

EXECUTION VERSION

DATED 10 March 2021

BASING TOPCO LIMITED

PROSPECTUS

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1 Legal Notice

Prospective investors must rely on their own examination of Basing Topco Limited (the **Company**) and the terms of this offering, including the merits and risks involved. Prospective investors should not construe the contents of this prospectus (the **Prospectus**) as legal, tax, investment or accounting advice and each prospective investor is urged to consult with its own advisers with respect to legal, tax, regulatory, financial and accounting consequences of its investment in the Company. Additional B Securities (as defined below) in the Company (for the purposes of this Legal Notice, the **Shares**) are offered subject to the right of the directors of the Company (**Directors**) to reject any subscription in their sole discretion.

A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar has given, and has not withdrawn, consent to its circulation.

The Jersey Financial Services Commission (the **JFSC**) has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Shares.

It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

The Directors have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

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.

Shareholders may not receive, on sale or the cancellation or redemption of their Shares, the amount that they invested. Shares are offered for subscription on the basis of the information and representations contained in this Prospectus. Neither the delivery of this Prospectus nor the sale of Shares hereunder shall create any implication that there has been no material change in the affairs of the Company since the date hereof.

Nothing in this Prospectus or anything communicated to holders or potential holders of any Shares (or interests in them) by or on behalf of the Company is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for any Shares (or interests in them) for the purposes of the Financial Services (Jersey) Law 1998.

Save as otherwise set out in the Scheme Document, no person has been authorised in connection with this offering to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised. Statements in this Prospectus are made as at the date of this Prospectus unless stated otherwise in writing, and neither the delivery of this Prospectus at

any time, nor the offer or sale of Shares, will under any circumstances create an implication that the information contained in this Prospectus is correct as at any other time subsequent to such date. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Directors as to the issue by the Company of any later Prospectus.

The Directors reserve the right to modify any of the terms of this offering and the Shares described in this Prospectus.

There is no public market for the Shares in the Company, and no such market is expected to develop in the future.

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence or domicile for the acquisition, holding or disposal of the Shares and any foreign exchange restrictions which may be relevant to them. If the Shares are acquired by persons not entitled to hold them, the Shares may be compulsorily redeemed.

The distribution of this document is restricted by law in certain countries. Persons into whose possession this document may come are required to inform themselves of, and to observe any, such restrictions. This document does not constitute an offer or solicitation to any person in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

All references to the provisions of any law or regulations shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time.

Unless otherwise defined herein, capitalised terms shall bear the meaning assigned to them in the scheme document dated 16 December 2020 issued in relation to the Acquisition of AA plc (the **AA**) pursuant to the Scheme, a copy of which is attached at Schedule 2 (the **Scheme Document**).

The applicant is strongly recommended to read and consider this Prospectus before completing an application.

This Prospectus is dated 10 March 2021.

DocuSigned by:
James O' Gara
828AE726A05A469...

Director

For and on behalf of
Basing Topco Limited

Registered Office of the Company

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44 Esplanade
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Jersey
JE4 9WG

Secretary / Administrator

Ogier Global Company Secretary (Jersey)
Limited
3rd Floor
44 Esplanade
St Helier
Jersey
JE4 9WG

Auditor

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

English Legal Advisers

Linklaters LLP
One Silk Street
London
EC2Y 8HQ

Jersey Legal Advisers

Ogier (Jersey) LLP
44 Esplanade
St Helier
Jersey
JE4 9WG

Principal Bankers

Lloyds Banking Group plc
10 Gresham Street, London, EC2V 7AE

3 Company Overview

3.1 Information on the Company

The Company was incorporated as a private company in Jersey on 18 November 2020 with limited liability under the provisions of the Companies (Jersey) Law 1991 (the **Companies Law**).

The constitution of the Company is defined in its Memorandum of Association (**Memorandum**) and Articles of Association. Clause 4 of the Company's Memorandum states the Company shall have unrestricted corporate capacity.

The Company would be deemed to be a public company as a result of the Company having more than 30 members, which resulted from the number AA Shareholders who accepted the Alternative Offer (as defined below), and the Company therefore converted to a public company by way of special resolution on 08 March 2021.

The Company adopted new Articles of Association (**Articles**) by way of special resolution on the same date (08 March 2021) containing certain consequential changes required pursuant to the Companies Law as a result of the Company's public company status.

The initial subscriber of the Company was Ogier Global Nominee (Jersey) Limited (**OGL**), a private company incorporated in Jersey. The subscriber share (being one ordinary share of £1.00 (**Subscriber Share**)) was then transferred from OGL to Basing ConsortiumCo Limited (**ConsortiumCo**), a private company incorporated in Jersey, on 18 November 2020.

The Company adopted a new Memorandum (**Amended Memorandum**) by way of special resolution on 08 March 2021 pursuant to which the Company's issued and unissued share capital of GBP100 divided into 100 Ordinary Shares of par value GBP1.00 each was subdivided into 100,000 Ordinary Shares of par value GBP0.001 each, the Company's authorised share capital was subsequently increased from GBP100 divided into 100,000 Ordinary Shares of par value GBP0.001 each to GBP1,000,000,000 divided into 100,000,000,000 Ordinary Shares of GBP0.001 each and 900,000,000,000 Preference Shares of GBP0.001 each, the issued Subscriber Share was subdivided into 1,000 Ordinary Shares of par value GBP0.001 each and subsequently redesignated as 1,000 Ordinary Shares of GBP0.001 each.

