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## AA Bond Co Limited

26 February 2021

### AA Bond Co Limited Announces a Notice of Conditional Redemption in Respect of the remaining £540,866,000.00 of its £735,000,000 5.500% Sub-Class B2 Fixed Rate Notes due 2043

*THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS*

*If noteholders are in any doubt about the contents of this notice or the action they should take they should consult a person authorised under the Financial Services and Markets Act 2000 to advise on notes such as their stockbroker, solicitor, tax adviser, accountant or other financial adviser.*

Reference is made to the class B note trust deed dated 2 July 2013 between AA Bond Co Limited as Issuer (the **Company**) and Deutsche Trustee Company Limited as Class B Note Trustee, as amended and/or amended and restated and/or supplemented on 13 April 2015 (the **First Supplemental Note Trust Deed**) and from time to time (the **Note Trust Deed**), pursuant to which the Company has issued the £735,000,000 5.500% Sub-Class B2 Fixed Rate Notes due 2043 (the **Class B2 Notes**).

Capitalised terms used herein but not otherwise defined shall have the respective meanings ascribed to them in the Note Trust Deed.

Pursuant to condition 5.2(d) of the Class B2 Notes, the Company hereby notifies the Class B2 Noteholders, the Class B Note Trustee, the Class B Registrar and the Class B Principal Paying Agent of the redemption of all of the Class B2 Notes subject as set out herein and provides the following information:

- a) Pursuant to clause 7.1(d) (*Optional Prepayment*) of the Class B2 IBLA, the Company has received a conditional notice of prepayment from the Borrower under the Class B2 IBLA of the Borrower's intention to prepay the Class B2 IBLA Advance in full (after taking into account the Release (as defined below)) in accordance with the Class B2 IBLA.
- b) Subject to the satisfaction or waiver of the Conditions Precedent (defined below) by the Company:
  - (i) the Company intends to apply the principal funds received from the prepayment by the Borrower of the Class B2 IBLA Advance to redeem in full (after taking into account the Release (as defined below)) the Class B2 Notes on 10 March 2021 (such date, the

**Redemption Date**), with the redemption payment being made to the holders of record of the Class B2 Notes as of the Clearing System Business Day before the Redemption Date (the **Record Date**); and

(ii) AA plc intends to release the Company from its obligation to pay principal, interest and any other amounts in respect of £28,896,000 Class B2 Notes which are currently held by AA plc and the Company intends to release the Borrower from its obligation to pay a corresponding amount of principal, interest and any other amounts due under the Class B2 IBLA (together, the **Release**).

- c) Assuming satisfaction or waiver of the Conditions Precedent, in accordance with condition 5.2(d) of the Class B2 Notes, the Class B2 Notes will be redeemed at an amount equal to their Principal Amount Outstanding plus accrued and unpaid interest and Additional Amounts, if any, up to but excluding the Redemption Date (the **Redemption Amount**) or the redemption date as so moved in accordance with paragraph (g) below.
- d) The Redemption Amount for the Class B2 Notes will be £540,866,000.00 (after taking into account the Release). The accrued but unpaid interest on the Principal Amount Outstanding is £3,097,013.53 (after taking into account the Release). There are no Additional Amounts.
- e) Pursuant to Condition 4.1 of the Class B2 Notes, unless, upon due presentation, payment of principal is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest will continue to accrue, interest will cease to accrue from (and including) the Class B2 Notes on the Redemption Date (or the redemption date as so moved in accordance with paragraph (g) below).
- f) Pursuant to condition 5.2(d) of the Class B2 Notes, any redemption of the Class B2 Notes under condition 5.2(d) may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent. The Company's obligation to redeem any of the Class B2 Notes on the Redemption Date (or the redemption date as so moved in accordance with paragraph (g) below) is conditional upon:
- (i) the proposed Acquisition of AA plc by Basing Bidco Limited becoming Effective, in accordance with its terms, and the shares of AA plc being delisted; and
  - (ii) the Borrower having received the Class B2 Equity Contribution or the proceeds from the Class B2 Equity Contribution having been received by the Class B Principal Paying Agent as directed by the Borrower,

(together, the **Conditions Precedent**). Terms used in this paragraph (f) but not defined shall have the meanings given to them in the offering memorandum dated 20 January 2021 in respect of the issue of £280 million Class B3 Fixed Rate Secured Notes due 2050 by the Company.

