**LISTING PARTICULARS**

# U.S.$400,000,000


# INTERNATIONAL AIRPORT FINANCE, S.A.
# 12.000% Senior Secured Notes due 2033

International Airport Finance, S.A. (the "Issuer"), a company (*sociedad anónima*) incorporated under the laws of the Kingdom of Spain ("Spain"), is offering U.S.$400,000,000 aggregate principal amount of 12.000% Senior Secured Notes due 2033 (the "Notes"). The Notes will mature on March 15, 2033. The Issuer will pay interest on the Notes in arrears on March 15 and September 15 of each year, commencing on September 15, 2019. Principal on the Notes will be payable semi-annually on the same dates as interest on the Notes beginning on September 15, 2020 (other than the Scheduled Payment Date on March 15, 2021). See "Description of the Notes—Notes Collateral." The Notes will be secured by a first priority security interest in the collateral described herein. The Notes will constitute general senior secured obligations of the Issuer. The Notes will rank *pari passu* in right of payment with all of the Issuer's existing and future senior unsubordinated indebtedness, and will rank senior to any future subordinated indebtedness of the Issuer. The Notes will be effectively senior to any of the Issuer's future unsecured indebtedness to the extent of the Notes Collateral (as defined herein) securing the Notes and effectively subordinated to all of the Issuer's future indebtedness secured by assets other than the Notes Collateral to the extent of the value of the assets securing such indebtedness (other than obligations preferred by statute or Applicable Law (as defined herein).

On the Issue Date, the Issuer will use the net proceeds of the Notes to (i) irrevocably purchase and assume all of the Existing Lenders' (as defined herein) rights and obligations under the Existing Loans Agreement (as defined herein) in an aggregate amount of U.S.$66,998,881.48 (the "Assigned Loans") and (ii) make one or more loans in an aggregate amount of U.S.$333,001,118.52 (the "New Loans," and together with the Assigned Loans, the "Loans") to Corporación Quiport S.A. ("Quiport" or the "Borrower"), a stock corporation formed under the laws of the Republic of Ecuador ("Ecuador") as Borrower, pursuant to the Loans Agreement. Upon the purchase and assignment of the Assigned Loans, the Existing Loans Agreement will be amended and restated as the Loans Agreement and the New Loans will be made under the Loans Agreement. The Borrower will apply the proceeds of the New Loans, together with funds in its existing accounts (x) to repay in full, on or around the Issue Date, all amounts outstanding under its Intercompany Loans (as defined herein), (y) to make a retained dividend distribution to its Shareholders (as defined herein) following completion of its corporate reorganization, and (z) for certain general corporate purposes. See "Use of Proceeds." The aggregate principal amount of the Loans will be in an amount equal to the aggregate principal amount of the Notes. The Loans will not be secured and will rank *pari passu* in right of payment with all of Quiport's existing and future senior unsecured indebtedness and senior to any existing or future subordinated indebtedness of Quiport.

Quiport may, at its option, prepay the Loans, in whole but not in part, at any time and from time to time prior to March 15, 2024, at a price of (a) 100% of the principal amount of the Loans plus (b) accrued and unpaid interest (which interest shall include Additional Amounts (as defined herein), if any) to (but excluding) the prepayment date, plus (c) the Make-Whole Premium (as defined herein) at the prepayment date. Quiport may, at its option, prepay the Loans, in whole but not in part, on or after March 15, 2024, at the prices (expressed as a percentage of the principal amount of the Loans to be prepaid) set forth in these listing particulars, plus accrued and unpaid interest (which interest shall include Additional Amounts, if any) to (but excluding) the prepayment date. See "The Loans Agreement and the Loans—Prepayments of the Loans." In addition, Quiport may prepay the Loans, in whole but not in part, at a price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and Additional Amounts, if any, at any time upon the occurrence of specified events relating to tax law, as set forth in these listing particulars. See "The Loans Agreement and the Loans—Prepayments of the Loans—Optional Prepayment for Changes in Taxes." Upon any such prepayment of the Loans, the Issuer will redeem an aggregate principal amount of Notes equal to the aggregate principal amount of the Loans that has been prepaid. See "Description of the Notes—Mandatory Redemption Upon Prepayment of Loans." In addition, upon the occurrence of certain events, Quiport will be required to make an offer to prepay the Loans at the price as set forth in these listing particulars. Upon receipt of an offer to prepay the Loans, the Issuer will be required to offer to purchase the Notes at the price as set forth in these listing particulars. See "The Loans Agreement and the Loans—Mandatory Prepayments" and "Description of the Notes—Offers to Purchase the Notes."

On the date of issuance of the Notes (the "Issue Date"), of the U.S.$400,000,000 aggregate principal amount of the Notes being issued in total, the Issuer will place U.S.$20,000,000, constituting an "eligible vertical interest" in the form of 5% of the aggregate principal amount of the Notes, directly to Quiport, acting as the "sponsor" of a "securitization transaction," or a "majority-owned affiliate" thereof (each as defined in the U.S. Risk Retention Rule (as defined herein)), and Quiport will purchase and hold such Notes, either directly from the Issuer or through the Initial Purchasers, on an ongoing basis for so long as required by the U.S. Risk Retention Rule.

There is currently no public market for the Notes. Application has been made to the Luxembourg Stock Exchange to approve these listing particulars as a prospectus for the purposes of Part IV of the Luxembourg law on prospectus for securities dated July 10, 2005, as amended, and for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the "Official List") and to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the "Euro MTF"). Admission to the Euro MTF of, and listing and quotation of the Notes on, the Euro MTF are not to be taken as an indication of the merits of the Issuer or the Notes. See "Listing and General Information."

**See "Risk Factors" beginning on page 49 for a discussion of certain risks you should consider in connection with an investment in the Notes.**

**Issue Price: 100.000% plus accrued interest, if any, from March 14, 2019.**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any state securities laws. The Issuer has not been registered and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on the exemption set forth in Section 3(c)(7) thereof. Quiport and the Issuer expect that the Issuer will not constitute a "covered fund" for purposes of the Volcker Rule (both as defined in these listing particulars). The Notes may not be offered or sold within the United States or to U.S. persons, except (1) to persons who are both (x) qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act ("Rule 144A") and (y) "Qualified Purchasers" within the meaning of Section 2(a)(51)(A) of the Investment Company Act, or (2) to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). You are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the Investment Company Act provided by Section 3(c)(7) thereof. For more information about restrictions on transfer of the Notes, see "Transfer Restrictions."

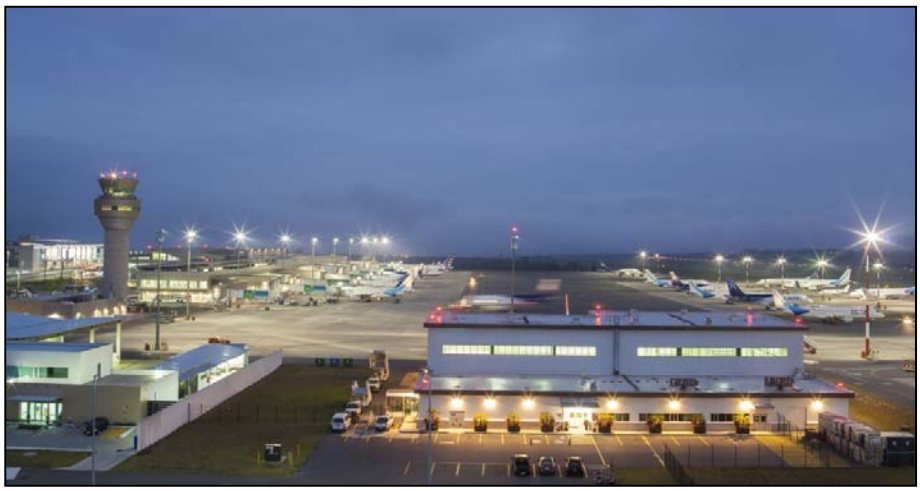
Delivery of the Notes has been made to investors in book-entry form through The Depository Trust Company ("DTC") and its participants, including Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme*, ("Clearstream"), on March 14, 2019.

*Global Coordinators and Joint Book-Running Managers*

**Citigroup** **Santander**

The date of these listing particulars is April 2, 2019.


AEROPUERTO INTERNACIONAL MARISCAL SUCRE DE QUITO




Emirates

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Unless otherwise indicated or the context otherwise requires, all references in these listing particulars to (1) "Quiport," the "Borrower," the "Company," "we," "our," "ours," "us" or similar terms refer to Corporación Quiport S.A., (2) the "Airport" refers to Quito's new Mariscal Sucre International Airport, (3) the "Issuer" refers to International Airport Finance, S.A., acting as issuer of the Notes, and the "Lender" refers to International Airport Finance, S.A., acting as Lender under the Loans Agreement, and (4) the "Initial Purchasers" refer to Citigroup Global Markets Inc. and Santander Investment Securities Inc.

These listing particulars have been prepared by us and the Issuer solely for use in connection with the proposed offering of the Notes. Citigroup Global Markets Inc. and Santander Investment Securities Inc. will act as initial purchasers with respect to the offering of the Notes. These listing particulars do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. You are authorized to use these listing particulars solely for the purpose of considering the purchase of the Notes. In making an investment decision, you should rely on your own evaluation of the Issuer, the Company, the Loans, the Notes and the terms of the offering, including the merits and risks involved.