As at the date of this Prospectus the issued share capital of the Company is comprised of 213,262,089 A Ordinary Shares, 1,919,349,805 A Preference Shares, 31,788,998 B Ordinary Shares and 286,101,397 B Preference Shares, each having a nominal value of £0.001.

3.2 Information on ConsortiumCo, the Company and the Intermediate Holding Companies

The majority shareholder of the Company, ConsortiumCo, is wholly owned by a consortium of: (i) funds advised by TowerBrook Capital Partners (U.K.) LLP (registered office 1 St. James's Market, Carlton St., London, SW1Y 4AH) or its affiliates (the **TowerBrook Funds**); and (ii) private equity funds managed by Warburg Pincus LLC (registered office 450 Lexington Avenue, New York, NY 10017) or its affiliates (the **Warburg Pincus Funds** and, together with the TowerBrook Funds, the **Consortium**). Each of Basing BidCo Limited (**Bidco**), Basing HoldCo Limited (**Holdco**) and Basing MidCo Limited (**Midco**) (together the **Intermediate Holding Companies**) is a direct or indirect wholly owned subsidiary of the Company. None of ConsortiumCo, the Company, or any

of the Intermediate Holding Companies have traded since the date of their incorporation nor entered into any obligations, other than in connection with the Acquisition, the financing of the Acquisition, the refinancing of the AA Group or as otherwise described in the Scheme Document.

ConsortiumCo is a private limited company incorporated on 18 November 2020 under the laws of Jersey. ConsortiumCo is a joint venture company formed for the purpose of implementing the Acquisition under the laws of Jersey, which is owned in equal shares by: (i) the TowerBrook Funds; and (ii) the Warburg Pincus Funds.

The Company is owned by: (i) ConsortiumCo which holds 213,262,089 A Ordinary Shares and 1,919,349,805 A Preference Shares; and (ii) the Rollover Investors which hold (in aggregate) 31,788,998 B Ordinary Shares and 286,101,397 B Preference Shares, in each case as at the date of this Prospectus.

Holdco is wholly owned by the Company. Holdco is a private limited company incorporated on 18 November 2020 under the laws of Jersey.

Midco is wholly owned by Holdco. Midco is a private limited company incorporated on 18 November 2020 under the laws of Jersey.

Bidco is wholly owned by Midco. Bidco is a private limited company incorporated on 18 November 2020 under the laws of Jersey. Bidco has not traded prior to the Acquisition nor has it entered into any obligation, other than in connection with the Acquisition, the financing of the Acquisition, the refinancing of the AA Group or as otherwise described in the Scheme Document. Bidco has no material assets or liabilities other than those described in the Scheme Document in connection with the Acquisition, the financing of the Acquisition and the refinancing of the AA Group (save that, with effect on and from the Effective Date (other than such assets and liabilities) the earnings, assets and liabilities of Bidco will therefore comprise the consolidated earnings, assets and liabilities of the AA).

3.3 Information on TowerBrook and Warburg Pincus

(a) TowerBrook

TowerBrook is an investment management firm with in excess of \$13.7 billion under management and a history of creating value for investors. The firm is co-headquartered in London and New York and focuses on making investments in companies headquartered in Europe and North America. TowerBrook's private equity strategy primarily pursues control-oriented investments in large and mid-market companies, principally on a proprietary basis and often in situations characterised by complexity. TowerBrook's structured opportunities strategy allows access to a broad array of opportunities, principally via structured asset and structured equity investments, enabling investment companies to access funding and expertise to support growth without ceding control. TowerBrook is a certified B Corporation. B Corporation certification is administered by the non-profit B Lab organisation and is awarded to companies that demonstrate leadership in their commitment to environmental, social and governance (ESG) standards and responsible business practices.

TowerBrook has a long and successful history of investing in respected UK businesses and supporting their growth strategies. Notable UK investments include Jimmy Choo and

Phase Eight, where TowerBrook oversaw significant revenue growth and sustained improvements in profitability. More recently the firm acquired Azzurri Group, enabling the business to weather the COVID-19 crisis and preserve employment. TowerBrook also has extensive experience in the insurance, financial services, and related industries, with flagship investments including Orchid Insurance, WellCare, Ironshore and HayFin, among others.

(b) Warburg Pincus

Warburg Pincus is a leading global private equity firm focused on growth investing. Founded in 1966, the firm established its European headquarters in London over 30 years ago and has invested in excess of \$12 billion in over 100 European companies.

Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. The firm has a successful track record of investing in sectors that are relevant to the AA's current business and future growth opportunities, including financial services, technology and business services. Within financial services, the team has experience across a diverse set of insurance businesses, from motor insurance, personal and commercial lines brokerage to life insurance. Notable investments include Arch Capital, Renaissance Re, ICICI Lombard, and Primerica Inc. In the business services and technology practices, the firm has significant expertise investing in the B2C auto-tech, logistics and tech-enabled mobility sectors.

