passu* with the Issuer's obligations under the Bonds.
Pari Passu Issuer Hedging Transaction	means an Issuer Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement.
Pari Passu Obligor Hedge Counterparty	means a Hedge Counterparty who is party to a Pari Passu Obligor Hedging Agreement from time to time.
Pari Passu Obligor Hedging Agreement	means an Obligor Hedging Agreement under which the obligations of the Borrower rank *pari passu* with the Borrower's obligations under the Initial Authorised Credit Facilities, the PP Debt, each Issuer Loan and the other Authorised Credit Facilities.
Participants	has the meaning given to it on page 248.
Participating Member State	has the meaning given to it on page 216.
Participating Qualifying Obligor Secured Creditors	means the Qualifying Obligor Secured Creditors which participate in a vote on any STID Proposal or other matter pursuant to the STID.
passengers	has the meaning given to it on page 301.
Paying Agents	has the meaning given to it on page 200.
Payment Date	means: (a) in the case of an Obligor and any Authorised Credit Facility, each date on which a payment is made or is scheduled to be made by such Obligor in respect of any obligations or liability under such Authorised Credit Facility; and (b) in the case of the Issuer and the Bonds, each date on which a payment is made or is scheduled to be made by the Issuer in respect of any obligations or liability under such Bonds.
Permanent Bearer Global Bond	means a global bond in the form or substantially in the form set out in part 2 (Form of Permanent Bearer Global Bond) of the schedule 2 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Bearer Bonds of the same Tranche, issued by the Issuer pursuant

	to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed either on issue or in exchange for the whole or part of any Temporary Bearer Global Bond issued in respect of such Bearer Bonds.
Permitted Acquisition	has the meaning given to it on page 153
Permitted Additional Financial Indebtedness	has the meaning given to it on page 155
Permitted Business	has the meaning given to it on page 156
Permitted Business Limits	means, in respect of all businesses which are not Permitted Business, the aggregate of any operating expenses incurred by members of the Security Group in connection with such businesses during any given Relevant Historic Period does not exceed an amount equal to 10 per cent. of the EBITDA of the Security Group in respect of such Relevant Historic Period (or its equivalent in other currencies).
Permitted Disposal	has the meaning given to it on page 156
Permitted Distribution	has the meaning given to it on page 158
Permitted Financial Indebtedness	has the meaning given to it on page 158
Permitted Guarantee	has the meaning given to it on page 159
Permitted Hedge Termination	means the termination of a Hedging Agreement permitted in accordance with the provisions of the Hedging Policy.
Permitted Joint Venture	means: (a) any acquisition or investment in a joint venture permitted by paragraph (k) of the definition of Permitted Acquisition; (b) any Joint Venture established in relation to any transaction entered into for commercial purposes for the present or future funding of any defined benefit pension scheme (including the establishment of a subsidiary or a partnership); (c) any Subsidiary of any of the foregoing; or (d) any joint venture approved or consented to by the Obligor Security Trustee in accordance with the STID.
Permitted Loan	means: (a) any trade credit extended by any Obligor to its customers, tenants or licensees, on normal commercial terms and in the ordinary course of trade;

(b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness under paragraph (c) thereof;

(c) a loan made to a Permitted Joint Venture so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed £5,000,000 (Indexed) (or its equivalent in other currencies) at any time;

(d) a loan made by an Obligor to another Obligor or made by a member of the Security Group which is not an Obligor to another member of the Security Group;

(e) a loan made by a member of the Security Group to an employee or director of any member of the Security Group if the amount of that loan (when aggregated with the amount of all loans to employees and directors by members of the Security Group) does not exceed £5,000,000 (Indexed) (or its equivalent in other currencies) at any time;

(f) any loan if, taking into account such loan, the Distribution Condition would be satisfied as at the date on which such loan is made;

(g) subject to the terms of STID, any loan made for the purposes of enabling (indirectly or directly) an Obligor to meet its payment obligations under the Obligor Documents;

(h) any short term indebtedness arising in respect of a Permitted Tax Transaction or under the Group Payment Arrangement; or

(i) any other loans or grant of credit approved or consented to by the Obligor Security Trustee in accordance with the STID.

Permitted Security means:

(a) any Security Interest or Quasi-Security entered into pursuant to the terms of the Obligor Documents;

(b) any Security Interest or Quasi-Security arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Security Group;

(c) any netting or set-off arrangement entered into by any member of the Security Group with an Acceptable Bank in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Security Group but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Security Group which are not Obligors and (ii) such arrangement does not give rise to any other Security Interest over the assets of Obligors in support of liabilities of members of the Security Group which are not Obligors;

(d) any payment or close-out netting or set-off arrangement pursuant to any Hedging Agreement entered into by any Obligor in accordance with the Hedging Policy;

(e) any Security Interest or Quasi-Security over or affecting any asset acquired by a member of the Security Group after the Initial Issue Date if:

(i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Security Group;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Security Group; and

(iii) the Security Interest or Quasi-Security is removed or discharged within six months of the date of acquisition of such asset;

(f) any Security Interest or Quasi-Security over or affecting any asset of any company which becomes a member of the Security Group after the Initial Issue Date, where the Security Interest or Quasi-Security is created prior to the date on which that company becomes a member of the Security Group if:

(i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

(iii) the Security Interest or Quasi-Security is removed or discharged within six months of that company becoming a member of the Security Group;

(g) any Security Interest or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Security Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Security Group;

(h) any Security Interest or Quasi-Security created by reason of any equipment lease over leased assets if the aggregate outstanding principal amount secured by such Security Interest or Quasi-Security under any such leases does not exceed £35,000,000 (Indexed) (or its equivalent in other currencies);

(i) any netting or set-off arrangement or Quasi-Security constituting a Permitted Transaction under paragraph (a) of the definition thereof;

(j) any Security Interest or Quasi-Security constituted under any Finance Lease;

(k) any Security Interest or Quasi-Security securing indebtedness or in support of trading liabilities incurred in the ordinary course of trading, the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security Interest or Quasi-Security given by any member of the Security Group other than any permitted under paragraphs (a) to (j) above and paragraph (n) below) does not exceed an amount in Sterling (or its equivalent in other currencies) equal to the higher of:

(i) £7,000,000 (Indexed) (or its equivalent in other currencies) at any time; and

(ii) 3 per cent. of the average EBITDA for the Security Group in the immediately preceding three Financial Years;

(l) any Security Interest or Quasi-Security arising in respect of any judgment, award or order or any tax liability for which an appeal or proceedings for review are being diligently pursued in good faith;

(m) until the Initial Issue Date, the Existing Security; and

(n) any other Security Interest or Quasi-Security approved or consented to by the Obligor Security Trustee in accordance with the STID.

Permitted Share Issue means:

(a) an issue of shares by a member of the Security Group to another member of the Security Group where (if the existing shares of the member of the Security Group are the subject of the Obligor Security) the newly-issued shares also become subject to the Obligor Security on the same terms;

(b) an issue of shares by the Parent to its shareholders which are not redeemable save at the option of the issuing company; and

(c) any other issue of shares approved or consented to by the Obligor Security Trustee.

Permitted Tax Transaction means a Tax Transaction between:

(a) an Obligor or a member of the Security Group and another Obligor or member of the Security Group; or

(b) an Obligor or member of the Security Group and any other member of the Group (not being an Obligor or a member of the Security Group) or a Permitted Joint Venture,

provided that in the case of any transaction within limb (b) above which could reasonably be expected to result in a Tax saving or additional Tax cost for the Security Group (taken together):

(i) consideration (which may be nil) for such surrender or agreement is provided in an amount: (I) where the paying party is an Obligor or another member of the Security Group, no greater than the Tax saving that could reasonably be expected to be realised by the Security Group (taken together) thereby; and (II) where the recipient of such consideration is an Obligor or another member of the Security Group, no less than the additional Tax cost to the Security Group (taken together) that could reasonably be expected to arise for the Security Group (taken together) thereby; or

(ii) taking into account the consideration (if any) provided for such surrender or agreement, and (I) the amount of any Tax saving that could reasonably be expected to be realised by the Security Group (taken together) or (II) the additional Tax cost to the Security Group (taken together) that could reasonably be expected to arise for the Security Group (taken together) thereby, the Distribution Condition is met (provided that in this context references to a Distribution within the definition of Distribution Condition shall be read as if they referred to the amount (if any) by which the consideration for the relevant Tax Transaction would be required to be increased or reduced (as relevant) to fall within subparagraph (i) above to the extent that that amount does not otherwise constitute a Distribution.

Permitted Transaction means:

(a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security Interest or Quasi-Security given, or other transaction arising, under the Obligor Documents;

(b) any other transaction approved or consented to by the Obligor Security Trustee in accordance with the STID; and

(c) any Permitted Tax Transaction.

Potential Issuer 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 Issuer Event of Default, and assuming no intervening remedy), will become an Issuer Event of Default.

