



Европейска инвестиционна банка  
Evropská investiční banka  
Den Europæiske Investeringsbank  
Europäische Investitionsbank  
Euroopa Investeeringispank  
Ευρωπαϊκή Τράπεζα Επενδύσεων  
European Investment Bank  
Banco Europeo de Inversiones  
Banque européenne d'investissement  
Banca europea per gli investimenti  
Eiropas Investīciju banka  
Europos investicijų bankas  
Európai Beruházási Bank  
Bank Ewropew tal-Investment  
Europese Investeringsbank  
Europejski Bank Inwestycyjny  
Banco Europeu de Investimento  
Banca Europeană de Investiții  
Európska investičná banka  
Evropska investicijska banka  
Euroopan investointipankki  
Europeiska investeringsbanken

## PBCE LETTER OF CREDIT

To: HSBC Corporate Trustee Company (UK) Limited

(the "**Beneficiary**" or the "**Security Trustee**" on behalf of Senior Creditors)

25 August 2015

### Irrevocable Letter of Credit no. FI 84295

At the request WoDS Transmission Plc (the "**Issuer**"), the European Investment Bank (the "**PBCE Provider**") issues this irrevocable letter of credit ("**Letter of Credit**") in your favour on the following terms and conditions:

#### 1. Definitions

Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the PBCE Letter of Credit and Reimbursement Deed dated 20 August 2015 between WoDS Transmission Holdco Ltd, the Issuer, the Security Trustee and the PBCE Provider (the "**Deed**").

In this Letter of Credit:

"**Business Day**" means:

- (a) 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 currency deposits) in London; and
- (b) for any other purpose (including provision of any notices (including a Notice of Demand) or in relation to payment by the PBCE Provider of any amount drawn under this Letter of Credit), a day (other than a Saturday or a Sunday) on which commercial banks and the PBCE Provider are open for general business in Luxembourg.

"**Expiry Date**" means the earlier of: (a) the later of the date on which all amounts due or owing by the Issuer in respect of the Bonds have been irrevocably and unconditionally discharged in full and the date on which all amounts due or owing by the Issuer in respect of the Hedging Agreements have been irrevocably and unconditionally discharged in full; (b) the last day of the Revenue Period; or (c) the day falling twenty (20) years after the Initial Issue Date (or, if such day is not a Business Day, the immediately preceding Business Day).

"**Notice of Demand**" means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit delivered by the Beneficiary.

"**PBCE Available Amount**" means an amount equal to the PBCE Maximum Amount:



less

any amounts (i) drawn under this Letter of Credit, or (ii) in respect of which a Notice of Demand has been issued under this Letter of Credit and for which the date for payment specified in such Notice of Demand has not passed;

*and after adding back:*

any amounts drawn under this Letter of Credit which have been repaid or reimbursed pursuant to Clause 4 (*Reimbursement and Fees*) of the Deed, provided however that, all amounts drawn in order to fund a PBCE Rebalancing and subsequently repaid or reimbursed, shall only be credited to the PBCE Available Amount for the purposes of a subsequent drawing to fund Scheduled Debt Service, and shall not be available for any other purpose (and if, following a PBCE Rebalancing, there is an acceleration of the Bonds pursuant to Condition 9.2, this Letter of Credit shall not be available to fund any amount, including with respect to Scheduled Debt Service).

For the avoidance of doubt, Capitalised Interest (as defined in Clause 4.1.4 (*Reimbursement*) of the Deed) shall not count as an amount drawn under this Letter of Credit and shall not be deducted when determining the PBCE Available Amount.