Warburg Pincus also has a long-standing track record of investing in the UK. Recent investments in the UK include Inmarsat, the world leader in global mobile satellite communications, Tilney Smith & Williamson, a leading wealth management firm, McGill & Partners, a specialty insurance broker, Community Fibre, a Fibre-to-the-Home broadband provider, and Inspired Education, a global premium schools group.

Founded in 1966 and headquartered in New York, Warburg Pincus has raised 22 funds, which have invested more than \$90 billion in over 940 companies in more than 40 countries. The firm has more than \$58 billion in private equity assets under management and an active portfolio of more than 190 companies, highly diversified by stage, sector and geography.

3.4 Background to the Acquisition and the Alternative Offer

On 25 November 2020, the board of directors of the AA and Basing Bidco Limited (**Bidco**) announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco of the entire issued and to be issued ordinary share capital of the AA. The acquisition of the AA by Bidco, which was implemented by means of a scheme of arrangement (the **Scheme**) under Part 26 of the Companies Act 2006 (the **Acquisition**), became effective on 9 March 2021 (the **Effective Date**).

In connection with the Acquisition, the Eligible AA Shareholders could elect to receive, instead of 35p in cash for each AA Share (the **Cash Offer**), 1 Topco Unit (comprising 0.3181818182 B Preference Shares in the Company and 2.8636363636 B Ordinary Shares in the Company) for each AA Share (subject to rounding of fractional entitlements and certain other terms and conditions as set out in the Scheme Document) (the **Alternative Offer**).

The purpose of the Acquisition was to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of the AA, and was achieved:

- (a) under the Cash Offer, by the transfer of the AA Securities to Bidco, in consideration for which the holder of AA Securities was entitled to receive the cash consideration due under the Cash Offer on the basis set out in the Scheme Document; and
 - (b) in respect of those holders of AA Securities that elect for the Alternative Offer, through the receipt of Topco Units in exchange for the AA Securities of the relevant eligible holder of Scheme Shares pursuant to the Roll-over Mechanic,
- in each case effected pursuant to the Scheme.

Each current shareholder of the Company (other than ConsortiumCo) shall be hereinafter referred to as a **Rollover Investor**.

3.5 Additional Capital Raise by the Company

The Consortium intends to raise £279,880,474.24 (the **Additional Capital Raise**) in order to provide the Topco Group with the financing necessary to start implementing its proposed Refinancing, further details of which were set out in paragraph 7 of Part II of the Scheme Document, and to fund costs and expenses incurred in connection with the Acquisition and such Refinancing (and the purchase of any AA Securities issued after the Scheme Record Time if applicable).

The Additional Capital Raise is time sensitive and the Consortium wanted to fund the £279,880,474.24 as soon as possible following the Effective Date. Consequently, 100 per cent. of the £279,880,474.24 million was funded by ConsortiumCo on or around 10 March 2021 (the **Pre-approved Consortium Funding**).

3.6 The Offer

The Rollover Investors are each entitled to subscribe for or acquire such number of each class of B ordinary shares (**B Ordinary Shares**) and B preference shares (**B Preference Shares** and, together with the B Ordinary Shares, the **B Securities**) comprising its pro rata portion of the Pre-approved Consortium Funding as it would otherwise have been entitled to subscribe for had its rollover investment been completed at the time of such Pre-approved Consortium Funding (the **Offer**).

The Offer is being made in on and subject to the terms of the Shareholders' Agreement (including clause 6 thereof), the Memorandum and Articles of the Company and this Prospectus.

Together with this Prospectus, the Rollover Investors will receive a notice (the **Rollover Investors Catch Up Funding Notice**) from the Company setting out their entitlement to subscribe for their pro rata portion of shares, the subscription price and the closing date of the Offer, by which date they must accept in writing, otherwise they will be deemed to have declined the Offer.

Each Rollover Investor can indicate (in their acceptance notice) a maximum number of B Securities it is willing to acquire in excess of its pro rata portion of new B Securities if any other Rollover Investor does not take up their available participation in full.

If any Rollover Investor declines, or is deemed to decline, an offer for all or part of such Rollover Investor's pro rata portion of new B Securities, such declined B Securities shall be allocated to those Rollover Investors who accept the offer of new Securities and indicate that they would subscribe for excess new B Securities. Such allocation will be made on a pro rata basis (but will be subject to scaling back as reasonably determined by the Directors acting in good faith if Rollover Investors indicate that they would subscribe for, in aggregate, more than the total number of excess new B Securities).

An acceptance notice pursuant to which a Rollover Investor indicates that it is willing to acquire new B Securities (or if applicable, in excess of its pro rata portion of new B Securities) shall be irrevocable and shall oblige such Rollover Investor to subscribe for such number of new B Securities as set out in that acceptance notice at the same price specified in the Rollover Investors Catch Up Funding Notice or if applicable, such lesser number of new Securities determined by the Directors (as described above).

The Company shall provide confirmation of such Rollover Investor's allocation of new B Securities as determined in accordance with the foregoing. The funding for the new B Securities must then be provided by such Rollover Investor within 3 Business Days of receipt of such confirmation.