Potential Obligor 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 Obligor Event of Default, and assuming no intervening remedy), will become an Obligor Event of Default.
pounds	has the meaning given to it on page vi.
PP Agreement	means any note purchase agreement or other document or loan or similar agreement relating to, amongst other things PP Debt issued or incurred by an Obligor from time to time.
PP Debt	means any privately placed notes or other institutional or privately placed or held debt issued or incurred by from time to time.
PP Debtholder	means a creditor of PP Debt issued or incurred by an Obligor.
PP Document	means: (a) a PP Agreement; (b) a document or instrument (including a note or a bond) constituting PP Debt issued or incurred by an Obligor; or (c) a PP SCR Agreement.
PP SCR Agreement	means each secured creditor representative agency deed authorising a party to act, and be named in the relevant Accession Memorandum, as Obligor Secured Creditor Representative for the relevant PP Debtholder.
PP Secured Creditor Representative	means any person who is appointed as Obligor Secured Creditor Representative for PP Debtholders and authorised to act as such under a PP SCR Agreement.
Pre-hedges	has the meaning given to it in paragraph 19 of schedule 6 (Hedging Policy) to the Common Terms Agreement.
Preceding Business Day Convention	has the meaning given to it on page 206.
Pricing Supplement	has the meaning given to it on pages 199 and 263.
Principal Amount Outstanding	has the meaning given to it on page 216.
Principal Paying Agent	has the meaning given to it on page 200.
Programme	has the meaning given to it on pages i and 199.
Prospectus	means this prospectus relating to the Bonds prepared in connection with the Programme and constituting (in the case of Bonds to be listed on a Stock Exchange), to the extent specified in it, a base prospectus for the purposes of the UK Prospectus Regulation as revised, supplemented or amended from time to time by the Issuer (including by way of a

Drawdown Prospectus) and, in relation to each Bond issue, the applicable Final Terms shall be deemed to be included in the Prospectus.

provisional payment has the meaning given to it on page 226.

Qualifying Issuer Secured Creditor means:

(a) a Pari Passu Issuer Hedge Counterparty; or

(b) in respect of each Tranche of Bonds, the Bondholders,

provided that no Liquidity Facility Provider or Super Senior Issuer Hedge Counterparty shall be a Qualifying Issuer Secured Creditor.

Qualifying Issuer Secured Debt means indebtedness owed by the Issuer to the Qualifying Issuer Secured Creditors.

Qualifying Issuer Senior Debt means:

(a) the principal amount outstanding under the Bonds;

(b) in relation to any Issuer Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement prior to the taking of any Enforcement Action in relation to any vote on whether to take any Enforcement Action, an amount calculated in accordance with paragraph (c) of clause 12.2 (Voting in respect of Pari Passu Hedging Transactions by Pari Passu Issuer Hedge Counterparties) of the STID;

(c) subject to the Entrenched Rights (i) in relation to any Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant Pari Passu Issuer Hedging Agreement) 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 Hedging Agreement); and/or (ii) otherwise, the mark-to-market value (on the date falling two Business Days after the commencement of the relevant Decision Period) of any transaction or transactions arising under a Pari Passu Issuer Hedging Agreement 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 (as defined in the relevant Pari Passu Issuer Hedging Agreement) was designated at such time in respect of such transaction or transactions; and

(d) the principal amounts outstanding under any other further debt which the Issuer is permitted to incur under the Transaction Documents at such time ranking pari passu with the above (but excluding for the avoidance of doubt any Liquidity Facilities or any Issuer Hedging Transactions arising under a Super Senior Issuer Hedging Agreement).

Qualifying Obligor Secured Creditor means each Obligor Secured Creditor to which Qualifying Obligor Senior Debt is owed, provided that no Liquidity Facility Provider or Super Senior Obligor Hedge Counterparty shall be a Qualifying Obligor Secured Creditor.

Qualifying Obligor Secured Creditor Instruction Notice has the meaning given to it in clause 22 (Qualifying Obligor Secured Creditor Instructions) of the STID.

Qualifying Obligor Senior Debt means:

(a) the principal amount outstanding under each Issuer Loan Agreement corresponding to the Bonds;

(b) the principal amount outstanding under the PP Documents;

(c) the Total Commitments under the Initial ACF Agreement;

(d) subject to the Entrenched Rights (i) in relation to any vote by the Qualifying Obligor Secured Creditors on whether to take Enforcement Action; and (ii) following the taking of Enforcement Action, the principal amount outstanding under the Issuer Loan Agreements at such time corresponding to:

(i) in relation to any Hedging Transaction arising under a Pari Passu Issuer Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant Pari Passu Issuer Hedging Agreement) 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

(ii) otherwise, the mark-to-market value of any transaction or transactions arising under a Pari Passu Issuer Hedging Agreement 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 (as defined in the relevant Pari Passu Issuer Hedging Agreement) was designated at such time in respect of such transaction or transactions;

(e) subject to the Entrenched Rights, (i) in relation to any vote by the Qualifying Obligor Secured Creditors on whether to take Enforcement Action; and (ii) following the taking of Enforcement Action:

(i) in relation to any Hedging Transaction arising under a Pari Passu Obligor Hedging Agreement in respect of which an Early Termination Date (as defined in the relevant Pari Passu Obligor Hedging Agreement) has been designated, the amount (if any) outstanding to the relevant Pari Passu Obligor Hedge Counterparty

following such termination (as calculated in accordance with the terms of the Pari Passu Obligor Hedging Agreement); and/or

(ii) otherwise, the mark-to-market value of any transaction or transactions arising under any Pari Passu Obligor Hedging Agreement to the extent that such value represents an amount which would be payable to the relevant Obligor Hedge Counterparty if an Early Termination Date (as defined in the relevant Pari Passu Obligor Hedging Agreement) was designated at such time in respect of such transaction or transactions; and

(f) the Total Commitments under any other Authorised Credit Facilities at such time ranking *pari passu* with the above (but excluding for the avoidance of doubt any Liquidity Facilities or any Obligor Hedging Transactions arising under a Super Senior Obligor Hedging Agreement).