In making your investment decision, you should rely only on the information contained in these listing particulars. Neither we, the Issuer nor the Initial Purchasers have authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it as having been authorized. You should not assume that the information contained in these listing particulars is accurate at any date other than the date on the front cover of these listing particulars. Neither the delivery of these listing particulars nor any sale made hereunder shall, under any circumstances, imply that the information herein is correct as of any date subsequent to the date on the cover of these listing particulars. The Initial Purchasers make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in these listing particulars. Nothing contained in these listing particulars is, or shall be relied upon as, a promise or representation by the Initial Purchasers. The Initial Purchasers assume no responsibility for its accuracy or completeness and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

Having made all reasonable inquiries, we and the Issuer confirm that the information contained in these listing particulars with regard to us and the Issuer is true and accurate in all material respects, that the opinions and intentions expressed in these listing particulars are honestly held, and that there are no other facts the omission of which would make these listing particulars as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. We and the Issuer accept responsibility accordingly.

The Issuer and the Initial Purchasers are offering to sell the Notes only in places where offers and sales are permitted.

These listing particulars do not constitute an offer of, or an invitation by or on behalf of us, the Issuer, any Initial Purchaser or the Indenture Trustee (as defined herein) to subscribe or purchase, any of the Notes in any jurisdiction where such offer is not permitted. You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale and neither we, the Issuer nor the Initial Purchasers will have any responsibility therefor.

Citibank, N.A., in each of its capacities (including but not limited to Indenture Trustee, Registrar, Paying Agent, Transfer Agent, Offshore Collateral Agent and Administrative Agent), has not participated in the preparation of these listing particulars and assures no responsibility for its contents.

The Notes have not been and will not be registered as a public offering in Ecuador, either before the Stock Market Registry (*Catastro de Mercado de Valores*) of the Superintendency of Companies, Securities and Insurance of Ecuador (*Superintendencia de Compañías, Valores y Seguros de la República del Ecuador* or "SCSI") or any other governmental or private institution. Consequently, the Notes are not being sold in Ecuador.

We are relying upon an exemption from registration under the Securities Act for an offer and sale of securities which do not involve a public offering. The Issuer has not been registered and will not be registered as an investment company under the Investment Company Act. By purchasing Notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions" in these listing particulars. The Notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

This offering has not been registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Consequently, the Notes may not be offered or sold or distributed in Spain except in circumstances which do not qualify as a public offer *(oferta pública*) of securities in Spain within the meaning and in accordance with article 35 of the Securities Market Act (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended and restated, or pursuant to an exemption from registration in accordance with Royal Decree 1310/2005 as amended (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), and any regulations developing it which may be in force from time to time.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange, and to trading on the Euro MTF. The Euro MTF assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in these listing particulars. Admission to the Euro MTF of, and listing and quotation of the Notes on, the Euro MTF are not to be taken as an indication of the merits of the Issuer or the Notes. These listing particulars are not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the "Prospectus Directive"). The Euro MTF is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("MiFID II"). References in these listing particulars to the Notes being "listed" shall mean that the Notes have been admitted to the Official List and admitted to trading on the Euro MTF.

None of the U.S. Securities and Exchange Commission (the "SEC"), any U.S. state securities commission or any other regulatory authority has approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these listing particulars. Any representation to the contrary is a criminal offense.

In making an investment decision, prospective investors must rely on their own independent examination of our Company and the Issuer and the terms of the offering, including the merits and risks involved.

Prospective investors should not construe anything in these listing particulars as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Notes under applicable legal, investment or similar laws or regulations.

These listing particulars contains summaries and other information believed by us and the Issuer to be accurate as of the date hereof with respect to specific terms of specific documents, but reference is made to the actual documents (copies of which will be made available to prospective purchasers until the Issue Date and upon request to us, subject in certain instances to confidentiality restrictions) for complete information with respect to those documents. Statements contained in these listing particulars as to the contents of any contract or other document referred to in these listing particulars do not purport to be complete, and where reference is made to the particular provisions of a contract or other document, the provisions are qualified in all respects by reference to all of the provisions of the contract or the document. Industry and company data are approximate and reflect rounding in certain cases.

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## Notice to Prospective Investors

### *European Economic Area*

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the "EEA"). For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, as implemented in any Member State of the EEA, (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the "Insurance Mediation Directive"), as implemented in any Member State of the EEA, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, as implemented in any Member State of the EEA, or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"), as implemented in any Member State of the EEA. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation"), for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. These listing particulars have been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. These listing particulars are not a prospectus for purposes of the Prospectus Directive.

### *MIFID II Product Governance*

The final terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), as implemented in any Member State of the EEA, any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Initial Purchasers nor the dealers nor any

of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

***Spain***

Neither the Notes nor this offering have been registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Therefore, the Notes may not be offered, sold, resold or distributed to persons in Spain, except in circumstances which do not qualify as a public offer (*oferta pública)* of securities in Spain within the meaning and in accordance with Article 35 of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015, of October 23, (*Texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the ‘‘Spanish Securities Market Law), as amended and restated, or pursuant to an exemption from registration in accordance with Spanish Royal Decree 1310/2005, of November 4, on the listing of securities, public offers and applicable prospectus, as amended (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), and any regulations developing it which may be in force from time to time.

***United Kingdom***

Each Initial Purchaser has represented and agreed that: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## Available Information

Neither the Issuer nor Quiport is subject to the information requirements of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). To preserve the exemption for resales and transfers under Rule 144A under the Securities Act, the Issuer and Quiport have agreed, while any Notes remain outstanding, to make available, upon request, to any holder and any prospective purchaser of Notes who is designated by that holder and is a "qualified institutional buyer," as defined under Rule 144A, upon the request of such holder or prospective purchaser, the information required pursuant to Rule 144A(d)(4)(i) under the Securities Act, during any period in which the Issuer or Quiport (i) is not subject to, and in compliance with, Section 13 or 15(d) of the Exchange Act, or (ii) becomes exempt from such reporting requirements pursuant to, and in compliance with, Rule 12g3-2(b) of the Exchange Act (as amended from time to time and including any successor provision). Any such request should be addressed to Quiport at: Corporación Quiport S.A., Parroquia Tababela S/N vía a Yaruquí, Aeropuerto Internacional Mariscal Sucre, Edif. Quito Airport Center, Nivel 2, Quito, Republic of Ecuador EC 170907, Attention: Chief Financial Officer.

Application has been made to list the Notes on the Euro MTF. See "Listing and General Information." The Issuer will comply with any undertakings that it gives from time to time to the Luxembourg Stock Exchange in connection with the Notes, and we will furnish to the Luxembourg Stock Exchange all such information required in connection with the listing of the Notes.

## Presentation of Financial and Other Information

### Financial Information

#### *Issuer's Financial Information*

The Issuer was incorporated on January 31, 2019, and has no operating history. As a result, it has not prepared financial statements for any period. The Issuer has an authorized share capital of €100,000, represented by 100,000 registered ordinary shares of a par value of €1.00 each, all of which are fully subscribed and paid up. The Issuer has no material business operations and upon completion of this offering will have no material assets or liabilities other than its rights under and in respect of the Loans and the Finance Documents (as defined herein) and obligations under the Notes and the Notes Documents (as defined herein).

For this reason, these listing particulars do not include financial statements or other financial information of the Issuer, other than its opening balance sheet prepared by the Issuer pursuant to Spanish generally accepted accounting principles. See "The Issuer—Business and Principal Assets."

#### *Quiport's Financial Information*

We have included in these listing particulars our annual audited financial statements as of and for the years ended December 31, 2018, 2017 and 2016, together with the notes thereto (our "Financial Statements").

Our Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and are stated in U.S. dollars.

We prepare our Financial Statements in U.S. dollars which is our functional currency, IFRS differs in certain significant respects from generally accepted accounting principles in the United States ("U.S. GAAP") and financial reporting standards and generally accepted accounting principles used in other jurisdictions. We have made no attempt to quantify the impact of those differences by a reconciliation of our Financial Statements or the other financial information included in these listing particulars to such other generally accepted accounting principles and financial reporting standards.

In making an investment decision, you must rely upon your own examination of our Company, the terms of the offering and the financial information included herein. Our financial information should be read in conjunction with our Financial Statements and related notes thereto included elsewhere in these listing particulars. We urge you to consult your own advisors regarding the differences between IFRS and U.S. GAAP, and how these differences might affect the financial information included in these listing particulars.

### Currencies Information

All references to "dollar," "U.S. dollars" or the symbol "U.S.$" are to the legal currency of the United States, the U.S. dollar. All references to "sucre" are to the legal currency of Ecuador before the Ecuadorian Economic Transformation Law (as defined herein). All references to "euro(s)," "EUR" or the symbol "€" are to the legal currency of the euro area.

In January of 2000, following several weeks of severe currency depreciation of the sucre, Ecuador announced that it would "dollarize" the economy. On March 1, 2000, the Ecuadorian Congress approved the Ecuadorian Economic Transformation Law (*Ley para la Transformación Económica del Ecuador* or "Economic Transformation Law"), which made the U.S. dollar the legal currency in Ecuador. The Ecuadorian Economic Transformation Law provided for the Ecuadorian Central Bank (*Banco Central del*

*Ecuador* or the "Ecuadorian Central Bank") to exchange, on demand, sucres at a rate of 25,000 sucres per U.S.$1.00 (the "Dollarization Program"). In addition to providing an official basis to dollarize the economy, the Ecuadorian Economic Transformation Law contained reforms aimed at strengthening fiscal stability, improving banking supervision and establishing rules to encourage direct investment. Since the passage of the Ecuadorian Economic Transformation Law, the U.S. dollar has been the legal tender in Ecuador. Due to the Dollarization Program, the ability of Ecuador and/or the Ecuadorian Central Bank to adjust monetary policy and interest rates in order to influence macroeconomic trends in the economy is limited.