Details of the Offer

- The Offer will open on 10 March 2021 at 9.00 am.
- In accordance with clause 6.3 of the Shareholders' Agreement (as defined below), the Offer will be open for two business days following deemed delivery of written notice of entitlements to participate in the Offer. Any acceptances received after this time will not be valid and will be disregarded.
- The method of acceptance of the Offer and the deadline for payment is set out in the letter provided to you at the same time as this Prospectus.
- The subscription price should be paid to the Company's bank account in cleared funds by each Rollover Investor who has validly accepted the Offer within three business days of deemed receipt of confirmation of such Rollover Investor's final entitlements. The Board reserves the right to decline any moneys received by the Company after this time and (subject to identification of the sender) such amounts will be returned to the relevant Rollover Investor.
- The subscription price should be paid to the Company's bank account, the details of which are set out below: Name of bank: Lloyds Banking Group plc, account number: 00548859; sort code: 30-40-65. **Important notice:** Please ensure your transfer is identifiable by adding as a reference either: (i) the initial of your first name and then your surname in block capitals (by way of example the reference for John Smith would be JSMITH); or (ii) in the case of companies or entities, the name of such company or entity. The Board reserves the right to decline any funds received and not so identified for the

purposes of the Offer, and subject to the identification of the sender, any such moneys shall be returned to the sender.

- There is no minimum amount which must be raised pursuant to the Offer.
- There is no minimum number of shares which may be subject of one transaction of sale on the issue of the B Securities.
- There is no maximum number of shares which may be subject of one transaction of sale on the issue of the B Securities.
- There is no minimum investment required to be made by any one investor.
- If any Rollover Investor accepts an offer, that number of new B Securities shall, subject to receipt of funding (as described above), be allotted and issued to the relevant Rollover Investor within 10 Business Days of its acceptance.
- Share certifications in respect of the new B Securities will be sent to shareholders by first class post (or by international post or airmail, if overseas) (or by such other method as the Directors acting reasonably consider appropriate).
- Any funds will be returned as soon as reasonably practicable and in any event within 15 business days of receipt by either cheque or bank transfer (to be determined by the Board in its absolute discretion) to the relevant Rollover Investors in the event of the Offer not being completed or any securities applied for not being allotted.

4 The Shares

4.1 Final Position

The Company will shortly issue an additional (approximately) 166,892,514 A Ordinary Shares and 1,502,032,622 A Preference Shares in order to fund the cash consideration due to AA shareholders in connection with the Acquisition prior to the applicable deadline under The Panel on Takeovers and Mergers. The 31,788,998 B Ordinary Shares and 286,101,397 B Preference Shares required to satisfy the share alternative in connection with the Acquisition are in issue, having been allotted and issued following the Scheme becoming effective.

If the Rollover Investors elected to accept in full their entitlement under the Additional Capital Raise, the Company would therefore have a total issued share capital after the relevant new B securities are issued of approximately:

- (a) 380,710,148 A ordinary shares (**A Ordinary Shares**) and 3,426,373,335 A preference shares (**A Preference Shares**) and together with the A Ordinary Shares, the **A Securities**) to be held by ConsortiumCo; and
- (b) 72,410,158 B Ordinary Shares and 651,691,836 B Preference Shares to be held by the Rollover Investors.

Rollover Investors should note that their percentage ownership of the Company will therefore be significantly reduced if they do not provide the cash funds required to accept the Offer to take up their entitlement pursuant to the Additional Capital Raise (or any further issue of securities by the Company following the Effective Date).

4.2 Terms of Issue of Topco Securities

Each Rollover Investor delivered, pursuant to a power of attorney included in the Form of Election for the Alternative Offer and the Scheme, a fully executed deed of adherence on 9 March 2021 pursuant to which they adhered to and are now each bound by the Shareholders' Agreement, a copy of which is included at Schedule 1.

Below is a summary of the terms upon which the new B Securities will be issued. Rollover Investors should note that these are the same as the terms upon which your existing securities were issued in accordance with the Scheme Document and the Shareholders' Agreement.

The new B Ordinary Shares and B Preference Shares will be issued credited as fully paid and will rank economically pari passu with the A Ordinary Shares and A Preference Shares in the Company respectively being issued to ConsortiumCo pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the Effective Date.

Any A Securities or B Securities (together, the **Topco Securities**) to be issued to the Consortium for cash within three months after completion of the Acquisition (including in relation to the Additional Capital Raise) will be issued at a subscription price which is equal to the subscription price at which Topco Units will be issued pursuant to the Alternative Offer, assuming the value of the Topco Units under the Alternative Offer were equal in aggregate to the Cash Offer (and after adjusting for the price at which shares were issued by the Company to ConsortiumCo on incorporation).

The Topco Securities issued to fund the cash consideration, under the Alternative Offer and pursuant to the Additional Capital Raise have been/will be (as applicable) issued in the ratio of one Ordinary Share to nine Preference Shares (subject only to rounding of fractional entitlements).

4.3 Economic Rights

The economic rights described below are subject to the risks described in the Scheme Document and below in paragraph 9 of this Prospectus (for example, that: (i) holders of Topco Units may be diluted over time, potentially significantly, should holders of Topco Units not elect to participate in further issues of additional shares, loan notes or other securities of the Company and the Company's subsidiaries and subsidiary undertakings (the **Topco Group**); (ii) holders of Topco Units are not always entitled to participate in such issues; and (iii) such additional securities may have different rights to the Topco Units).

