

To:

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

**Credit Suisse Securities
(Europe) Limited**
One Cabot Square
London E14 4QJ
United Kingdom

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

**Citigroup Global Markets
Limited**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Floor 20
Canary Wharf
London E14 5JP
United Kingdom

**Lloyds Bank Corporate
Markets plc**
10 Gresham Street
London EC2V 7AE
United Kingdom

(collectively, “**you**”, “**your**”)

January 20, 2021

Ladies and Gentlemen:

PROJECT AGASSI – SIDE LETTER TO HY ENGAGEMENT LETTER

We refer to (i) the commitment letter dated December 24, 2020 (the “**Commitment Letter**”) and (ii) the engagement letter dated December 24, 2020 (the “**HY Engagement Letter**” and, together with the Commitment Letter, the “**Commitment Documents**”), in each case entered into between, among others, us and you, and containing the terms pursuant to which, among other things, we have engaged you to act as Managers in respect of any Permanent Financing (as defined in the HY Engagement Letter). Capitalized terms used herein without definition have the meanings assigned to them in the relevant Commitment Document.

It is acknowledged and agreed by the parties to this letter that:

1. For the avoidance of doubt, the obligations of Bidco pursuant to Section 2(b) of the HY Engagement Letter survive the issuance of the Permanent Securities and the deposit of the proceeds of the Permanent Securities into escrow whether or not the HY Engagement Letter terminates pursuant to clause 7(a) thereof;
2. If the Acquisition lapses or is withdrawn (other than where: (a) such lapse or withdrawal is (X) as a result of the exercise of Bidco’s right to effect a switch to a takeover offer; or (Y) otherwise to be followed within five business days by an announcement under Rule 2.7 of the Takeover Code

made by Bidco or a person acting in concert with Bidco to implement the Acquisition by a different offer or scheme, in each case in accordance with the terms of the Co-operation Agreement dated 25 November 2020 between Bidco and AA plc (the "**Company**"); or (b) the Board of the Company adversely modifies or withdraws its recommendation of the Acquisition on its current terms), the cost provisions in the Commitment Documents shall apply and the Issuer, the Borrower and Topco shall not be liable for such costs and expenses; and

3. Upon the execution and delivery by you of an underwriting, placement agent or purchase agreement relating to the Permanent Securities (the "**Purchase Agreement**"), the indemnification obligations of the parties contained in such Purchase Agreement shall supersede any and all indemnification obligations contained in the HY Engagement Letter, and following the closing of any Permanent Financing, any claim by any Manager or any of its affiliates for indemnity with respect to such Permanent Financing shall be made exclusively pursuant to the Purchase Agreement, and the Sponsors shall be released from any and all obligations to indemnify such Manager pursuant to the HY Engagement Letter unless, and only to such extent that, such claim to indemnification has accrued prior to the execution of the Purchase Agreement.

This letter shall be governed by, and construed in accordance with the laws of New York. EACH PARTY HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS LETTER OR THE PERFORMANCE OF SERVICES UNDER IT.

Each party hereto irrevocably and unconditionally submits to the exclusive jurisdiction of any state or federal court sitting in the County of New York (including the Supreme Court of the State of New York sitting in New York County and the United States District Court for the Southern District of New York and the respective appellate courts thereof) over any suit, action or proceeding arising out of or relating to this HY Engagement Letter or the transactions contemplated hereby or thereby. Service of any process, summons, notice or document by registered or certified mail addressed to any party hereto at the address above shall be effective service of process against such person for any suit, action or proceeding brought in any such court. Each party hereto irrevocably and unconditionally waives any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. A final judgment in any such suit, action or proceeding brought in any such court may be enforced in any other courts to whose jurisdiction you or any of us are or may be subject, by suit upon judgment. Nothing herein shall effect any party's right to effect service of process in any other manner permitted by law.

EU Bail-In. Notwithstanding and to the exclusion of any other term of this letter or any other agreements, arrangements, or understanding between the Initial Purchasers, the Issuer, the Borrower and Topco acknowledge and accept that a BRRD Liability arising under this letter may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledge, accept, and agree to be bound by:

(a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of the Initial Purchasers to the Issuer, the Borrower and Topco under this letter, that (without limitation) may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;

(ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the Initial Purchasers or another person (and the issue to or conferral on of the Issuer, the Borrower and Topco of such shares, securities or obligations);

(iii) the cancellation of the BRRD Liability;

(iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period;

(b) the variation of the terms of this letter, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

For the purposes of this section:

“Bail-in Legislation” means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time.

“Bail-in Powers” means any write-down and conversion powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation.