**Non-IFRS Financial Measures**

We have included non-IFRS financial measures elsewhere in these listing particulars to clarify and enhance the understanding of our past performance and future prospects, such as Adjusted EBITDA and the ratios related thereto. These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. We define Adjusted EBITDA as profit for the year and total comprehensive income, *plus* amortization of intangible assets, equipment depreciation and financial costs. For a reconciliation of our Adjusted EBITDA to our profit for the year and total comprehensive income, see "Summary Financial and Other Data" and "Selected Financial and Other Data."

We believe that Adjusted EBITDA may be useful for potential purchasers of the Notes in assessing our operating performance, our ability to generate cash and our ability to meet our debt service requirements. Our definition of Adjusted EBITDA is not necessarily comparable to similarly titled measures reported by other companies in the airport sector or otherwise. Furthermore, these measures have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, profit (loss), gross profit, cash flows from operations or other income or cash flow data prepared in accordance with IFRS. You should exercise caution in comparing the non-IFRS financial measures reported by us to such metrics or other similar metrics as reported by other companies in the airport sector or otherwise. None of our non-IFRS measures is a measurement of performance under IFRS, and you should not consider those measures as an alternative to profit determined in accordance with IFRS. The non-IFRS metrics do not necessarily indicate whether cash flow will be sufficient or available to meet our cash requirement and may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results.

**Rounding**

We have made rounding adjustments to reach some of the figures included in these listing particulars. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that precede them. Percentage figures and variations have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. As a result, percentage amounts may vary from those obtained by performing the same calculations using the figures included in these listing particulars.

**Flight and Air Passenger Measurement Data**

In these listing particulars, we make use of various classifications of passengers and other aeronautical terms, including the following:

- "air traffic movements" or "ATMs" refers either to an inbound flight or an outbound flight at the respective airport(s);
- "domestic passengers" refers to passengers (inbound and outbound) on domestic flights;

- "international passengers" refers to the sum of passengers arriving (inbound flights) and departing (outbound flights) on international flights;
- "passengers" or "passenger traffic" refers to the sum of both domestic and international air passenger arrivals (inbound flights) and air passenger departures (outbound flights) at the respective airport(s) but excluding transit and connecting passengers at such airport(s);
- "passenger arrivals" refers to inbound flights only;
- "transit and connecting passengers" refers to, in the case of transit passengers, passengers arriving at the Airport for connecting purposes and who depart on the same flight on which they arrived, and in the case of connecting passengers, passengers arriving at the Airport for connecting purposes and who depart on a different flight number from the one on which they arrived. Transit passengers and connecting passengers are exempted from specialized tariffs; and
- "tourist arrivals" refers to non-resident foreign passengers arriving by plane.

**Market and Industry Data and Forecasts**

These listing particulars includes market share and industry data and forecasts that we have obtained from industry publications and surveys, reports of governmental agencies, market research and internal reports and surveys as well as independent third party reports. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the information. While we have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we have not independently verified any of the data from third parties contained in these listing particulars and cannot give any guarantee of the accuracy or completeness of the data.

The market data includes projections that are based on a number of assumptions. In particular, the Independent Traffic Consultant's Report prepared by Advanced Logistics Group S.A. (together with its affiliates, "ALG" or the "Independent Traffic Consultant") dated February 2019. (the "Independent Traffic Consultant's Report") included as Appendix A to these listing particulars, contains projections that have not been prepared in accordance with IFRS, and contains various projections and estimates that rely on certain assumptions regarding material contingencies and other matters that are not within our control or the control of any other person. These assumptions are inherently subject to significant uncertainties and actual results could differ materially from those projected. Neither the Airport nor ALG can give any assurance that these assumptions are correct or that these projections and estimates will reflect actual results of operations.

For further information about the Independent Traffic Consultant or the Independent Traffic Consultant's Report, see "Independent Traffic Consultant's Report," "Independent Traffic Consultant" and "Appendix A—Independent Traffic Consultant's Report."

## Independent Traffic Consultant's Report

Reference is made in these listing particulars to the Independent Traffic Consultant's Report prepared by ALG.

Summaries, excerpts, descriptions or other information contained in these listing particulars that are derived or reproduced from the Independent Traffic Consultant's Report are based on the assumptions, qualifications and procedures that are described in such report. In addition, the Independent Traffic Consultant's Report contains projected traffic information and data and other forward-looking information, that may not prove to be accurate and actual results may be materially different. See "Forward-looking Statements" and "Risk Factors—Risks Related to our Business—Projections and forecasts of future traffic in the Independent Traffic Consultant's Report may prove to be incorrect, in which case Quiport may have materially different results of operations." The forecasts contained in the Independent Traffic Consultant's Report are included for reference purposes only, and in reliance upon the authority of ALG as an aviation activity consultant and the terms of its engagement. The forecasts in the Independent Traffic Consultant's Report have not been prepared in accordance with any accounting standards. Under no circumstances should the inclusion of such forecasts in these listing particulars or the Independent Traffic Consultant's Report be regarded as a representation or warranty by us, the Initial Purchasers or any other person with respect to the accuracy of the forecasts or the accuracy or reasonableness of the underlying assumptions set forth therein, or that we or the Airport will experience the forecasted results.

The Independent Traffic Consultant's Report provides general information and should not be used or taken as business, financial, tax, accounting, legal or other advice, or relied upon in substitution for the exercise of your independent judgment. For your specific situation or where otherwise required, expert advice should be sought. Although ALG believes that the information contained in this publication has been obtained from and is based upon sources ALG believes to be reliable, ALG does not guarantee its accuracy and it may be incomplete or condensed.

The Independent Traffic Consultant's Report includes both historical and forecasted traffic data for Ecuador and the Airport. The data related to historical periods that is presented in these listing particulars consist of data compiled by our management, while all forecasted traffic data referred to herein is derived from or reproduced from the Independent Traffic Consultant's Report. For greater detail on the figures and methodology of the Independent Traffic Consultant's Report, please see "Appendix A—Independent Traffic Consultant's Report."

We have not independently verified any of the data from third parties contained in the Independent Traffic Consultant's Report and cannot give any guarantee of the accuracy or completeness of the data therein.

## Enforcement of Civil Liabilities in Spain

The Issuer is a company (*sociedad anónima*) duly incorporated and existing under the laws of Spain. Most of the directors of the Issuer are non-residents of the United States and all or a substantial part of the assets of the Issuer and its directors are located outside of the United States. As a result, it may not be possible for purchasers of the Notes to effect service of process within the United States upon such persons or to enforce against them or the Issuer in U.S. courts, judgments predicated upon the civil liability provisions of the federal securities laws of the United States or otherwise obtained in U.S. courts.

A final and conclusive judgment obtained against the Issuer in the United States would be recognized and enforced by the courts of Spain after having obtained "*exequatur*," in accordance with Article 523 of the Spanish Civil Procedure Act (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*) and the Spanish Law on International Legal Cooperation in Civil Matters Act (*Ley 29/2015, de 30 de julio de cooperación jurídica internacional en materia civil*, which repeals Articles 951 to 958 of the former Spanish Civil Procedure Act of 1881 (*Real Decreto de Promulgación de 3 de febrero de 1881 de Enjuiciamiento Civil*)), both inclusive.

Such provisions set forth that, in principle, any final and conclusive judgment rendered outside Spain in a country not bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council ("EU Regulation 1215/2012"), may be enforced in Spain:

- in accordance with the provisions of any applicable treaty (there being none currently in existence between Spain and the United States for these purposes);
- in the absence of any such treaty, in those cases in which the relevant court from a foreign country which is not a member bound by the provisions of the EU Regulation 1215/2012, *provided* that it satisfies the following requirements:

  (i) the judgment is final and conclusive (*firme*);

  (ii) the judgment was rendered by a court having jurisdiction over the matter and the choice of the court is not fraudulent. In particular, the court rendering the judgment must not have infringed on exclusive grounds of jurisdiction provided for under Spanish law;

  (iii) the judgment is not contrary to Spanish public policy (*orden público*) or any mandatory provision and the obligation to be fulfilled is legal in Spain;

  (iv) the documentation prepared for purposes of requesting the enforcement of the judgment is accompanied by an original, authentic, sworn translation into Spanish;

  (v) the copy of the judgment presented before the Spanish Court is duly apostilled;

  (vi) there is no ongoing proceeding between the same parties and in relation to the same subject in Spain, that was initiated before a Spanish court prior to commencing the proceedings before the foreign court;

  (vii) there is no incompatible judgment rendered in Spain or previously rendered in another country, that meets the requirements to be enforceable in Spain;

  (viii) the rights of defense of any of the parties were not breached (including, but not limited to, a proper service of process carried out with sufficient time for the defendant to prepare its defense and the judgment was not rendered by default (i.e., without appearance or without the possibility for the defendant to appear)); and

(ix) although reciprocity is not a legal requirement, if it were proven that the U.S. jurisdiction in which the judgment was obtained does not recognize judgments issued by Spanish courts on a general basis, then the Spanish courts could be compelled to deny the recognition of the U.S. judgment in Spain.