Subject to the above, at the date of this document, any return of proceeds to security holders of the Company, whether on an Exit or otherwise, including the right to receive

and retain dividends and all other distributions and returns of capital made or paid, shall be distributed as follows:

Preference Shares

Firstly, such proceeds will be distributed pro-rata to each holder of A Preference Shares and B Preference Shares in accordance with the terms and conditions regulating such securities.

The A Preference Shares and the B Preference Shares shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by the Company.

In addition, the A Preference Shares and the B Preference Shares shall entitle the holders thereof to a fixed cumulative preferential dividend at an annual rate of 10 per cent. of their issue price (the **Preferred Return**). Any Preferred Return will be compounded annually and paid out of available proceeds for distribution on an Exit or on redemption.

Ordinary Shares

Subject to the rights of the A Preference Shares and the B Preference Shares and any other issues of securities by the Topco Group from time to time, any surplus proceeds available shall then be distributed to each holder of A Ordinary Shares and B Ordinary Shares, pro-rata to their shareholdings. The A Ordinary Shares and the B Ordinary Shares shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by the Company.

Voting Rights

Every holder of one or more A Ordinary Shares on the date on which either a written resolution is circulated, or a general meeting is held and who is present at such meeting shall, subject to the Articles, have one vote for each A Ordinary Share.

The B Ordinary Shares, the A Preference Shares and the B Preference Shares will not entitle the holders thereof to: (i) any votes; (ii) receive a copy of any written resolution; or (iii) receive notice of any general meetings.

The following matters shall require the prior consent of a majority of the holders of the B Securities (the **B Shareholders**):

- (a) any raising of new equity capital or issue of new shareholder instruments (including shareholder loans) by any member of the Topco Group which is not conducted in line with the pre-emption, catch-up or other procedures specified in the Shareholders' Agreement;
- (b) any return of capital, redemption or buy-back of shareholder instruments or recapitalisation of or by any member of the Topco Group otherwise than on a pro rata basis as between the relevant holders of Topco Securities;
- (c) any dividends or distributions made or undertaken otherwise than on a pro rata basis as between holders of Topco Securities; and

- (d) the entering into, variation or termination of any related party contract with the Consortium and its affiliates (other than portfolio companies of the members of the Consortium),

save, in the case of (i) – (iii) above, between wholly owned members of the Topco Group, provided it does not disproportionately affect any class of Topco shareholder.

The Consortium may amend the rights of the Topco Securities (notwithstanding any class rights) without the consent of the B Shareholders (provided that reasonable notice setting out the amendments shall be sent to the B Shareholders), save that no amendment shall be made which would be materially and/or disproportionately adverse to economic, tax or legal position of the B Shareholders as compared to the Consortium without the consent of B Shareholders. Any amendments made without the consent of the B Shareholders shall be for bona fide purposes and shall not be used to frustrate, terminate or reduce the rights of the B Shareholders.

4.4 Transfers of Topco Units

B Securities will not be transferable during an initial five year lock up period (the **Lock-up Period**) without the prior written consent of the Consortium except pursuant to the drag and tag rights described below, a reorganisation approved by the Consortium or in respect of customary permitted transfers to associates.

No changes in direct or indirect interests or economic entitlements in B Securities shall be permitted which circumvent the restrictions on transfer during the Lock-up Period and, without prejudice to damages claims, economic rights shall be suspended during any such breach.

Following the Lock-up Period, a B Shareholder shall be entitled to transfer its B Securities (provided that any such transfer is for all (but not part) of the Topco Securities held by such B Shareholder and any of its associates to whom Topco Securities have been transferred in the limited permitted circumstances, but shall not include any Topco Securities held by any of its associates to the extent not held as a result of any such transfer), subject to a right of first refusal on the part of ConsortiumCo (other than on associate transfers) and to certain other restrictions in respect of the identity of the proposed transferee. In particular, any proposed transferee of B Securities after the Lock-up Period must:

- (a) adhere to the Shareholders' Agreement;
- (b) complete any applicable anti-money laundering, anti-bribery and corruption, anti-sanctions and know your client checks reasonably required by the Consortium or its associates or the Topco Group or the AA Group (to be undertaken promptly) and/or any antitrust or regulatory change in control approvals required by any regulator (which the Topco Group and the AA shall provide reasonable information and assistance in obtaining, if required); and
- (c) not be considered by the Directors (acting reasonably and without delay) to be a competitor of the AA Group, or a person whose investment is likely to result in reputational harm to the Consortium, its associates or the AA Group.

Customary stapling provision shall apply in respect of any transfers of Topco Securities such that (i) A Ordinary Shares and B Ordinary Shares (the **Ordinary Shares**); and (ii) A Preference Shares and B Preference Shares (the **Preference Shares**) must be transferred together in fixed ratios.

4.5 Additional Topco Securities Issues

Further issues of securities by the Topco Group are intended to be implemented.