“BRRD” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“EU Bail-in Legislation Schedule” means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at <http://www.lma.eu.com/pages.aspx?p=499>.

“BRRD Liability” means a liability in respect of which the relevant write-down and conversion powers in the applicable Bail-in Legislation may be exercised.

“Relevant Resolution Authority” means the resolution authority with the ability to exercise any Bail-in Powers in relation to the Initial Purchasers.

UK Bail-In. Notwithstanding and to the exclusion of any other term of this letter or any other agreements, arrangements, or understanding between the Initial Purchasers, the Issuer, the Borrower and Topco acknowledge and accept that a UK Bail-in Liability arising under this letter may be subject to the exercise of Bail-in Powers by the relevant UK resolution authority, and acknowledge, accept, and agree to be bound by:

(a) the effect of the exercise of UK Bail-in Powers by the relevant UK resolution authority in relation to any UK Bail-in Liability of the Initial Purchasers to the Issuer, the Borrower and Topco under this letter, that (without limitation) may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the UK Bail-in Liability or outstanding amounts due thereon;

(ii) the conversion of all, or a portion, of the UK Bail-in Liability into shares, other securities or other obligations of the Initial Purchasers or another person (and the issue

to or conferral on of the Issuer, the Borrower and Topco of such shares, securities or obligations);

(iii) the cancellation of the UK Bail-in Liability;

(iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period;

(b) the variation of the terms of this letter, as deemed necessary by the relevant UK resolution authority, to give effect to the exercise of UK Bail-in Powers by the relevant UK resolution authority.

For the purposes of this section:

“UK Bail-in Legislation” means Part I of the UK Banking Act 2009 and any other law or regulation applicable in the UK relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

“UK Bail-in Liability” means a liability in respect of which the UK Bail-in Powers may be exercised.

“UK Bail-in Powers” means the powers under the UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

This letter may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Any signature to this letter may be delivered by facsimile, electronic mail (including pdf) or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this letter.

If the foregoing correctly sets out our understanding, please indicate your acceptance of the terms hereof by executing and returning this letter, whereupon this letter shall become a binding agreement between us.

Very truly yours

BASING BIDCO LIMITED

By: _____



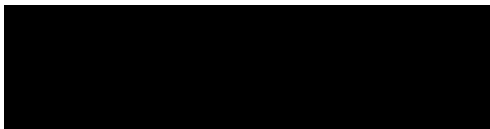
Name: Alexander Walsh

Title: Director

Accepted and agreed to as of the date first above written:

For and on behalf of **BARCLAYS BANK PLC**

By:



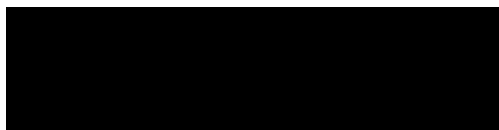
Name: Sinead Harris

Title: Managing Director

Date: 20 January 2021

For and on behalf of **CREDIT SUISSE SECURITIES (EUROPE) LIMITED**

By:

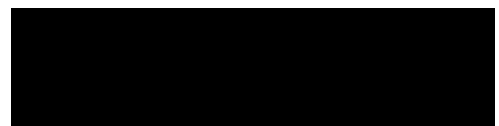


Name: Greg Rye

Title: Managing Director

Date: 20 January 2021

By:



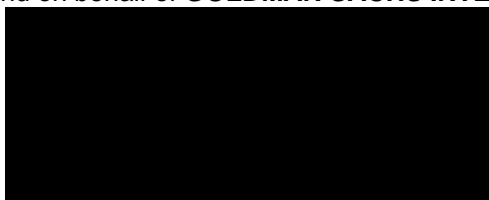
Name: mithil vengurlekar
director

Title:

Date: 20 January 2021

For and on behalf of **GOLDMAN SACHS INTERNATIONAL**

By:



Name: Marc Chowrimootoo

Title: Managing Director

Date: 20 January 2021

For and on behalf of CITIGROUP GLOBAL MARKETS LIMITED

By:



Name:

Marien Belanger

Title:

Authorized Signatory

Date:

20 January 2021

For and on behalf of **J.P. MORGAN SECURITIES PLC**

By: _____



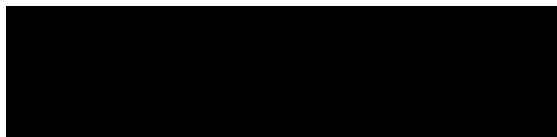
Name: Ryan Dawson

Title: Managing Director

Date: 20.01.21

For and on behalf of **LLOYDS BANK CORPORATE MARKETS PLC**

By:



Name: James Brownrigg-Gleeson

Title: Director

Date: 20 January 2021