The law on International Legal Cooperation in Civil Matters expressly prohibits that a foreign judgment is reviewed as to the merits (*revision sobre el fondo*) by the Spanish competent court.

The United States and Spain are not party to any treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, any party wishing to have a U.S. ruling recognized or enforced in Spain, which would not directly be recognized or enforced in Spain, must file an application seeking declaration of enforceability of the U.S. resolution (*exequatur*) with the relevant Spanish Judge of First Instance (*Juzgado de Primera Instancia*) or Commercial Court (*Juzgado de lo Mercantil*) for which purpose the above-mentioned requirements must be met.

The Spanish courts may express any such order in a currency other than Euro in respect of the amount due and payable by the Issuer, but in case of enforcement in Spain, the court costs and interest will be paid in Euros.

A final and conclusive judgment obtained against the Issuer in any country bound by the provisions of EU Regulation 1215/2012 will be recognized and enforceable by the Spanish courts, without review of its merits, once the judgment has been recognized under the *exequatur* procedure.

The enforcement of any judgment in Spain involves, among other things, the following actions and costs: (a) documents in a language other than Spanish must be accompanied by a sworn translation into Spanish (translator's fees will be payable); (b) certain professional fees for the verification of the legal representative of a party litigating in Spain, if necessary; (c) judicial tax; (d) the procedural acts of a party litigating in Spain must be directed by an attorney at law and the party must be represented by a court agent (*procurador*); and (e) the content and validity of foreign law must be evidenced to the Spanish courts. In addition, Spanish civil proceedings rules cannot be amended by agreement of the parties and will therefore prevail notwithstanding any provision to the contrary in the relevant agreement.

## Enforcement of Civil Liabilities in Ecuador

We are a stock corporation (*sociedad anónima*) organized under the laws of Ecuador and all of our executive officers and independent accountants named in these listing particulars reside outside the United States. In addition, substantial portions of our assets (which, for the avoidance of doubt, do not include assets conceded to us by the concession granting authority (currently, the Municipality of the Metropolitan District of Quito (the "Municipality" and the "Granting Authority") for operation of the Concession (as defined herein), which assets include the Airport) and the assets of these persons are located in Ecuador and other countries outside the United States. In no event will you be able to enforce any judgment against assets conceded to us by the Granting Authority for operation of the Concession, as they are owned by Ecuador and are subject to sovereign immunity.

As a result, it may be difficult for you to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. securities laws. The Ecuadorian Republic is not a party to any treaties with the United States providing for reciprocal recognition and enforcement of judgments rendered in judicial proceedings with respect to civil and commercial matters.

The courts of Ecuador will recognize as valid and will enforce any final and conclusive judgment after an homologation process, without re-examination of the merits of the case in respect of which such judgment was given or re-litigation of the merits adjudicated upon, *provided* it complies with the requirements established in the treaty between Ecuador and the country in which such judgment has been rendered, or in absence of such treaty, when each of the following conditions are met:

(i) the judgment complies with all formalities required for enforceability in the country where it was issued;

(ii) the judgment has the status of res judicata in the jurisdiction where such judgment was rendered.

(iii) the judgment is translated into Spanish;

(iv) the enforcing party demonstrated the defendant's rights of due process were guaranteed;

(v) the enforcement petition includes the defendant's address to receive service of process;

(vi) there is no pending litigation in Ecuador between the same parties for the same dispute, which shall have been initiated before the commencement of the proceeding that concluded with the foreign arbitral award; and

(vii) such judgment is not incompatible with another enforceable judgment in Ecuador, unless such judgment was rendered first.

In accordance with the Ecuadorian laws, a judge reviewing an *exequatur* application shall not review the merits of the case. However, local defendants may assert defenses or motions to try to avoid enforcement, which may delay the process. See also "Risk Factors—Risks Related to the Notes—Enforcing rights under the Loans and the Notes may be difficult."

## Forward-Looking Statements

These listing particulars includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts and includes all statements that address activities, events or developments that are expected, believed or anticipated to occur or that may occur in the future. In particular, statements, express or implied, concerning future operating results or financial position, prospects, plans and objectives of management or the ability to generate revenues, income or cash flow or to pay principal and interest on the Loans, the Notes and other indebtedness are forward-looking statements. These statements may be identified by the use of words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "forecast," "strategy" or the negative of those terms or other variations of them or comparable terminology.

The forward-looking statements relate to expectations, beliefs, intentions or strategies regarding the future as of the date of these listing particulars and can be affected by inaccurate assumptions and are subject to known and unknown risks and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, including, without limitation, those discussed in these listing particulars, particularly under "Risk factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Many of these factors are beyond the ability of the Company and the Issuer to control or predict and any or all of the forward-looking statements in these listing particulars may turn out to be wrong. Given these uncertainties, you should not place undue reliance on the forward-looking statements and there is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, when they will occur or what impact they will have on the results of operations or financial condition of the Company and the Issuer. All subsequent written and oral forward-looking statements attributable to the Company, the Issuer and any of their respective affiliates or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements contained in this paragraph. Neither we nor the Issuer undertake any obligation, other than as required by applicable law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Important factors that could cause the actual results to differ materially from expectations include, without limitation:

- failure to comply with the terms of the Concession Contract (as defined herein), the Strategic Alliance Agreement (as defined herein) or any of the other Project documents, early termination, revocation or non-extension of such documents or the interpretation of such documents in a manner that is adverse to us;
- reductions in passenger and cargo traffic, whether due to economic conditions, travel concerns regarding Ecuador, changing tourism trends to other destinations, reductions in routes or flight frequencies by the airlines utilizing the Airport, other disruptions in the airline industry or international events that affect international air travel;
- general economic, political, social, demographic and business conditions in Ecuador;
- the accuracy of the assumptions and projections of future traffic flows and future operating or capital expenditures proving to be incorrect;
- our substantial indebtedness and the refinancing risks associated with such debt;
- our ability to derive cash flows from our assets in amounts sufficient to service our debt, including the Loans;

- "acts of God," hurricanes, earthquakes and other natural and catastrophic events, civil disturbances, acts of terrorism and disputes with local communities, which may not be fully insurable;
- failure to maintain sufficient insurance coverage;
- capital and operating expenditures and maintenance requirements of the Airport;
- existing and future governmental regulations;
- potential non-performance of contractual obligations by our customers, counterparties or other third parties;
- legal claims and proceedings against Quiport;
- changes in interest rates and the effect of inflation; and
- various other factors, including those described under "Risk Factors" and elsewhere in these listing particulars.

## Summary

*This summary highlights selected information from these listing particulars and does not contain all of the information prospective investors should consider in making an investment decision. Prospective investors should read this summary together with the more detailed information and Financial Statements, including the notes thereto, appearing elsewhere in these listing particulars. Prospective investors should carefully consider, among other things, the information set forth under "Risk Factors."*

### Overview

We are an Ecuadorian stock corporation (*sociedad anónima*) that operates, maintains and develops the Quito Mariscal Sucre International Airport (the "Airport"), a state-of-the-art, award-winning, world-class airport, operating 24 hours a day, seven days a week, 365 days per year. We are the largest airport in Ecuador in terms of passenger traffic, providing an essential service to the capital as well as the country as a whole. We play a vital role in supporting economic growth in Ecuador and its connectivity to global cities around the world.

We have been serving as the exclusive provider of airport services to the city of Quito since 2006 when we were granted a 35-year concession to operate the former Mariscal Sucre International Airport (the "Old Airport") and to construct, develop, operate, administer, manage, improve and maintain the Airport, along with the right to design, develop, administer, manage, operate and maintain all commercial businesses, activities and services customarily conducted at airports, including, without limitation, retail, restaurant, parking and duty-free services and facilities (the "Airport Developments") on the Airport site, for the Concession Period. On February 19, 2013, we permanently closed the Old Airport, starting operations at the Airport on the following day. We designed and built the Airport to deliver a best-in-class experience for both global and domestic travelers, and strategically addressed constraints of the Old Airport to drive a new phase of growth for the city of Quito and Ecuador. The ongoing success of our strategy over the past six years is reflected in the addition of longer range passenger and cargo destinations, larger and heavier aircraft being able to access Quito and growth in per passenger spend rates due to enhanced duty-free, commercial offerings and VIP lounge experiences. See "Competitive Strengths."

The industry has recognized our success and operational expertise with numerous accolades, including the World Travel Award for "South America's Leading Airport" in 2014, 2015, 2016, 2017 and 2018 and Skytrax's awards for "Best Regional Airport of South America" and "4 Star Airport" in each of 2016, 2017 and 2018 and for "Best Airport Staff in South America" in 2017 and 2018. Additionally, in 2018, as reported by Bloomberg, the Airport was ranked in Airhelp's top 10 airports and was awarded a Level III Optimization Certification of the Airport Carbon Accreditation by Airports Council International. Furthermore, in 2005, the Senior Secured Credit Facilities (as defined herein), assumed for the construction of the Airport and related works under the Concession Contract, were elected as the International Project Financing of the year by International Finance Legal Review and, in 2006, as the Transport Deal of the Year of South America by Project Finance Magazine.