Qualifying Payment means a payment made:

(a) on an advance from a bank (within the meaning of section 991 of the Income Tax Act 2007) if, at the time the interest is paid, the beneficial owner of the interest is within the charge to United Kingdom corporation tax as respects the interest;

(b) in circumstances where it reasonably believes that the beneficial owner of the interest is a United Kingdom resident company (or a partnership each member of which is such a company) or a non-United Kingdom resident company which is within the charge to United Kingdom corporation tax as regards the payment of interest at the time the payment was made, provided that the HM Revenue & Customs has not given a direction (in circumstance where it has reasonable grounds to believe that the beneficial owner does not qualify for gross payment) that the interest should be paid under deduction of United Kingdom withholding tax; or

(c) in circumstances where the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488) pursuant to a claim under any provisions of any applicable double taxation treaty.

Quasi-Security means an arrangement or transaction described in paragraphs 9(a)(ii)(A) to (D) (Negative Pledge) of Part 3 (General Covenants) of Schedule 2 (Security Group Covenants) to the Common Terms Agreement.

Quorum Requirement means:

(a) in relation to an Ordinary Voting Matter, the percentage set forth in clause 15.2 (Quorum Requirement for an Ordinary Voting Matter) of the STID;

(b) in relation to an Extraordinary Voting Matter, the percentages set forth in clause 16.2 (Quorum Requirement for an Extraordinary Voting Matter) of the STID;

(c) in relation to an Enforcement Instruction Notice and a Further Enforcement Instruction Notice, the percentage set forth in clause 19.3 (Quorum and voting requirements in respect of an Enforcement Instruction Notice and a Further Enforcement Instruction Notice) of the STID; and

(d) in relation to a Direction Notice, the percentage set forth in clause 23.2 (Quorum and Voting Requirements in respect of a Direction Notice) of the STID.

Rating Agencies has the meaning given to it on page 299.

Ratings Confirmation in respect of a proposed action or exercise of any power or discretion means a confirmation by the relevant Rating Agencies mandated by the Issuer from time to time (who give such Ratings Confirmations as a part of their mandate), in respect of each Series of the relevant Bonds, to the effect that the then ratings on such Series of Bonds would not be withdrawn or reduced below the lower of (a) the credit ratings of such Bonds as at their Issue Date; and (b) Investment Grade.

Ratio means either the Distribution Ratio or the Default Ratio.

Receiptholders means the several persons who are for the time being holders of the Receipts.

Receipts means a receipt attached on issue to a Bearer Definitive Bond redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form set out in part 4 (Form of Receipt) of schedule 1 (Forms of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed or in such other form as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 13 (*Replacement of Bonds, Coupons, Receipts and Talons*).

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

(a) by the Obligor Security Trustee under the Obligor Security Documents in respect of the whole or any part of the Obligor Security; or

(b) by the Issuer Security Trustee under the Issuer Deed of Charge in respect of the whole or any part of the Issuer Security.

Record Date has the meaning given to it on page 233.

Redeemed Bonds has the meaning given to it on page 228.

Redemption Amount	has the meaning given to it on page 216.
Redemption Date	has the meaning given to it on page 231.
Redemption Rate	has the meaning given to it on page 231.
Reference Banks	has the meaning given to it on page 216.
Reference Bond	has the meaning given to it on pages 224.
Reference Bond Rate	has the meaning given to it on pages 224.
Reference Date	has the meaning given to it on pages 227 and 228.
Reference Dealer	has the meaning given to it on pages 224.
Reference Gilt	has the meaning given to it on pages 222 and 227.
Reference Price	has the meaning given to it on page 232.
Reference Rate	has the meaning given to it in the applicable Final Terms or Pricing Supplement.
Register	has the meaning given to it in paragraph (a) of clause 10.2 (Other Duties of the Registrar) of the Agency Agreement.
Registered Bonds	means those Bonds (if any) which are for the time being in registered form.
Registered Definitive Bond	means a Registered Bond in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Agency Agreement and the Bond Trust Deed either on issue or in exchange for a Registered Global Bond or part thereof (all as indicated in the applicable Final Terms), such Registered Definitive Bond being in the form or substantially in the form set out in part 8 (Form of Definitive Bond) of the schedule 1 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Registrar, the Bond Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and having a Form of Transfer endorsed thereon.
Registered Global Bond	means a registered global bond in the form or substantially in the form set out in part 7 (Form of Registered Global Bond) of schedule 1 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Registrar, the Bond

	Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Registered Bonds of the same Tranche sold to non-U.S. persons outside the United States in reliance on Regulation S, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trustee.
Registrar	has the meaning given to it on page 200.
Regulation S	means Regulation S under the Securities Act.
Relevant Currency	has the meaning given to it on page 216.
Relevant Debt	means, without double counting, the Secured Debt from time to time (disregarding for these purposes the notional amount under any Hedging Agreement and the commitments under any Liquidity Facility Agreement).
Relevant Financial Centre	has the meaning given to it on page 216.
Relevant Forward Looking Period	means, in respect of any Calculation Date, the period of 12 months commencing on the day immediately succeeding that Calculation Date.
Relevant Historic Period	means, in respect of any Calculation Date, the period of 12 months ending on that Calculation Date.
Relevant Nominating Body	has the meaning given to it in Condition 5(i).
Relevant Rate	has the meaning given to it on page 231.
Relevant Jurisdiction	means, in relation to an Obligor: (a) its Original Jurisdiction; (b) any jurisdiction where any asset subject to or intended to be subject to the Obligor Security to be created by it is situated; (c) any jurisdiction where it conducts its business; and (d) the jurisdiction whose laws govern the perfection of any of the Obligor Security Documents entered into by it.
relevant month	has the meaning given to it on page 223.
Relevant Period	means, for the purpose of: (a) any Calculation Date in respect of a Distribution Ratio: (i) the Relevant Historic Period in respect of that Calculation Date; and (ii) the Relevant Forward Looking Period in respect of that Calculation Date; and

(b) any Calculation Date in respect of a Default Ratio or any other determination under the Obligor Documents which is not expressly required to be made by reference to a Relevant Forward Looking Period, the Relevant Historic Period in respect of that Calculation Date.

Relevant Rate has the meaning given to it on page 217.

Relevant Screen Page has the meaning given to it on page 217.

relevant Stock Exchange has the meaning given to it on page 365.

Relevant Swap Mid Curve Rate has the meaning given to it on page 231.

Relevant Time has the meaning given to it on page 217.

Repayment Costs means, in respect of the repayment or prepayment of all or part of a particular Secured Debt, any make whole or redemption premium or other equivalent costs payable including any related swap termination amounts and break costs payable in connection with the repayment or prepayment of such Secured Debt.

Repeated Representations has the meaning given to it on page 144.

Reporting Date means:

(a) in respect of each Calculation Date in connection with which Annual Financial Statements are prepared, 150 days after such Calculation Date; and

(b) in respect of each Calculation Date in connection with which Semi-Annual Financial Statements are prepared, 120 days after such Calculation Date.

Representative Amount has the meaning given to it on page 217.

Request means a request for utilisation of any Authorised Credit Facility (where applicable).

Requisite Rating means as of any date the minimum short-term or long-term credit rating specified by each Rating Agency then rating the Bonds for such counterparty as of such date in order to support the then applicable ratings of the Bonds pursuant to the then applicable ratings criteria.

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 Obligor Security Trustee under the CP Agreement.
Reserved Matters	has the meaning given to it in schedule 3 (Reserved Matters) of the STID.
RPI	has the meaning given to it on page 219.
S&P or Standard & Poor's	means Standard & Poor's Credit Markets Service Europe Limited or any successor to its rating business.
SAF	has the meaning given to it on page 85.
SAL	has the meaning given to it on page 119.
Sanctions	means any sanctions administered or enforced by the US Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union or His Majesty's Treasury.
Screen Rate Determination	has the meaning given to it on page 206.
SEC	means the U.S. Securities and Exchange Commission.
Secured Creditor	means an Issuer Secured Creditor or an Obligor Secured Creditor.
Secured Creditor Representative	means the representative of a Secured Creditor appointed in accordance with clause 10 (Appointment of Representatives) of the STID.
Secured Debt	means Obligor Secured Debt or Issuer Secured Debt (as applicable).
Securities Act	means the U.S. Securities Act of 1933, as amended.
Securitisation Regulations	means the UK Taxation of Securitisation Companies Regulations 2006.
Security Documents	means the Obligor Security Documents and the Issuer Deed of Charge.
Security Group	means the Parent and each of its Subsidiaries (other than the Issuer).
Security Group Agent	has the meaning given to it on page 11.
Security Interest	means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
Security Trust and Intercreditor Deed or **STID**	means the security trust and intercreditor deed entered into on or about the Initial Issue Date between the parties to the Common Terms Agreement, together with any deed supplemental to the STID and referred to in the STID as a "**Supplemental Deed**".