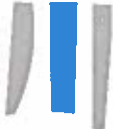
## **2. Reasons for drawings under this Letter of Credit**

The Beneficiary may request a drawing or drawings under this Letter of Credit on or following the Initial Issue Date following the occurrence of one or more of the circumstances set out below:

- (a) *Scheduled Debt Service*: to meet payment of Scheduled Debt Service, if the conditions to drawing set out in Annex A to the Notice of Demand have been met;
- (b) *PBCE Rebalancing*: to meet payment of mandatory partial redemption amounts in respect of the Bonds (excluding, for the avoidance of doubt, any make-whole amounts, costs or indemnities associated therewith) as a result of the occurrence of a PBCE Rebalancing Event under paragraph (a) of Condition 6.2 (*Mandatory Redemptions for a PBCE Rebalancing Event and in respect of Insurance Proceeds, Acquisition Proceeds, any Equity Cure Amount and acceleration of the Guarantee*), if the conditions to drawing set out in Annex B to the Notice of Demand have been met; and/or
- (c) *Accelerated Payments*: to meet payments of amounts due in respect of interest and principal under Condition 9.2 (excluding, for the avoidance of doubt, any make-whole amounts, costs or indemnities associated therewith) due upon acceleration of the Bonds and payments of any close-out amounts due and payable on termination of the Hedging Agreements in accordance with the Post-enforcement Priority of Payments, in each case if the conditions to drawing set out in Annex C to the Notice of Demand have been met.

## **3. The PBCE Provider's Agreement**

- (a) The Beneficiary may request a drawing or drawings under this Letter of Credit by giving to the PBCE Provider a duly completed Notice of Demand. A Notice of Demand must be received by the PBCE Provider by no later than 4 p.m. (Luxembourg time) on the Expiry Date.

- 
- (b) Subject to the terms of this Letter of Credit, the PBCE Provider unconditionally and irrevocably undertakes to the Beneficiary that, following receipt by it of a Notice of Demand, it shall pay to the Beneficiary the amount demanded in that Notice of Demand on the date for payment specified in that Notice of Demand (provided that such date is not less than ten (10) Business Days following receipt by the PBCE Provider of the Notice of Demand).
  - (c) The PBCE Provider will not be obliged to make a payment under this Letter of Credit to the extent that such payment would exceed the PBCE Available Amount.
  - (d) For the avoidance of doubt, the PBCE Provider hereby acknowledges and agrees that this Letter of Credit is irrevocable in accordance with its terms, and the validity of this Letter of Credit shall not be affected by any default, misrepresentation or breach of obligation by the Issuer under the Deed.

#### **4. Expiry**

- (a) The PBCE Provider will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the PBCE Provider as the date upon which the obligations of the PBCE Provider under this Letter of Credit are released.
- (b) Unless previously released under paragraph (a) above, at 4 p.m. (Luxembourg time) on the Expiry Date the obligations of the PBCE Provider under this Letter of Credit will cease with no further liability on the part of the PBCE Provider except for any Notice of Demand validly presented under this Letter of Credit that remains unpaid.
- (c) When the PBCE Provider is no longer under any further obligations under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the PBCE Provider.

#### **5. Payments**

All payments under this Letter of Credit shall be made in Sterling and for value on the due date to the account specified in the Notice of Demand and in accordance with the Deed and shall be subject to the non-occurrence of a Disruption Event.

- (a) If a Disruption Event has occurred, the PBCE Provider shall, if requested to do so by the Beneficiary, consult with the Beneficiary with a view to agreeing such changes to the payment procedures stipulated in this Letter of Credit as may be necessary to ensure payment to the Beneficiary, notwithstanding the occurrence of such Disruption Event.
- (b) The PBCE Provider shall not be obliged to consult with the Beneficiary in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes.
- (c) The PBCE Provider shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this paragraph 5.



**"Disruption Event"** means 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 this Letter of Credit; 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 the PBCE Provider, preventing the PBCE Provider:
  - (i) from performing its payment obligations under this Letter of Credit; or
  - (ii) from communicating with other parties,

and which disruption (in either such case) is not caused by, and is beyond the control of the PBCE Provider.

**6. Delivery of Notice of Demand**

Each Notice of Demand shall be in writing, and, unless the PBCE Provider consents to an additional method of delivery, shall be made by registered letter or facsimile (confirmed by registered letter) and must be received in legible form by the PBCE Provider at its address and by the particular department or officer (if any) as follows (or any other address or facsimile number which the PBCE Provider may notify the Beneficiary in accordance with the Deed):

European Investment Bank  
98-100 boulevard Konrad Adenauer  
L-2950 Luxembourg  
Luxembourg

Facsimile: +352 4379 67397 and +352 4379 69394  
Attention: OpsA/NPST/1-NPPD-TENsINFRA and TMR/-/PFP