In 2018, our Chief Executive Officer was unanimously elected President of the Airports Council International for the Latin America/Caribbean region ("ACI-LAC"), reflecting the value-added that our expertise and experiences bring to the airport industry more broadly. During his term in such position, our Chief Executive Officer will lead an organization that represents 270 airports in the region and that transports 584 million passengers per year and 5.1 million metric tons of cargo. This position provides our Chief Executive Officer with valuable first-hand knowledge of the needs of the members of ACI-LAC in order to more efficiently address their needs, and grow their presence by generating initiatives that will lead to improvements in the airports in the region, while maintaining the levels of operational safety, conservation of the environment and training that the ACI-LAC considers are fundamental to airport operations.

***Traffic and Revenue Profile***

Ecuador has 22 civil airports, of which we are the largest in terms of passenger traffic, managing 47% of the country's air traffic for the year ended December 31, 2018, according to the Independent Traffic Consultant's Report. We are primarily an origin and destination ("O&D") facility and we are the international and domestic gateway to key business, governmental, supranational, and tourist destinations in Quito and across Ecuador. For the year ended December 31, 2018, approximately 99% of our passengers were O&D, with 45% international and 55% domestic passengers to and from 23 international and domestic destinations, seven of which were added after the opening of the Airport. We are also the main entry and exit point for air cargo in Ecuador, supporting 81% of the country's volume. According to the Independent Traffic Consultant's Report, our role as the exclusive provider of these essential services to the capital and globally unique destinations gives us a fundamentally defensive business profile.

The mountainous geography of the region also creates natural limitations to alternative means of transportation, centralizing most of the domestic transportation through the Airport. We also benefit from a symbiotic relationship with Quito's sister-city in Ecuador, Guayaquil, with high-density shuttle-traffic similar to other city pairs, such as Madrid-Barcelona, São Paulo-Rio de Janeiro, Bogotá-Medellín and San Francisco-Los Angeles. These factors, combined with the enhancement of the Airport's technical infrastructure as compared to the Old Airport, has allowed for an increase in connectivity into Quito and Ecuador. For the years ended December 31, 2018, 2017 and 2016, the Airport had annual O&D passenger traffic of approximately 5.2 million (based on preliminary data), 4.9 million and 4.9 million O&D passengers, respectively.

We proactively evaluate and pursue opportunities to expand our network per our Air Service Development Strategy ("ASD"), which includes plans to add new routes and increase frequencies and seat capacities to target routes in North America, Latin America, and Europe. For more information on our ASD, see "Business—Improvements and Expansion—Air Service Development Strategy."

Our revenues consist primarily of regulated and non-regulated revenues, representing 71% and 25%, respectively, of our total revenues for the year ended December 31, 2018. The remaining portion of our revenues derives from commercial incentives and recognition of MSIA contract liabilities. Regulated revenues consist primarily of passenger and airline charges which are regulated by our Concession Contract and are annually adjusted for the U.S. and Ecuador Consumer Price Index, in accordance with the indices set forth in the Concession Contract. Non-regulated revenues generally consist of commercial, duty free, VIP lounge, food and beverage lease and sales commission income, and cargo revenues. Pursuant to the Strategic Alliance Agreement (as defined herein), we receive 89% of all the regulated revenues generated by the Concession until 2035 and 88% from 2036 until the end of the Concession

Period (the "Quiport Participation"), with the Municipality receiving the remaining 11% and 12%, respectively (the "Municipality Economic Benefit Participation"). All references in these listing particulars to "our regulated revenues" refer to the Quiport Participation. For more information on the Strategic Alliance Agreement and the participation framework see "The Concession—Strategic Alliance Agreement."

We believe that one of the notable aspects of our growth story has been the Airport's enhanced commercial layout and passenger experience, which we believe has supported the increase in per departing O&D passenger revenues from U.S.$6.07 in 2012 to U.S.$16.66 in 2018.

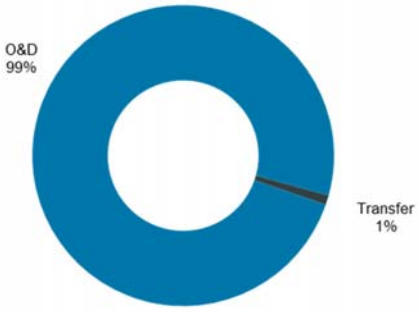
The table below sets forth information on our traffic and revenue growth:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | **2018** | | **2017** | | **2016** | |
| **Passengers[1]:** | | | | | | |
| Departing international | 1,170,890 | 22% | 1,097,926 | 23% | 1,074,793 | 22% |
| Departing domestic | 1,431,739 | 27% | 1,329,762 | 27% | 1,369,207 | 28% |
| Arriving[2] | 2,625,443 | 51% | 2,447,478 | 50% | 2,408,530 | 50% |
| **Total[2]** | **5,228,072** | **100%** | **4,875,166** | **100%** | **4,852,530** | **100%** |
| **Tariffs[1]:** | | | | | | |
| Tariff per international departing passenger (in U.S.$) | 55.57 | | 54.53 | | 53.82 | |
| Tariff per domestic departing passenger (in U.S.$) | 15.35 | | 15.06 | | 14.87 | |
| **Revenue[1]:** | | | | | | |
| Regulated revenue per departing passenger (in U.S.$) | 46.5 | | 45.7 | | 44.4 | |
| Non-regulated revenue[3] per departing passenger (in U.S.$) | 16.7 | | 16.0 | | 15.6 | |

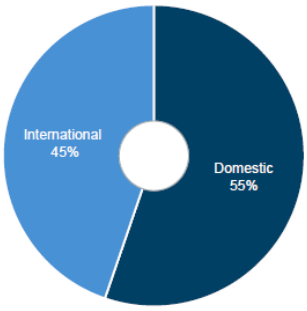
(1) Refers to O&D passengers information, which does not include transit passengers.
(2) Information for the year ended December 31, 2018 is based on preliminary data.
(3) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 17 and 14 to our Financial Statements.

The charts below set forth information on our passenger type:

**Passenger Type**




**International v. Domestic**



***The Airport and the Old Airport***

Between 2006 and 2013, we operated the Old Airport while simultaneously constructing the Airport. The operation of the Old Airport presented a variety of difficulties: proximity to residential areas, a small runway of approximately 3.1 km and surrounding mountains, combined with a high altitude of approximately 2,811 meters above sea level that created high-wind and fog conditions making landings complex and limited the capacity of planes that could takeoff. This restricted the operation of the airport as larger and heavier planes that could travel longer distances were not able to operate. The construction cost of the Airport was U.S.$796.0 million, which we financed primarily with certain loans extended to us by certain multilateral agencies under certain Senior Secured Credit Agreement (as defined herein), assumed for the development, construction and operation of the Airport and related works under the Concession Contract, among other uses, in an amount of approximately U.S.$376.0 million and with maturity in 2020, and the remaining required investment through a combination of equity contributions, subordinated debt from our Shareholders and excess cash from operations at the Old Airport. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans."

The Old Airport was permanently closed on February 19, 2013, and, on February 20, 2013, we began operating at the new Airport. Compared to the Old Airport, the new Airport is located at a lower altitude, approximately 2,411 meters above sea level and is approximately 35 km from downtown Quito. Additionally, the new Airport features a 4.1 km runway, one of the longest in South America, which allows for the operation of larger and heavier planes, such as the Boeing 777-300, 747-400 and the Airbus A340-600. The ability of the Airport to adequately meet the needs of these types of larger and heavier planes allows us to have an extended range of operations, which is reflected in the seven new routes that we added since the start of operations of the new Airport, and also allows us to service new potential destinations, including prospective destinations as far as Madrid. The new Airport has allowed us to increase passenger and cargo traffic and has given us the capacity for longer flights and access to new routes that were not possible in the Old Airport.

