

AA plc (*the Company*)  
Fanum House Basing View  
Basingstoke  
Hampshire  
RG21 4EA

To: Basing Bidco Limited (*Bidco*)  
3rd Floor  
44 Esplanade  
St Helier  
Jersey  
JE4 9WG

Towerbrook Capital Partners (U.K.) LLP (*TowerBrook*)  
1 St James's Market  
Carlton Street  
London  
SW1Y 4AH

Warburg Pincus LLC (*Warburg Pincus*)  
Almack House  
28 King Street, St. James's  
London  
SW1Y 6QW

16 December 2020

Dear Sir/Madam

**Project Altum**

In consideration for AA Bond Co Limited seeking to issue £280 million of new Class B3 Notes, subject to market conditions and with the support of Bidco (including approval of the parties, timing and pricing of such new Class B3 Notes issue), as stated in the announcement dated 25 November 2020 made by the Company and Bidco pursuant to Rule 2.7 of the Takeover Code in connection with the acquisition by Bidco of the entire issued and to be issued ordinary share capital of the Company (the “**Announcement**”), each of TowerBrook and Warburg Pincus agrees to reimburse or to procure that Bidco reimburses the AA Group for all fees, costs and expenses (including any applicable VAT except to the extent recoverable by the AA Group) up to a maximum amount of £1,758,017 (exclusive of VAT) provided they are incurred in accordance with the terms and scope, and up to the maximum amounts, which are approved by Bidco in writing (including by way of email, provided that such approval is specifically stated to be for the purposes of this letter), or such other terms, scope and maximum amounts (whether individually or in aggregate) as the AA Group shall notify to TowerBrook, Warburg Pincus and Bidco stating expressly that they are an amendment to the terms, scope and/or amounts previously approved for the purposes of this letter (the “**Approved Costs**”) (provided that, if any of TowerBrook, Warburg Pincus or Bidco do not agree to such variation in terms or scope, the Approved Costs shall remain as previously approved by Bidco and no increase in amount shall be Approved Costs without the prior written approval of Warburg Pincus and Towerbrook).

Subject to the remaining terms of this letter, such reimbursement of Approved Costs shall be made as soon as reasonably practicable after, and in any event within ten business days of, a written request by the AA Group to each of Bidco, TowerBrook and Warburg Pincus (for which purposes email shall suffice), provided that (i) no such written request shall be submitted (or obligation to reimburse shall arise) until immediately after such time as the Acquisition lapses or is withdrawn (other than where: (a) such lapse or withdrawal is as a result of the exercise of Bidco's right to effect a switch to a Takeover Offer; or (b) is

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) (“**Transaction Termination**”); and (ii) the AA Group shall have submitted a copy of the final invoices relating to such fees, costs and expenses to Bidco together with or in advance of such written request.

No reimbursement shall be required under this letter (and if any amount has already been reimbursed it shall be repaid) if the Board adversely modifies or withdraws its recommendation of the Acquisition on its current terms.

If Transaction Termination occurs and, within 9 months thereafter, any member of the AA Group implements any kind of financing or refinancing and its legal costs and/or expenses in relation thereto are reduced due to legal work done which was Approved Costs and which were reimbursed by Bidco pursuant to this letter (and not otherwise repaid) (the “**Costs Benefit**”) then the AA Group shall, as soon as reasonably practicable, reimburse to Bidco an amount equal to the extent of any such Costs Benefit (and, to the extent required for such purpose, the Company shall provide to Bidco a calculation of the amount of the Costs Benefit prepared in good faith).

Any sum payable under this letter is exclusive of any applicable VAT. Consequently, if any such VAT is chargeable, the payer shall pay to the payee an additional amount equal to the amount of such VAT (other than VAT recoverable by the payee) upon presentation of a proper invoice issued by the payee.

This letter and any obligations arising out of or in connection with it shall be governed by and construed in accordance with English law. In signing and/or countersigning this letter, the parties agree and acknowledge that their intention in so doing is to create legally binding obligations.

Words and expressions used in this letter, shall, unless otherwise specified, have the meaning given to them in the Announcement.

Please confirm your agreement by signing and returning to us a copy of this letter.

Yours faithfully

[REDACTED]

For and on behalf of  
**AA plc**

[REDACTED]

For and on behalf of  
**AA Senior Co Limited**

[REDACTED]

For and on behalf of  
**AA Bond Co Limited**

**AGREED AND ACCEPTED**



For and on behalf of  
**Basing Bidco Limited**

Dated...~~16/12~~.....2020

**AGREED AND ACCEPTED**



For and on behalf of  
**Towerbrook Capital Partners (U.K.) LLP**

Dated... 15 December .....2020

**AGREED AND ACCEPTED**



For and on behalf of  
**Warburg Pincus LLC**

Dated.....15 December.....2020