ConsortiumCo and the B Shareholders will be entitled to participate pro rata in securities issues by the Topco Group following the Effective Date, excluding issues of Topco Securities or transfers of Topco Securities from treasury:

- (a) by one wholly owned member of the Topco Group to another wholly owned member of the Topco Group, provided that no holder of Topco Securities is disproportionately adversely affected compared with other holders of Topco Securities;
- (b) to ConsortiumCo and/or its associates to finance the Acquisition;
- (c) to the B Shareholders pursuant to the Scheme and/or the Roll-over Mechanic in connection with the Acquisition;
- (d) to ConsortiumCo and/or its associates in connection with the funding of the Refinancing;
- (e) to B Shareholders in connection with funding of the Refinancing pursuant to their catch-up right;
- (f) to actual or potential employees, directors or consultants (whether directly or indirectly) which shall dilute ConsortiumCo's Topco Securities and the B Shareholders' Topco Securities pro rata;
- (g) other than to ConsortiumCo or its associates, for non-cash consideration on the acquisition of, or merger with, all or part of another business, undertaking, company or assets, which shall dilute ConsortiumCo's Topco Securities and the B Shareholders' Topco Securities pro rata;
- (h) other than to ConsortiumCo or its associates, in connection with the debt financing arrangements of the Topco Group, which shall dilute ConsortiumCo's Topco Securities and the B Shareholders' Topco Securities pro rata;
- (i) in connection with an IPO or a pre-IPO reorganisation; or
- (j) in respect of which ConsortiumCo and a majority of the B Shareholders give their prior written consent to pre-emption rights not applying.

In the case of an issue of further Topco Securities to ConsortiumCo (or its affiliates), the recipient will receive A Securities and the B Shareholders entitled to participate in such issue will receive further B Securities. A Securities and B Securities shall be issued pro

rata in the proportions which exist immediately before the new issue of securities if each shareholder exercises their pre-emption rights in full.

All such securities in which B Shareholders are entitled to participate shall be offered on a pre-emptive basis to the holder(s) of the A Securities and the B Shareholders, provided that ConsortiumCo shall have the right for the Additional Capital Raise and any emergency securities issues to be initially made to the Consortium and for B Shareholders to then have customary pro rata “catch up” rights, which, in the case of the Additional Capital Raise, may be exercisable within not less than two Business Days’ notice.

Following three months after the Effective Date, securities issues in which B Shareholders are entitled to participate will be issued at a price equal to the Directors’ bona fide opinion of the market value of such securities, with the A Securities and B Securities valued on a consistent basis for this purpose.

In addition, as described in paragraph 7 of Part II (Explanatory Statement) of the Scheme Document, the Company intends to issue further securities in the period following the Effective Date.

Rollover Investors should note that their percentage ownership of the Company would therefore be significantly reduced if they did not provide the cash funds required to accept their entitlement pursuant to the Additional Capital Raise or any further issue of securities by the Company.

For the avoidance of doubt, this Prospectus may be circulated to Rollover Investors for any future additional capital raises up to but not exceeding an amount of £1,000,000,000.

4.6 Governance; Board Representation

Any B Shareholder holding at least 10 per cent. of the Topco Securities at any time shall have the right to appoint an observer (subject to compliance with laws and regulations in relation to control and use of inside information, restrictions on holding and trading of the Topco Group’s debt securities and the identity of the proposed observer being acceptable to the Directors (acting reasonably and in good faith), it being agreed that consent being withheld in respect of all actual or potential competitors of the AA Group shall not be unreasonable) to meetings of the Directors and committees of the Directors (and the boards of any other Topco Group or AA Group company on which a Consortium member has board representation) and there shall be a minimum of four Board meetings per annum.

4.7 Transaction Fees and Expenses

Save as determined by the Consortium, the Topco Group will be responsible for all of the fees and expenses incurred in connection with the Acquisition and the Offer and including the Refinancing (as described in paragraph 7 of Part II (Explanatory Statement) of the Scheme Document) and re-charging of any fees and expenses paid by the Warburg Pincus Funds or the TowerBrook Funds, in each case plus VAT if applicable.

No amounts shall be written off or provided for in respect of goodwill or preliminary expenses. No benefit has been given to any promoters of the Offer.

4.8 Information Rights

The observer appointed in accordance with paragraph 4.6 above shall receive all notices of board meetings and shall be provided with (subject to customary confidentiality undertakings and restrictions around the sharing of such information) all relevant papers, documents and reports provided to the Directors, and papers, material provided to, minutes of, and resolutions approved by such Directors and any committee of such Directors. The Directors may, however, acting reasonably, redact information made available to such observer or exclude such observer from all or part of a meeting to the extent the relevant information or matter being considered is determined by the Directors to give rise to a conflict of interest for such observer. In addition, the B Shareholders may request and, subject to consent of the Consortium and confidentiality obligations, receive reasonable information on the Topco Group and its affairs and may disclose such information to associates.

The Company shall, and shall procure that the Topco Group will, provide at the direction of a B Shareholder (at such B Shareholder's cost) customary and/or reasonable information in relation to the Topco Group and the AA Group and reasonable assistance, in each case, in connection with any transfers by such B Shareholder to a third party after the Lock-up Period, subject to customary confidentiality protections being in place in favour of the Topco Group in respect of its confidential information, such third party agreeing to adhere to the Shareholders' Agreement, completion of certain legal, compliance, regulatory and identity checks and procedures and such third party not being considered by the Directors to be a competitor of the Topco Group or a person whose personal or business reputation would mean that their investment is likely to result in reputational harm to the Topco Group or Consortium or its associates.