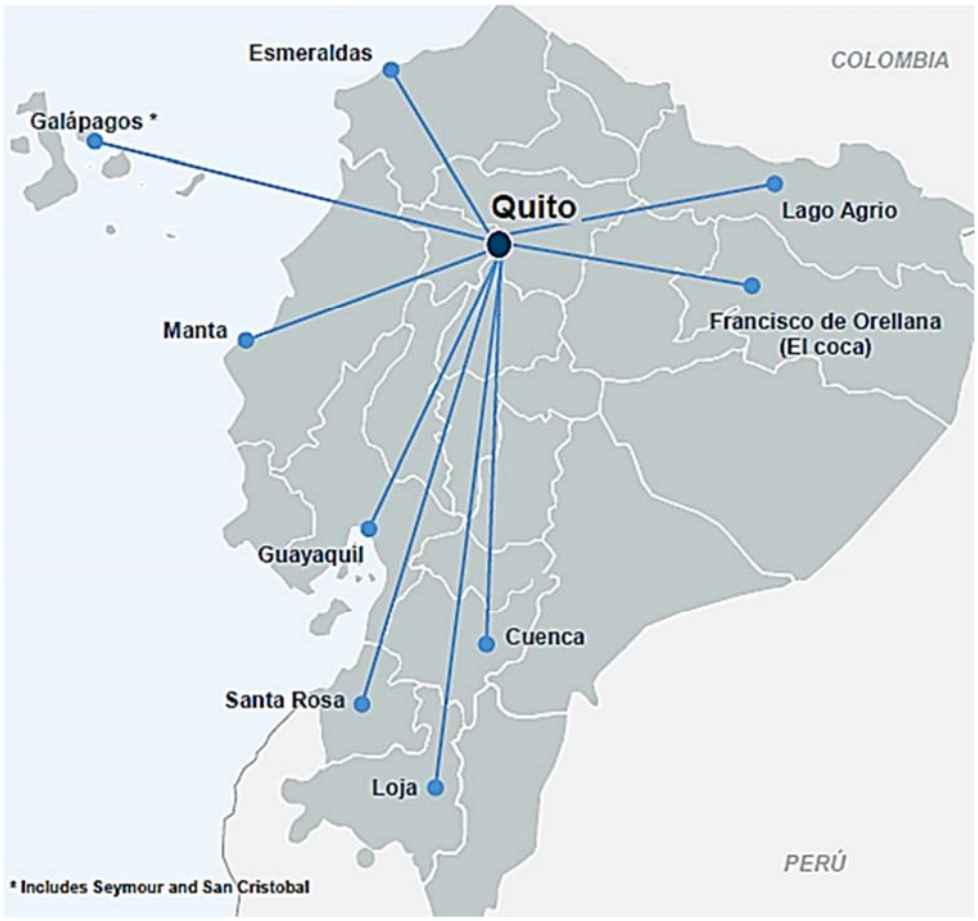
The new Airport is a state-of-the-art facility with best-in-class service and the latest technology. It features an international and domestic passenger terminal complex with eight contact gates, a general aviation facility, an air cargo facility, a maintenance facility, an air traffic control tower, boarding gates equipped with automated announcement systems and biometric scanners, vehicle parking lots, fuel storage and other assets. We have taken into account the needs of our passengers in creating a custom-designed commercial layout and building a diverse mix of domestic and international brands to provide an improved passenger experience, evidenced by the opening of a 160-square-meter retail space specializing in high-end local artisanal products and the remodeling and expansion of the international

VIP lounge. The Airport has a total of 51 commercial spaces, 20 of which are dedicated to retail services, six to car rental services, 14 to food and beverage services, eight to duty free services and three to currency exchange services. The technology and infrastructure in the new Airport have helped increase the efficiency of our operations, including an improved fuel system and better air and ground traffic monitoring, which reduces delays and increases the number of flights. The Airport is compliant with the regulations of the Transportation Security Administration of the U.S. Department of Homeland Security ("TSA") and certified by the International Civil Aviation Organization ("ICAO").

We continue to develop, design and construct new facilities in our Airport to improve efficiency and increase capacity. In 2015, we expanded the passenger terminal for domestic flights, constructed new jet bridges and expanded the shopping areas. By 2020, we expect to have completed additional expansions of the passenger terminal by adding boarding gates and new expansions of the cargo and apron parking area for the ground service equipment ("GSE"). These expansions are expected to result in an increase in the processing area for passengers and cargo. In addition, our geographical location, away from the city-center and on 1,500 hectares of dedicated land, allows for the addition of a second runway in the future. However, our current traffic projections will not require this addition during the remaining term of the Concession.

The following map sets forth our international network as of December 31, 2018:

The following map sets forth our domestic network as of December 31, 2018:




***Ecuador and Quito attract a diverse range of travelers, including for business and tourism purposes, as well as travel for governmental and supranational organizations***

Ecuador and Quito, in particular, are a destination for a wide mix of travel purposes, including business, tourism and travel for governmental and supranational organizations. Ecuador's tourism industry has grown steadily from 1.27 million tourists in 2012 to 1.47 million tourists in 2018, according to INEC.

Quito hosts more than 50 museums with a large collection of archeological artifacts and artwork, and in 1978 it was declared a UNESCO World Heritage Site. In addition to cultural attractions, multiple international organizations including the Union of South American Nations, an intergovernmental regional organization comprising twelve South American countries, the United Nations System, the Inter-American Development Bank, the Court of Justice of the Andean Community, the Andean Development Corporation and the International Organization for Migration, among others, are headquartered or have regional or country offices in Quito. This strong base of supranational organizations draws a robust international passenger base and brings in foreign currencies to Ecuador.

Additionally, Ecuador is a popular destination for tourism, and is particularly popular with tourists for its biodiversity. The Galapagos Islands are a popular tourist destination that is serviced exclusively by domestic airports. In 2018, 1,472,469 tourists visited Ecuador, 652,931 of which came to Quito. As such, the tourism industry is another driver of passenger traffic to the Airport.

Quito is investing in infrastructure projects that are aimed at helping to prepare it for increased tourism in the future, including, among other projects, hotels, roadways, and the Quito subway system (the "Quito Metro Line One Project"), that, according to the World Bank, will carry approximately 400,000 people daily and create more than 5,000 direct jobs and 15,000 indirect jobs. This growth in tourist infrastructure also benefits the ever growing local population. Quito hosts Ecuador's flower export trade convention and internationally recognized companies have offices in Quito, including Schlumberger, General Motors, Nestlé, Emirates, OTECEL, DirecTV, Arco Continental (Coca-Cola), Omnibus bb and Tampa Cargo, among others. These unique characteristics have positioned Quito as a key tourist and business destination in South America.

**Competitive Strengths**

We believe our competitive strengths include the following:

- essential national asset: only airport serving Quito, the capital of Ecuador;
- state-of-the-art facility with best-in-class service and latest technology;
- attractive traffic profile with positive outlook;
- sponsor, operator and management team with solid operating track record and experience;
- supportive contractual framework, including automatic annual rate increases and political stability guarantees and strategic alignment with the Granting Authority;
- demonstrated track record of improving non-regulated revenue per passenger with further room for growth; and
- success story of foreign investment and public-private partnership in Ecuador.

***Essential national asset: only airport serving Quito, the capital of Ecuador***

We are the largest airport in Ecuador in terms of passenger traffic and the only airport serving Quito, the capital of Ecuador, the largest city in Ecuador by economic output and the second largest by population with approximately 15% of the country's population.

The Airport enjoys exclusive rights for airport development and operations in the metropolitan area of Quito. Because of this, the Airport is a critical national infrastructure project and a gateway to domestic and international travel for Ecuador. For the year ending December 31, 2018, the Airport accounted for 47% of Ecuador's air traffic, according to the Independent Traffic Consultant's Report. In addition, the Airport's advanced technical infrastructure has allowed for an increase in connectivity for Quito and Ecuador. For the year ended December 31, 2018, the Airport traffic was approximately 5.2 million O&D passengers, 238,138 tons of cargo and 59,821 air traffic movements ("ATM"). In addition, for the year ended December 31, 2018, we had our highest ever level of exports of cargo in Ecuador for the Airport, reaching 194,098 tons. As of December 31, 2018, on average, more than 14,000 passengers use the Airport on a daily basis, to and from 23 destinations.

Alternative forms of transportation are limited throughout the region due to the mountainous terrain, which creates natural incentives for centralizing most of the domestic commercial and tourist transportation through the Airport. In addition, we benefit from a symbiotic relationship with Quito's sister-city in Ecuador, Guayaquil, with high-density shuttle-traffic similar to other city pairs, such as Madrid-Barcelona, São Paulo-Rio de Janeiro, Bogotá-Medellín and San Francisco-Los Angeles.

Because of this, the Airport is an essential national asset and plays a vital role in supporting further growth in economic activity, trade and travel through connectivity to the global cities around the world. It represents a critical infrastructure asset for Ecuadorian business, tourism and commerce. The operation of the Airport is closely aligned with the objectives of the government of Ecuador, which includes the support of the country's economic and infrastructure development and encouraging the growth of domestic and international travel.

***State-of-the-art facility with best-in-class service and latest technology***

We were incorporated on July 11, 2002, for the sole purpose of acting as concessionaire ("Concessionaire") under the concession ("Concession") charged with the management, improvement and maintenance of the Old Airport, and the construction, management and maintenance of the new Airport, including certain access roads and complementary works (the "Project") pursuant to the Concession Contract. See "The Concession—The Concession Contract." In 2006, we took over the operations of the Old Airport, while we began construction of the new Airport. At that time, operations at the Old Airport were hampered by a variety of factors, including dense urbanization around the Old Airport, high altitude and changing aviation, all of which reduced operating performance. The Airport was the first greenfield airport built the Latin American and Caribbean Region in over a decade.

Studies conducted by meteorology specialists developed high-quality modeling for wind and atmospheric conditions at the site. Using Sonic Detection And Ranging (SODAR) technology, their models used a full year of upper air measurements reaching to 13,123 (4,000 meters) above the surface. This analysis facilitated insight into the airport site and surroundings, and together with other studies, contributed to an understanding of the Airport's environmental impact and led the United Nations to recognize the Airport's environmental and sustainability efforts with several awards, including the Global Sustainability Award (2009), Best Practices in Environmental Sustainability in the Americas (2009), and a Social Responsibility Award (2011) and contributed to an environment in which Airport operations could thrive.

The city of Quito supported the Airport with the construction of a new 4.2 km road and a water pipeline to the area where the new terminal building is situated. The Airport opened with a single 4.1 km runway supported by an air traffic control tower that is approximately 41.5 meters tall with nearly 929 square meters of operational space and an initial cargo capacity of 250,000 tons a year. Currently, our cargo facilities area is 80,055 square meters, of which 2,055 square meters are used for import handling, and which includes a logistics cargo center (composed of the import cargo building which is 36,493 square meters and the consolidation building which is 27,691 square meters), the export cargo building (which is 2,441 square meters) and the export cargo building (of which 9,375 square meters are used for the operative area and 2,441 square meters are used for administrative offices).