Selection Date	has the meaning given to it on page 229.
Semi-Annual Financial Statements	means the financial statements delivered pursuant to paragraph 1(b) of part 1 (Information Covenants) of schedule 2 (Security Group Covenants) of the Common Terms Agreement.
Senior Debt	means Obligor Senior Debt or Issuer Senior Debt.
Series	has the meaning given to it on page 199.
Significant Items	means those items that are designated as significant items in the consolidated financial statements of the Parent, prepared in accordance with the Accounting Standards.
SMP	has the meaning given to it on pages 24 and 102.
SONIA	has the meaning given to it on page 203.
SONIAi	has the meaning given to it on page 203.
SONIA Compounded Daily Reference Rate	has the meaning given to it on page 202.
SONIA Compounded Index	has the meaning given to it on page 202.
SONIA Compounded Index Rate	has the meaning given to it on page 201.
SONIA Compounded Index Value	has the meaning given to it on page 201.
SONIA Compounded IndexEND	has the meaning given to it on page 202.
SONIA Compounded IndexSTART	has the meaning given to it on page 202.
SONIA reference rate	has the meaning given to it on page 203.
specified	has the meaning given to it on page 201.
Specified Currency	means, subject to any applicable legal or regulatory restrictions, Euro, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer, the Principal Paying Agent and the Bond Trustee and specified in the applicable Final Terms.
Specified Denomination	means in respect of a Series of Bonds, the denomination or denominations of such Bonds specified in the applicable Final Terms.
Specified Duration	has the meaning given to it on page 217.
Sponsor Affiliate	means each Investor, each of its Affiliates, any trust of which any Investor or any of its Affiliates is a trustee, any partnership of which any

	Investor or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, any Investor or any of its Affiliates provided that any such trust, fund or other entity that has been established for at least six months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by an Investor and its Affiliates that has been established for the primary or main purpose of investing in the share capital of companies, shall not constitute a Sponsor Affiliate.
SPS	has the meaning given to it on page 77.
STAL	has the meaning given to it on page 81.
STAL Scheme	has the meaning given to it on page 85.
Standby Drawing	has the meaning given to it on page 183.
Stansted Transformation Programme or STP	has the meaning given to it on page 4.
Sterling	means the lawful currency for the time being of the UK.
STID	has the meaning given to it on pages 11 and 200.
STID Proposal	has the meaning given to it on page 168.
STID Voting Request	has the meaning given to it on page 168.
STN	has the meaning given to it on pages 4 and 46.
STN Cargo Market	has the meaning given to it on page 96.
STN Passenger Market	has the meaning given to it on page 102.
Stock Exchange	means the London Stock Exchange or any other or further stock exchange(s) on which any Bonds may from time to time be listed, and references to the "**relevant Stock Exchange**" shall, in relation to any Bonds, be references to the Stock Exchange on which such Bonds are, from time to time, or are intended to be, listed.
Subordinated Creditor	means Manchester Airport Finance Holdings Limited and any other entity which accedes to the STID as a Subordinated Creditor in the form set out in part 6 (Form of Accession Memorandum (New Subordinated Creditor)) of schedule 1 (Form of Accession Memorandum) to the STID.
Subordinated Hedge Amounts	means Issuer Subordinated Hedge Amounts and Obligor Subordinated Hedge Amounts.
Subordinated Intragroup Creditor	means the Security Group Agent, each entity party to the STID as an Original Subordinated Intragroup Creditor and any other entity which accedes to the STID as a Subordinated Intragroup Creditor in the form set out in part 4 (Form of Accession Memorandum (New Subordinated Intragroup Creditor)) of schedule 1 (Form of Accession Memorandum) to the STID.

Subordinated Intragroup Liabilities	means all present and future liabilities at any time of any member of the Security Group to a Subordinated Intragroup Creditor in respect of any Financial Indebtedness.
Subordinated Liabilities	means all present and future liabilities at any time of any Obligor to a Subordinated Creditor in respect of any Financial Indebtedness.
Subordinated Liabilities Instrument	means any document or agreement setting out or evidencing any terms of any Subordinated Liabilities.
Subordinated Liquidity Payments	means all amounts payable under, or in any way in connection with, the Liquidity Facility Agreement, other than: (a) principal and interest in respect of a drawing under the Liquidity Facility or a Standby Drawing; (b) the commitment fee payable in respect of the Liquidity Facility; and (c) any increased costs payable in accordance with the Liquidity Facility Agreement, and which arise upon the occurrence of a breach by the relevant Liquidity Facility Provider of its obligations under the relevant Liquidity Facility.
Subscription Agreement	has the meaning given to it on page 200.
Subsidiary	means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and, unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.
Substitute Liquidity Facility Provider	has the meaning given to it in Clause 3.4 (*Successor and Substitute Liquidity Facility Providers*) of the Liquidity Facility Agreement.
Successor Rate	has the meaning given to it in Condition 5(i).
Super Senior Hedge Counterparty	means the counterparty to any Super Senior Obligor Hedging Agreement or any Super Senior Issuer Hedging Agreement.
Super Senior Hedging Agreement	means a Super Senior Obligor Hedging Agreement or a Super Senior Issuer Hedging Agreement.
Super Senior Issuer Hedge Counterparty	means the counterparty to any Super Senior Issuer Hedging Agreement.
Super Senior Issuer Hedging Agreement	means an Issuer Hedging Agreement under which the obligations of Issuer rank in priority to the Issuer's obligations under the Bonds.
Super Senior Obligor Hedge Counterparty	means the counterparty to any Super Senior Obligor Hedging Agreement.
Super Senior Obligor Hedging Agreement	means an Obligor Hedging Agreement under which the obligations of the Borrower rank in priority to the Borrower's obligations under the Initial