- g) Pursuant to condition 5.2(d) of the Class B2 Notes, in the Company's sole discretion:
- (i) on a date occurring no later than the Redemption Date, the Redemption Date and the corresponding Record Date may be moved to an earlier date (but in no case shall the Redemption Date be fewer than 10 days following the date of

this Notice of Conditional Redemption). In the event that the Redemption Date is moved to an earlier date, the Company shall issue a supplemental notice to this Notice of Conditional Redemption indicating the new redemption date and corresponding new redemption amount and record date (as so moved) with such notice to be issued no later than the new redemption date; and

- (ii) on a date occurring no later than the Redemption Date, the Redemption Date and the corresponding Record Date may be moved to a later date (but in no case shall the Redemption Date be more than 60 days following the date of this Notice of Conditional Redemption). In the event that the Redemption Date is moved to a later date, the Company shall issue a supplemental notice to this Notice of Conditional Redemption indicating the new redemption date and corresponding new redemption amount and record date (as so moved) with such notice to be issued no later than the Redemption Date.
- h) None of the Class B2 Notes shall be deemed due and payable on the Redemption Date (or by the redemption date as moved in accordance with the foregoing paragraph (g)) unless and until the Conditions Precedent are satisfied or waived by the Company.
- i) The Company may, in its sole discretion, revoke this Notice of Conditional Redemption at any time prior to the Redemption Date (or the redemption date as moved in accordance with paragraph (g) above) by issuing a notice of revocation of this Notice of Conditional Redemption (or any supplemental notice to this Notice of Conditional Redemption as the case may be) to the Class B2 Noteholders, the Class B Note Trustee, the Class B Registrar and Class B Principal Paying Agent. If, in the sole discretion of the Company, the Conditions Precedent are not, or will not be, satisfied or waived by the date occurring 60 days after the date of this Notice of Conditional Redemption, the redemption will be revoked and the Company will provide notice to the Class B2 Noteholders, the Class B Note Trustee, the Class B Registrar and Class B Principal Paying Agent of the revocation of this Notice of Conditional Redemption or any supplemental notice to this Notice of Conditional Redemption no later than the 60th day after the date of this Notice of Conditional Redemption.
- j) Deutsche Bank AG, London Branch is the Class B Principal Paying Agent and has the following address:  
  
Address: Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
Attention: TSS (ABS Group – EMEA)
- k) The method of delivery is at the option and risk of the Class B2 Noteholder. Payment of the Redemption Amount in respect of any Class B2 Notes that are held in book-entry form will be made to the relevant clearing system, which will distribute such payments to participants in accordance with their customary procedures.
- l) The Common Code and ISIN numbers are included solely for the convenience of the Class B2 Noteholders. The Company is not responsible for the use or selection of these numbers, nor is any representation made as to the correctness or accuracy of such

numbers printed on the Class B2 Notes or as listed in this Notice of Conditional Redemption.

A copy of this Notice of Conditional Redemption is being sent to all holders of record of the Class B2 Notes.

Questions regarding this Notice of Conditional Redemption should be directed to the Company at:

The AA  
Fanum House  
Basing View  
Basingstoke  
Hampshire  
RG21 4EA

For the attention of: Zeeshan Maqbool, Head of Investor Relations, AA plc

This Notice of Conditional Redemption is given by:

## **AA BOND CO LIMITED**

*In accordance with Rule 26 of the City Code on Takeovers and Mergers, copies of this announcement will be made available, subject to certain restrictions relating to persons resident in a jurisdiction where it is unlawful for either document to be distributed, on AA plc's website at <https://www.theaapl.com/investors>. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this announcement.*

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*This announcement is directed only persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (iii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion*

*Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 in connection with the issue or sale of any Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.*

#### *Forward-looking statements*

*This announcement contains statements that constitute forward-looking statements, beliefs or opinions, including statements relating to business, financial condition and results of operations of the Group. These statements may be identified by words such as “expectation”, “belief”, “estimate”, “plan”, “target”, or “forecast” and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. All statements regarding the future involve known and unknown risks and uncertainties and various factors could cause actual future results, performance or events to differ materially from those described or implied in these statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies as well as the environment in which the Group expects to operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and the Group does not accept any responsibility for the accuracy of the opinions expressed in this announcement or the underlying assumptions. Past performance is not an indication of future results and past performance should not be taken as a representation that trends or activities underlying past performance will continue in the future. The forward-looking statements in this document speak only as at the date of this announcement and the Group and its affiliates expressly disclaim any obligation or undertaking to review or release any updates or revisions to these forward-looking statements to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this announcement or to update or to keep current any other information contained in this document or to provide any additional information in relation to such forward-looking statements, unless required to do so by applicable law.*

*This disclosure includes the release of inside information by AA Bond Co Limited under Regulation (EU) 596/2014 (16 April 2014).*