Additionally, the Airport features modern passenger and baggage handling solutions comprising the HI-SCAN EdtS automated x-ray screening equipment supplied by Smiths Detection.

The Airport continues to upgrade its technology to ensure that it is providing the safest and best experience for airlines and passengers alike. It was the first airport in South America to convert all the apron lighting to LED technology. To ensure passenger comfort, the Airport offers complimentary Wi-Fi, charging stations and a playground for children. The successful development and operation of the Airport has improved Quito's and Ecuador's overall business climate and its capacity to attract additional private investment.

***Attractive traffic profile with positive outlook***

The Airport benefits from a diversified passenger base from various markets, including Latin America, North America and Europe. Furthermore, this geographic diversity is complemented by a diverse mix of travel purposes, including business, tourism and travel for governmental and supranational organizations.

For the year ended December 31, 2018, approximately 99% of our passengers were O&D, with the remaining 1% being transfer passengers. We believe that the O&D nature of our passenger traffic coupled with being the only airport serving Quito gives us a defensive traveler profile that is relatively inelastic to our Regulated Fees (as defined herein).

As of December 31, 2018, the Airport had a total of 23 destinations, of which 9 were domestic, seven were to other countries in Latin America, five to North America and two were to Europe. For the year ended December 31, 2018, international traffic represented 45%, while domestic traffic represented 55% and 66% of all international trips originated from the Mexico, Bogotá, Lima, Miami and Panama routes and 55% of passengers arriving on these routes originally departed from other original destinations, providing the Airport with a diversified catchment area. Our international and domestic departing traffic grew at average rates of 4.6% and 2.5% from 2006 through 2017, respectively, despite global economic volatility and local natural disasters. With a diversified passenger base our revenues are more resilient to the effects of seasonality and economic cycles inherent to predominantly tourism traffic.

Since the start of operations of the new Airport in 2013, we have added seven new routes to the following destinations: Bogotá, Buenos Aires, Dallas (this route was discontinued in August 2018), Fort-Lauderdale, Madrid, Mexico and New York (this route was discontinued on January 31, 2019). Additionally, we increased the number of flights to key destinations and international hubs, such as Amsterdam, Panama, Madrid, Bogota and Houston.

We have increased international traffic from 684,442 international O&D passengers (departures) and 138,899 tons of cargo (exports and imports) in 2006 to 1,170,890 international O&D passengers (departures) and 238,138 tons of cargo (exports and imports) in 2018, representing an increase of 71.0% and 71.4%, respectively. The average annual growth rate for international departing O&D passengers was 4.3% from 2006 to 2012 at the Old Airport and 5.0% from 2013 to 2018 at the Airport. For the year ended December 31, 2017, the Airport had 55,778 ATMs.

Travelers to Quito have a diverse range of travelling reasons. We believe the centralized nature of Ecuador's population and economy supports robust air travel to Quito and Quito offers unique draws for tourists, business travelers, and government/supranational organization-related travel.

*Tourist Travelers*

In 2018, 1,472,469 tourists visited Ecuador, 652,931 of which came to Quito. Ecuador has a wide range of geographic areas and climates, including the Pacific coastal plains, the Sierra (consisting of the Andean highland region), the Oriente (characterized by the Amazonian tropical rain forest) and the Galapagos Islands region, a UNESCO heritage site since 1978. The Galapagos Islands region, located approximately 600 miles from Ecuador's Pacific coast, is only serviced by domestic airports due to applicable environmental laws and regulations. Ecuador's tourism industry has steadily grown from 1.27 million tourists in 2012 to 1.47 million tourists in 2018, according to INEC.

Quito lies 13 km south of the Equator and sits over 9,000 feet above sea level. These unique characteristics contribute to its status as a city with exceptional biodiversity, which is a tourist attraction. Ecuador, as a whole, has a wide range of sites that appeal to the environmentally-minded tourist, such as the hot springs flowing from volcanic soils fed by the twelve volcanoes in the area, eucalyptus forests and the Andean back-country.

In addition to being a destination due to its natural attractions, Quito also has a wide range of cultural attractions. Quito was among the first cities to be declared a World Heritage site in 1970 and has one of the largest historic city centers in the Americas at over 800 acres. Quito's colonial city center is also world-famous for its Baroque design. Moreover, it hosts more than 50 museums with a large collection of archeological artifacts and artwork, and in 1978, it was declared a UNESCO World Heritage Site. It

was also selected by the American Capital of Culture Organization as the American Capital of Culture for the year 2011.

*International Business Travel*

Quito's increased economic strength has incentivized a number of internationally recognized companies to have offices in Quito, including Schlumberger, General Motors, Nestlé, Emirates, OTECEL, DirecTV, Arco Continental (Coca-Cola), Omnibus bb and Tampa Cargo, among others.

Additionally, in order to capitalize on its unique resources, Quito has become a global hub for the floricultural industry. The equatorial location of Ecuadorian flower plantations allow them to benefit from warm days, cool nights and 12 hours of daily sunlight throughout the year. This makes the region around Quito a hub for the burgeoning international floriculture business. Ecuador produces over 300 varieties of roses within an hour's drive of Quito. Today, Ecuador is the world's third largest flower exporter and Quito currently hosts Ecuador's flagship flower export trade convention, which draws floricultural business travelers from around the world.

*National/Supranational Governmental Travelers*

Multiple international organizations including the Union of South American Nations, an intergovernmental regional organization comprising twelve South American countries, the United Nations System, the Inter-American Development Bank, the Court of Justice of the Andean Community, the Andean Development Corporation and Cultural Heritage and the International Organization for Migration, among others, are headquartered or have regional or country offices in Quito. As a result, Quito benefits from a steady stream of regional and international travelers for supranational, multilateral and other inter-regional purposes.

***Sponsor, operator and management team with solid operating track record and experience***

CCR S.A. ("CCR"), Odinsa S.A. ("Odinsa") and HAS Development Corporation ("HASDC") are our sponsors and indirect shareholders (collectively, the "Shareholders"). They are experienced strategic developers and operators of concession-based transportation infrastructure assets in Latin America and the United States. See "—General Corporate Information—Our Shareholders" and "Principal Shareholders." Odinsa is part of Grupo Argos, a Colombian conglomerate with investments particularly in the cement and energy industries, and has a diverse portfolio of transportation concessions, including the International Airport of Bogotá. HASDC is a US-based international airport development and management company and is affiliated with the Houston airports system (Bush, Hobby and Ellington airports) and participates in other airport privatizations in San José and Liberia (Costa Rica). CCR is a Brazilian-based infrastructure company focused on airport, toll roads and mass transit infrastructure projects, with a portfolio of international airports, including Belo Horizonte (Brazil), Curaçao and San José (Costa Rica). We believe we benefited and will continue to leverage their experience and expertise to offer best-in-class service to our clients. For the year ended December 31, 2017, the airports operated by our Shareholders collectively served approximately 105 million passengers and approximately 1.5 million metric tons of cargo.

The Airport is currently operated by Quito Airport Management Ecuador Quiamaecuador S.A. (formerly ADC & HAS Management Ecuador S.A.) (the "Ecuador Operator"), pursuant to an operation and maintenance agreement dated August 24, 2005 (the "O&M Agreement"), between us and Quito Airport Management Quiama Ltd (formerly ADC & HAS Management Ltd) (the "Operator" and together with the Ecuador Operator, the "Operators"). The Ecuador Operator is owned by the Operator, an affiliate of Quiport that is indirectly owned by each of Odinsa and CCR. The Operators have successfully maintained and operated both the Airport since its construction and the Old Airport since 2006 in compliance with the requirements of the Concession Contract.

Our management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance and business development and infrastructure projects in airport related assets. Moreover, in 2018, our Chief Executive Officer was unanimously elected President of the ACI-LAC. We believe our management team's capabilities and core understanding of our business enables us to operate efficiently and manage risk effectively.

***Supportive contractual framework, including automatic annual rate increases and political stability guarantees and strategic alignment with the Granting Authority***

Together with our counterparts in the Government we have developed a supportive contractual framework around the operation of the Airport and our investment in Ecuador. Among other things, this framework consists of our (1) Concession Contract, (2) Strategic Alliance Agreement, and (3) Investment Contract (as defined herein). We have formalized our strategic alliance with the Granting Authority by entering into contracts together, keeping an open dialogue, working collaboratively, sharing revenue (with an amount of U.S.$42.1 million contributed to the Municipality as its share of regulated revenue under the Strategic Alliance Agreement for the period from 2016 to 2018) and becoming a highly visible success story of international investment in Ecuador.

Our Concession Contract provides a clear operating framework and grants us a number of rights, including automatic annual inflationary regulated rate increases, which have occurred within our expectations every year since the start of the Concession. See "The Concession—The Concession Contract—Airport Charges and Airport Revenues." The Strategic Alliance Agreement creates strategic alignment by defining a revenue sharing framework with the Granting Authority, and likewise includes various substantive and procedural protections, such as the provisions for indemnification and set-off procedures (including a set-off against the payment of the Municipality Economic Benefit Participation (as defined herein) for Political Events (as defined herein), among other things. See "The Concession—Strategic Alliance Agreement." Lastly, through the Investment Contract, Ecuador has given us, certain of our investors and the Project multiple guarantees and protections, including, without limitation, specific legal and tax stability with respect to the legal framework in effect on June 24, 2003, protection from nationalization and protection from discrimination. See "The Concession—Investment Contract." The benefits of the tax stability under the Investment Contract terminate on June 24, 2023.