	Authorised Credit Facility, the PP Debt each Issuer Loan and the other Authorised Credit Facilities.
Swap Transaction	means a swap transaction, or the relevant portion of a swap transaction, entered into pursuant to a Hedging Agreement.
T&T	has the meaning given to it on page 301.
Talon	means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, the Bearer Definitive Bonds (other than Zero Coupon Bonds), such talons being in the form or substantially in the form set out in part 6 (Form of Talon) of schedule 1 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed or in such other form as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 13 (*Replacement of Bonds, Coupons, Receipts and Talons*).
Talonholders	means the several persons who are for the time being holders of the Talons.
T2	has the meaning given to it on page 217.
TARGET Settlement Day	has the meaning given to it on page 217.
Tax	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or delay in paying any of the same) and "**taxes**", "**taxation**", "**taxable**" and comparable expressions will be construed accordingly.
Tax Covenantors	has the meaning given to it on page 178.
Tax Deed of Covenant	has the meaning given to it on page 178.
Tax Transaction	means any surrender of tax losses or agreement relating to a Tax benefit or Relief or any other similar arrangement relating to Tax (including, without limitation, an election under section 171A or 179A TCGA and an exemption of financing income pursuant to Part 7 TIOPA 2010 the payment of any balancing payment pursuant to and in accordance with the provisions of sections 195 to 198 or Part 7 TIOPA 2010).
Taxes	has the meaning given to it on page 229.
TCA	has the meaning given to it on page 17.
TCFD	has the meaning given to it on page 86.
TEFRA C Rules	has the meaning given to it on page 286.
TEFRA D Rules	has the meaning given to it on page 285.

Temporary Bearer Global Bond	means a temporary global bond in the form or substantially in the form set out in part 1 (Form of Temporary Bearer Global Bond) of schedule 1 (Form of Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed together with the copy of the applicable Final Terms annexed thereto with such modifications (if any) as may be required in any jurisdiction in which a particular Tranche of Bonds may be issued or sold from time to time or as otherwise agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the relevant Dealer(s), comprising some or all of the Bearer Bonds of the same Tranche, issued by the Issuer pursuant to the Dealership Agreement or any other agreement between the Issuer and the relevant Dealer(s) relating to the Programme, the Agency Agreement and the Bond Trust Deed.
Term Facility	means the term loan facility made available under the Initial ACF Agreement.
Term Facility Loan	means a loan made or to be made under the Term Facility or the principal amount outstanding for the time being of that loan.
Term Facility Repayment Date	means the date on which the aggregate Term Facility Loans have been repaid or prepaid in full in accordance with the terms of the Initial ACF Agreement.
Threshold Level	means £75,000,000 (Indexed) (or its equivalent in other currencies).
Total Commitments	means, in respect of any Authorised Credit Facility, at any time, the aggregate Commitments under that Authorised Credit Facility.
Total Net Debt	means, at any time, the aggregate Financial Indebtedness of the Obligors taken as a whole (together with all accretions in relation to any such Financial Indebtedness which is indexed) but: (a) deducting any Financial Indebtedness owed by any Obligor to another Obligor; (b) deducting any Financial Indebtedness in respect of Subordinated Liabilities; (c) deducting any Financial Indebtedness under any Secured Debt in each case purchased and held by any Obligor; (d) deducting the aggregate amount of all Cash and Cash Equivalent Investments held by any Obligor; (e) deducting the aggregate amount standing to the credit of any Defeasance Account held by the Borrower; (f) excluding, for the avoidance of doubt, the aggregate amount of any Financial Indebtedness incurred by any Permitted Joint Venture to the extent that such amount exceeds the amount in respect of which assurance against loss has been given by any Obligor; and

(g) including the aggregate amount of all accretions by indexation to the original notional amounts of any inflation linked Hedging Agreement,

in each case:

(i) disregarding any Financial Indebtedness under paragraph (f) of the definition thereof other than any Crystallised Amount; and

(ii) calculated in accordance with the Accounting Standards and so that no amount shall be included or excluded more than once.

Traffic Distribution Rules has the meaning given to it on page 104.

Tranche has the meaning given to it on page 199.

Transaction Document means:

(a) an Obligor Document; or

(b) an Issuer Document.

transfer has the meaning given to it on page 301.

Transfer Agent has the meaning given to it on page 200.