4.9 Exit Arrangements

Any future share sale, asset sale, IPO, winding-up or other form of liquidity event relating to the Topco Group (an **Exit**) shall occur at the absolute discretion of the Consortium.

All holders of Topco Units are required to co-operate and take such actions in respect of any proposed Exit as are reasonably requested by the Topco Group or the Consortium. This shall include without limitation: any reorganisation, restructuring or other corporate (or similar) action required to facilitate such Exit; providing warranties as to the title to the Topco Units held by such holder and its capacity to sell such Topco Units; and, in the case of an IPO, entering into customary "lock-up" undertakings.

4.10 Drag-Along and Tag-Along

ConsortiumCo shall have a "pro rata" drag right on the same economic terms on any transfers of direct or indirect shareholdings in Topco Securities by the Warburg Pincus Funds or the TowerBrook Funds to a bona fide purchaser which is not connected with either the Warburg Pincus Funds or the TowerBrook Funds if, following such transfer, the purchaser would thereafter directly or indirectly hold a majority of the Topco Securities.

For these purposes, the expression “pro rata” shall mean the portion of the Topco Securities of the non-transferring shareholder to the portion of direct or indirect holdings of Ordinary Shares being transferred by the transferring shareholder and their associates.

B Shareholders shall have a “pro rata” tag right on the same economic terms on any transfer of direct or indirect shareholdings in Topco Securities by the Warburg Pincus Funds or the TowerBrook Funds (other than in respect of certain excluded instances including, but not limited to, customary permitted transfers to affiliates, any current or prospective director, officer, employee or consultant of the Topco Group, reorganisation, IPO, where a drag right has been exercised, and/or any “silent syndication” to limited partners and/or co-investors in the period between the date of the Announcement and the date which is 12 months following the Effective Date). A full tag right will apply on a transfer by the Consortium of a majority of the Topco Securities (save that this right will be subject to certain excluded instances specified above). For these purposes, the expression “pro rata” shall mean the proportion that the Ordinary Shares transferred by the Warburg Pincus Funds or the TowerBrook Funds, as the case may be, bears to the total direct or indirect holdings of A Ordinary Shares.

4.11 Governing Law and Jurisdiction

The Shareholders’ Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Shareholders’ Agreement and accordingly any proceedings arising out of or in connection with the Shareholders’ Agreement shall be brought in such courts.

5 Management of the Company

5.1 The Company will be managed by the Directors, which as at the date of this Prospectus will be James O’Gara and Alexander Noel Walsh. The **Directors** will meet to review the investment and administrative affairs of the Company. It is expected that the Directors will meet no less frequently than four times a year. The details of the Directors at the date of this document are set out below:

Alexander Noel Walsh

Address: 1 St. James’s Market, Carlton Street, London, SW1Y 4AH

Business occupation: company director

James O’Gara

Address: Almack House, 28 King Street, St. James’s, London, SW1Y 6QW

Business occupation: company director

6 Dividends

Dividends will accrue on the B Preference shares in accordance with article 33 of the Articles, but the Consortium’s current expectation is that no such dividends will be paid in respect of the B

Preference Shares prior to the occurrence of an Exit (as defined in the Shareholders' Agreement).

The Consortium's current expectation is that no dividends will be paid in respect of the B Ordinary Shares prior to the occurrence of an Exit (as defined in the Shareholders' Agreement).

7 Material Contracts

The following contracts have been or will be entered into by the Company on or around the date of this Prospectus and are or may be material to Rollover Investors' decision whether or not to participate in the Additional Capital Raise:

- (a) a shareholders' agreement dated 16 December 2020 relating to the Company, entered into between the Company, Holdco, Midco, Bidco, ConsortiumCo and the Rollover Investors (as defined therein) (as amended) which has been entered into to regulate the affairs between the parties in connection with the investments and management of the Group, as amended from time to time (the **Shareholders' Agreement**);
- (b) a consortium agreement dated 9 March 2021 relating to ConsortiumCo, entered into between ConsortiumCo, the Company, TCP Parent Holding LP and WP Agassi Investments LP, to regulate the affairs of the parties in connection with the investment in ConsortiumCo and the management of the Group (as defined therein) (the **Consortium Agreement**); and
- (c) the Articles of Association of the Company.

Please also note the material contracts described in Part X (Additional Information) of the Scheme Document.

8 Conflicts of Interest

In addition to their positions as directors of the Company, the Directors: (i) hold positions as directors of Consortiumco, Holdco, Midco and Bidco; and (ii) are employees of either TowerBrook or Warburg Pincus as applicable. It is possible that any of the Directors may, in the course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations to act in the best interests of the Company and the shareholders so far as practicable, when undertaking any investment decision where conflicts of interests may arise and they will endeavour to resolve such conflicts fairly.

The directors, officers, employees and agents of the Company may have obligations or allegiances to others that may conflict with their duties to the Company. Although the resolution of conflicts of interest will depend on the nature of the conflict and the facts and circumstances of the situation, the directors, officers, employees and agents of the Company will each attempt to resolve any such conflicts by exercising their judgment in good faith.