Any notice or other communication (including a Notice of Demand) sent pursuant to this Letter of Credit shall be deemed to be received in the case of a facsimile transmission, upon transmission, and in the case of a letter sent by registered post, two days after posting. It shall be sufficient to prove service in the case of registered post to show that the envelope containing the notice was properly addressed and stamped and duly posted, and in the case of facsimile transmission to show that the facsimile was addressed and dispatched and dispatch of the transmission was confirmed or acknowledged as the case may be. Without affecting the validity of any notice delivered by facsimile according to this paragraph 6, a copy of each notice delivered by facsimile shall also be sent by registered letter to the PBCE Provider on the next following Business Day at the latest.

**7. Assignment**

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred, except to a new security trustee who accedes to the role of Security Trustee pursuant to the terms of the STID.

8. **ISP 98**

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98) used for standby letters of credit.

9. **Governing Law**

This Letter of Credit and any non-contractual obligations arising out of or in connection with it are governed by English law.

10. **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit.

**EXECUTED and delivered as a DEED on the date aforementioned**

By \_\_\_\_\_ as attorney for

**EUROPEAN INVESTMENT BANK**

Maria Teresa Massad

UTM

Levente Horath - Gillenot



## NOTICE OF DEMAND

To: European Investment Bank

[Date]

Dear Sirs

**Letter of Credit no. FI 84295 issued in favour of HSBC Corporate Trustee Company (UK) Limited (the "Letter of Credit")**

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Notice of Demand.

1. We confirm that the sum of [ ] is due as a result of *[indicate reason for a call under the Letter of Credit]*. We therefore demand payment of the sum of [ ].
2. We confirm that the conditions to drawing as set out in Annex [A/B/C] have been met.
3. Payment should be made to the following account:  
  
Name:  
  
Account Number:  
  
Bank:
4. The date on which such payment should be made is *[insert date – which shall be no earlier than ten (10) Business Days following the date on which the PBCE Provider receives this Notice of Demand, and which (subject to the foregoing) in the case of a demand pursuant to paragraphs 2(a) (Scheduled Debt Service) or 2(b) (PBCE Rebalancing) of the Letter of Credit, shall be the next following Scheduled Payment Date]*.
5. The date of this Notice of Demand is not earlier than the Initial Issue Date or later than the Expiry Date.

Yours faithfully

(Authorised Signatory)

(Authorised Signatory)

For and on behalf of

[HSBC Corporate Trustee Company (UK) Limited]



## Annex A

### **Scheduled Debt Service**

The Security Trustee may request a drawing for an amount of the lower of (i) the PBCE Available Amount (as most recently notified to it by the PBCE Provider or the Issuer) and (ii) the Debt Service Shortfall (as defined below) not less than ten (10) Business Days prior to a relevant Scheduled Payment Date if:

1. the aggregate amounts available in the Debt Service & PBCE Account, the Debt Service Reserve Account and, if applicable, the Working Capital Reserve Account respectively, as at the date falling twelve (12) Business Days prior to the relevant Scheduled Payment Date are less than the amount of Scheduled Debt Service falling due for payment on the relevant Scheduled Payment Date (or which would have fallen due for payment but for the Bonds being declared due and payable under Condition 9.2 and the Hedging Agreements being terminated in accordance with their terms) (the amount of such shortfall being the "**Debt Service Shortfall**"); and
2. no PBCE Rebalancing is required on the relevant Scheduled Payment Date; and
3. where the Bonds have been declared due and payable under Condition 9.2 and the Hedging Agreements have been terminated in accordance with their terms, neither of the events mentioned in paragraph (a) or paragraph (b) of Clause 3.3.3 (*Accelerated Payments*) of the Deed have occurred nor has a PBCE Rebalancing occurred,

and provided that the Security Trustee may rely conclusively on (and may act solely on the basis of) and without liability a PBCE Drawing Confirmation Certificate (as defined in paragraph 1 of schedule 8 (*PBCE Drawing Mechanism*) of the Common Terms Agreement) from the Issuer confirming (to the extent applicable) all of the above (including the amount of the drawing which the Security Trustee should request) as delivered to the Security Trustee and the PBCE Provider not less than eleven (11) Business Days prior to the relevant Scheduled Payment Date in accordance with paragraphs 1 and 3 of schedule 8 (*PBCE Drawing Mechanism*) of the Common Terms Agreement,

and provided further that in the circumstances set out in paragraph 3 above, any sums drawn shall be applied to reduce the accelerated amount or Early Termination Amount then due and payable in respect of the Bonds or the Hedging Agreements in accordance with the relevant Priority of Payments (as applicable).