Transfer Certificate means:

(a) in relation to the Liquidity Facility Agreement, a certificate in or substantially in the form set out in schedule 3 (Form of Transfer Certificate) to the Liquidity Facility Agreement; and

(b) in relation to the Agency Agreement, a certificate in the form set out in schedule 2 (Form of Transfer Certificate) to the Agency Agreement.

transit has the meaning given to it on page 301.

Treasury Rate has the meaning given to it on page 224.

Treasury Transaction means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined similar agreement or any derivative transaction protecting against or benefiting from fluctuations in any rate or price or currency.

UK means the United Kingdom.

UK CRA Regulation has the meaning given to it on pages 15 and 299

UK EMIR has the meaning given to it on page 179.

UKPN	has the meaning given to it on page 83.
UK MiFIR	has the meaning given to it on page ii.
UK MiFIR Product Governance	has the meaning given to it on page v.
UK MiFIR Product Governance Rules	has the meaning given to it on page v.
UK PRIIPs Regulation	has the meaning given to it on page v.
UK Prospectus Regulation	means Regulation (EU) 2017/1129 as amended or superseded, as it forms part of domestic law by virtue of the EUWA.
UK Securitisation Regulation	has the meaning given to it on page viii.
ULEV	has the meaning given to it on page 66.
US or **U.S.**	means the United States of America.
U.S.$	has the meaning given to it on page vi.
U.S. dollars	has the meaning given to it on page vi.
U.S. person	Has the meaning given to that term in Regulation S
VAT	means value added tax as provided for in the Council Directive 2006/112/EC on the common system of value added tax and any law of a member state of the European Union or former member state of the European Union adopting or implementing the same and any other tax of a similar nature (including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto) and any other European Union directive or regulation amending, supplementing or replacing such Directive.
VFR	has the meaning given to it on page 301.
Voted Qualifying Debt	means the Outstanding Principal Amount (in the case of Bonds, for the time being outstanding) of Qualifying Obligor Senior Debt actually voted thereon by the Participating Qualifying Obligor Secured Creditors.
Voting Closure Date	means: (a) in relation to an Ordinary STID Resolution, the date on which the Obligor Security Trustee has received votes sufficient to pass such Ordinary STID Resolution pursuant to clause 15 (Ordinary Voting Matters) of the STID; and (b) in relation to an Extraordinary STID Resolution, the date on which the Obligor Security Trustee has received votes sufficient to pass such Extraordinary STID Resolution pursuant to clause 16 (Extraordinary Voting Matters) of the STID.

Voting Date	has the meaning given to it in schedule 4 (Provisions for Voting) to the Bond Trust Deed.
Voting Matter	means any matter which is required to be approved by the Bondholders including, without limitation: (a) any STID Proposal which requires the approval of the Bondholders; (b) any direction to be given by the Bondholders to the Bond Trustee (in its capacity as the Secured Creditor Representative of the Bondholders) to challenge the determination of the voting category made by Security Group Agent in a STID Proposal, and/or (where the Issuer is an Affected Obligor Secured Creditor) whether a STID Proposal gives rise to an Entrenched Right; (c) any directions required or entitled to be given by Bondholders pursuant to the Transaction Documents; and (d) any other matter which requires the approval of or consent of the Bondholders.
Voting Notice	has the meaning given to it on page 187.
Voting Period	means the period ending on the Voting Date or, if earlier, the date of the voting closure notice issued by the Obligor Security Trustee in respect of such Voting Matter (if applicable).
Zero Coupon Bonds	has the meaning given to it on page 199.

REGISTERED OFFICE OF THE ISSUER
6th Floor,
Olympic House,
Manchester Airport,
Manchester, M90 1QX

REGISTERED OFFICE OF MAG AND MFL
6th Floor,
Olympic House,
Manchester Airport,
Manchester, M90 1QX

BOND TRUSTEE, ISSUER SECURITY TRUSTEE AND OBLIGOR SECURITY TRUSTEE
Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

PRINCIPAL PAYING AGENT, EXCHANGE AGENT, REGISTRAR, TRANSFER AGENT AND AGENT BANK

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

LEGAL ADVISERS

To the Issuer and the Security Group

as to English law
Linklaters LLP

One Silk Street
London EC2Y 8HQ

To the Arranger, the Dealers, the Bond Trustee, the Issuer Security Trustee and the Obligor Security Trustee
as to English Law
Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD

AUDITORS
To the Issuer and the Obligors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

ARRANGER
Barclays Bank PLC

DEALERS

Barclays Bank PLC
1 Churchill Place
London E14 5HP

BNP PARIBAS
16, boulevard des Italiens
75009 Paris
France

Canadian Imperial Bank of Commerce, London Branch
150 Cheapside
London EC2V 6ET
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

National Australia Bank Limited (ABN 12 004 044 937)
The Scalpel
52 Lime Street
London EC3M 7AF
United Kingdom

NatWest Markets plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

SMBC Bank International plc
100 Liverpool Street
London EC2M 2AT
United Kingdom