9 Risk Factors

9.1 A summary of the key rights and obligations of the B Securities are set out in paragraph 4 above. In addition, the attention of the Rollover Investors who may be considering electing

for the Offer is drawn to certain risk factors and other investment considerations relevant to such an election (as set out in paragraph 2.4 of Part V of the Scheme Document). These include the following:

- (a) Upon the Scheme becoming Effective, the Topco Group will be controlled by the Consortium and holders of the Topco Units (which do not carry any general voting rights at general meetings of the Company except in respect of a very limited number of reserved matters) will therefore have no influence over decisions made by the Company in relation to its investment in the AA or in any other business.
- (b) The Topco Units are unquoted and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities and will therefore be illiquid.
- (c) The Topco Units do not carry general attendance or voting rights at any general meeting of the Company.
- (d) The Topco Units will have very limited transfer rights. They will not be transferable during the Lock-up Period (save in very limited circumstances such as in accordance with customary drag-along or tag-along provisions or otherwise with the prior consent of ConsortiumCo). Following the Lock-up Period, a B Shareholder shall be entitled to transfer its Topco Securities (provided that any such transfer is for all (but not part) of the Topco Securities held by such B Shareholder and any of its associates to whom Topco Securities have been transferred in the limited permitted circumstances, but shall not include any Topco Securities held by any of its associates to the extent not held as a result of any such transfer), subject to a right of first refusal on the part of ConsortiumCo and to certain other restrictions in respect of the identity of the proposed transferee.
- (e) The value of the Topco Units will be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value estimated by Credit Suisse and Goldman Sachs as set out in Part IX (Rule 24.11 Estimate of Value Letter) of the Scheme Document.
- (f) Payments in respect of Topco Units will not be guaranteed or secured and, for so long as the Topco Group has any secured debt outstanding, it is not anticipated that the Company will declare or pay any dividends on any of the Topco Units.
- (g) Further issues of securities by the Topco Group are intended to occur in addition to the Additional Capital Raise (although there can be no guarantee that this will occur).
- (h) Such further issues will generally be subject to pre-emption rights, provided that ConsortiumCo shall have the right for the Additional Capital Raise and any capital raise made on an urgent basis to be made solely to ConsortiumCo and for the B Shareholders to then have customary pro rata catch up rights.
- (i) In relation to those further issues of securities, if holders of Topco Securities wish to avoid their percentage interest in the Company being reduced by any such

issue, they will need to invest further cash sums in the Topco Group. In particular, B Shareholders who do not elect to exercise their pre-emption rights or catch up rights by investing the necessary cash sums in respect of the Additional Capital Raise will suffer significant dilution in their percentage ownership very shortly following the Effective Date.

- (j) The right of holders of Topco Units to participate in future issues of securities by the Topco Group will also be subject to other important exceptions. For example, holders of Topco Units will not be entitled to participate in any issues of securities to actual or potential employees, directors, officers or consultants of the Topco Group (whether of the same or different classes to the Topco Units).
- (k) If the Consortium introduces one or more management incentive plans for actual or potential employees, directors, officers and consultants of the Topco Group after the Effective Date that provide participants with an interest in securities in the Topco Group, such issue(s) could potentially significantly dilute the Topco Units. In addition, the Topco Group may not receive material cash sums on the issue of any such securities and the returns on any such securities may potentially be structured to increase their proportionate interest in the value of the Topco Group as it increases in value (whether pursuant to a ratchet mechanism or otherwise).
- (l) Similarly, holders of Topco Units will not be entitled to participate in issues of securities by the Topco Group in certain other cases, including in consideration for, or in connection with, its acquisition of other assets, companies or all or part of any other businesses or undertakings.
- (m) The precise numbers of securities that may be issued by the Topco Group from time to time cannot be ascertained at the date of this document and will depend on a variety of factors including those described above.

10 General Information

The information in this section includes a summary of certain of the principal provisions of the Memorandum and Articles of the Company and various other matters and is provided subject to the detailed provisions of each such document.

10.1 Reports and Accounts

The annual accounting date of the Company is 31 January of each year, the first financial year end being 31 January 2021.

As at the date of this Prospectus, the Company has not prepared any audited financial statements.

10.2 Share Capital

The authorised share capital of the Company is GBP1,000,000,000.00 divided into 100,000,000,000 Ordinary Shares of GBP 0.001 each and 900,000,000,000 Preference Shares of GBP 0.001 each. The current issued and paid up share capital of the Company is approximately GBP2,450,502.00, made up of 2,450,502,289 Shares of 0.001 each.

10.3 Inspection of Documents

Copies of the following documents are available for inspection free of charge during normal business hours on any weekday at the registered office of the Company:

- (a) the current Memorandum and Articles of the Company;
- (b) register of shareholders of the Company;
- (c) special resolutions of the Company;
- (d) the latest published annual reports and accounts of the Company (when available); and
- (e) the latest Prospectus of the Company and any supplement thereto (including the Scheme Document).

SCHEDULE 1

Shareholders' Agreement

The Shareholders' Agreement is available on the on the AA's transaction website:

www.theapl.com/investors

SCHEDULE 2

Scheme Document

The Scheme Document is available on the on the AA's transaction website:

www.theapl.com/investors