## **Annex B**

### **PBCE Rebalancing**

The Security Trustee may request a drawing for an amount equal to the PBCE Available Amount (as most recently notified to it by the PBCE Provider or the Issuer) not less than ten (10) Business Days prior to a relevant Scheduled Payment Date if:

1. a PBCE Rebalancing Event has occurred on the immediately preceding Scheduled Payment Date;
2. the PBCE Letter of Credit has not previously been drawn in connection with a PBCE Rebalancing Event; and
3. the Issuer has not certified to the PBCE Provider and the Security Trustee on or prior to the date falling eleven (11) Business Days prior to the relevant Scheduled Payment Date that a PBCE Rebalancing Cure has occurred,

and provided that the Security Trustee may rely conclusively on (and may act solely on the basis of) and without liability a PBCE Rebalancing Draw Certificate (as defined in paragraph 4 of schedule 8 (*PBCE Drawing Mechanism*) of the Common Terms Agreement) from the Issuer confirming (to the extent applicable) all of the above as delivered to the Security Trustee and the PBCE Provider not less than eleven (11) Business Days prior to the relevant Scheduled Payment Date in accordance with paragraph 4 of schedule 8 (*PBCE Drawing Mechanism*) of the Common Terms Agreement.



## Annex C

### Accelerated Payments

The Security Trustee may request a drawing for an amount equal to the lesser of (i) the PBCE Available Amount (as most recently notified to it by the PBCE Provider), and (ii) the Post-Enforcement Shortfall (as defined below) if:

1. the PBCE Letter of Credit has not previously been drawn in connection with a PBCE Rebalancing Event; and
2. either:
  - (a) each of:
    - (i) the Bond Trustee has certified to the Security Trustee that the Bonds have been declared due and payable under Condition 9.2, in accordance with clause 19.2(c) of the STID;
    - (ii) the Hedge Counterparties have certified to the Security Trustee that the Hedging Agreements have been terminated in accordance with their terms, in accordance with clause 19.2(g) of the STID; and
    - (iii) the Security Trustee has confirmed to the Bond Trustee and Hedge Counterparties that the Receiver appointed by and/or any professional advisors of the Security Trustee has determined that the enforcement and realisation process has been completed, including receipt of all sale proceeds for the assets subject to Security (if any) in accordance with clause 13.5 of the STID;

or

- (b) following an Event of Default which occurs solely as a result of any act, omission or state of affairs in existence which relates only to an Obligor other than the Issuer or a Major Project Party as contemplated by paragraph 21 (*Protected rights of the OFTO as holder of the OFTO Licence*) of schedule 3 (*Events of Default*) of the Common Terms Agreement, the Security Trustee, the Bond Trustee, the PBCE Provider and the Hedge Counterparties have entered into a settlement agreement or escrow arrangement which provides for the charge over the shares in the Issuer to be enforced on the same date on which the Bonds and the Hedging Agreements are accelerated or terminated (as applicable, and in whole or in part as the case may be), and for the PBCE Letter of Credit to be drawn on such date;

and the proceeds of such realisation of security (in the case of paragraph (a) above) or the proceeds of realisation of the share charge and any other amounts available to the Obligors (in the case of paragraph (b) above), in each case which are available to be applied towards payments in respect of the Bonds and to the Hedge Counterparties in accordance with the relevant Priority of Payments, are less than the aggregate of the amount of principal and interest then remaining due and payable under the Bonds (excluding, for the avoidance of doubt, any make-whole amounts, costs or indemnities associated therewith) and the aggregate close-out amounts remaining due and payable to the Hedge Counterparties (the amount of such shortfall being the "**Post-Enforcement Shortfall**").