Notwithstanding our strategic alignment, in the event of any disputes that may arise from time to time, the Concession Contract, Strategic Alliance Agreement and the Investment Contract also grant us recourse to international dispute resolution mechanisms, including access to the Court of Arbitration of the International Chamber of Commerce (ICC), United Nations (UNCITRAL) and the World Bank (ICSID).

In addition to strong relationships with local and national governmental agencies, we have engaged with surrounding communities by providing approximately 38,000 jobs in 2016 (according to an economic impact study conducted in 2017 by Económica CIC – Centro de Investigación e Información Cuantitativa). These jobs were created through economic stimulus via local procurement initiatives and supporting the community through training and education programs. See "Business—Operations." We also coordinate closely with Quito's tourism office on the development of new routes and attracting new travelers to the city and the opening of the convention center. The city has begun to revitalize the 11.4 acres once used for the Old Airport and transformed the space into the Conventions and Events Complex in Bicentennial Park. This is Quito's largest urban development project in recent years and includes the new convention center, hotels and other related commercial businesses. See "Business—Operations."

***Demonstrated track record of improving non-regulated revenue per passenger with further room for growth***

The average non-regulated revenue per departing O&D passenger increased from U.S.$15.58 in 2016 to U.S.$16.66 in 2018. We expect our non-regulated revenue per passenger to grow in future years as the management team is continuously looking to increase the amenities offered to passengers, as well as to improve and increase the commercial spaces available to make them more attractive to retailers. In connection therewith, 2018 saw the benefits of an expanded VIP lounge with over 1,115 square meters of amenities, which offers Wi-Fi, sleeping areas, bathrooms with showers, business areas, outdoor terrace, bar and dining areas to accommodate the nearly 12,000 passengers it serves a month. On the retail front, a former 67-square-meter food and beverage retail space was reconfigured to accommodate a 160-square-meter retail space specializing in high-end local artisanal products, delivering higher rent and commissions for the Airport.

***Success story of foreign investment and public-private partnership in Ecuador***

We are frequently referred to by the Ecuadorian national government and the Quito municipal governmental officials as a success story of foreign investment and public-private partnerships in Ecuador. On June 6, 2018, Quito's Secretary of Development and Competition (*Secretaría de Desarrollo Productivo y Competividad*) cited Quiport as a successful example of public-private partnerships and attracting capital to Ecuador, a template they would like to continue following. On October 26, 2017, Quiport was recognized as an honorary ambassador of Quito by the Secretary of Development and Competition and the General Manager of Quito Turismo for its contributions to the tourism industry of Quito and the increased connectivity of the Airport. In addition, Quito Turismo reaffirmed the role of Quiport as a strategic partner of the city. The benefits of Quiport's public-private partnership were cited as the key to the enhanced quality of service at the Airport and its recognition as being amongst the most prestigious airports in Latin America. The Ecuadorian national government has also referred to the importance of its partnership with Quiport. In 2013, the Minister of Industry and Productivity (*Ministerio de Industrias y Productividad*) stated that the Airport, in addition to contributing to the efficient transportation of passengers and cargo, has permitted the optimization of industrial, production and export activities, benefiting from the airport logistics and increasing the competitiveness of Ecuador. Furthermore, on September 26, 2018, as part of the expansion and improvements plan approved by the Municipality, which we expect will exceed our contractual requirements and increase our service levels, the Undersecretary of Air Transportation for Ecuador stated that the Airport has been one of the main catalysts of development in Ecuador, generating employment, tourism, trade and enriching the passenger experience.

**Strategy**

We seek to increase our income and improve efficiencies at the Airport through the following key measures:

***Increasing airline and passenger traffic and enhancing the experience of passengers***

Increased airline and passenger traffic could assist us in growing our revenues. Therefore, we are committed to developing new air service into the Airport, improving the passenger experience and expanding our passenger base through the following strategies:

- maintaining our position as one of the leading airports in South America and continuing to be recognized as "South America's Leading Airport," "Best Regional Airport of South America" and as having the "Best Airport Staff in South America" by Skytrax. We believe that these awards improve our strategic position and our attractiveness as a destination;

- promoting the Airport in key cities in Latin America and facilitate the development of additional routes in order to increase passenger traffic and revenue;
- continuing to improve the experience of our passengers, through excellent customer service, efficient processing times for passengers, reduced waiting times and technologically advanced facilities;
- continuing to develop Ecuador's growing tourism industry abroad;
- increasing our efforts to attract new airlines, particularly low-cost carriers and to foster the opening of new routes by offering marketing support to airlines to promote growth; and
- executing our master plan for the Airport, which includes additional expansions of the passenger terminal adding boarding gates and new expansions of the cargo and apron parking area for the GSE.

***Continuing to improve commercial offerings***

Since we began operating the new Airport, we have undertaken various measures to increase our non-regulated revenue. We directly operate and manage certain sources of our non-regulated revenue, including the VIP lounges, parking and advertising businesses at the Airport. As a result, we continue to develop strategies to use our personnel and resources to grow our non-regulated revenue. We believe we can continue to improve non-regulated revenue per passenger by maintaining and developing symbiotic relationships with our commercial counterparties.

We intend to continue to provide a wide range of commercial products and services in order to maximize our revenue. The actions we have previously taken and intend to undertake in the future include:

- create new commercial spaces to attend to our passengers' needs, such as opening more affordable shopping options;
- create new cultural spaces to enhance passengers' travel experience in the terminals, such as displaying collections of local artists;
- diversify the commercial operation and products to maximize sales by entering into agreements with new convenience stores in the Airport terminal that will help bring a more diversified product base to our customers; and
- introduce world-known brands to commercial operations by opening individual stores in the Airport for specific brands, such as the Samsung Experience, which store opened in October 2016 and sells a range of electronic products including tablets, cell phones and auxiliary products.

We believe that these actions have increased, and will continue to increase, the sales revenue of our commercial subconcessionaires, thereby increasing our non-regulated revenue.

***Further enhance operational efficiencies***

In an effort to optimize the operating efficiency of the Airport, we have implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. We intend to continue exploring and implementing similar initiatives in the future in order to improve its operational efficiencies, which we believe are already among the best in the industry.

In 2015, we expanded the passenger terminal for domestic flights, constructed new jet bridges and expanded the shopping areas. In accordance with our master plan, we expect to continue to expand the

passenger terminal with the addition of new boarding gates and apron areas, as well as to expand the cargo and apron parking area for the GSE and undertaking taxiway improvements. We expect these expansions to increase terminal passenger capacity by facilitating the movement of passengers and improving the efficiency in the processing area for passengers and cargo. We also implement and expect to continue implementing advanced technological infrastructure upgrades for security and airport and administration processes, to increase the efficiency of traffic flow and level of service provided. See "Business—Improvements and Expansion."

***Opportunities to increase number of low-cost carriers and direct routes***

Increased penetration of low-cost carriers in various countries in Latin America in recent years has expanded the market opportunity for access to air services at more competitive ticket prices compared to legacy carriers and has stimulated air traffic as more passengers seek to travel with the lower or more convenient fares provided by low-cost carriers. Given price-sensitivities in the Ecuadorian market, the low-cost model provides opportunities for growth and to increase the number of frequency of flights taken by passengers who prefer the more convenient or lower fares.

Currently, the low-cost carrier penetration in Ecuador is low, with no low-cost carriers operating domestically in Ecuador, while those operating internationally represent only 4% of the total Ecuadorian air traffic, according to the Independent Traffic Consultant's Report. This presents a potential opportunity to increase low-cost penetration in Ecuador, which could generate substantial passenger traffic in the future, according to the Independent Traffic Consultant's Report. There is also opportunity for the creation of new direct international, low-cost routes from the Airport, considering the current demand for travel to cities in to North America, not yet serviced by the Airport and routed via other hubs in Latin America.

**The Independent Traffic Consultant's Report**

We have engaged ALG to independently assess future passenger and cargo volumes at the Airport. See "Independent Traffic Consultant." The Independent Traffic Consultant's Report analyzes historical international and domestic passenger and cargo data at the Airport, as well as historical economic trends in Ecuador and the relationship between economic trends, airline service factors, passenger traffic and cargo trends. The Independent Traffic Consultant's Report notes that the key risks to any forecast of airline passenger and operations activity include international economic and political conditions, the economic stability of Ecuador, general airline industry conditions, the capacity of the Airport to handle increased traffic and the development of competing airports.

The forecasts and conclusions of the Independent Traffic Consultant's Report are inherently subject to uncertainties and only include data up to February 2019, the date of the Independent Traffic Consultant's Report, after which changes may have occurred. Inevitably, certain assumptions may not be realized and unanticipated events and circumstances may occur. In particular, the Independent Traffic Consultant's Report assumes that we will benefit from the FTZ Exemption (as defined herein) through December 2025. Additionally, the Independent Traffic Consultant's Report assumes that the Municipality Economic Benefit Participation will remain at 11% through 2035, with an increase to 12% from 2035 onwards. If certain legal proceedings with respect to SRI Determinations in respect of such exemption are determined in a manner unfavorable to us, such assumption will not be realized and the projections reflected in the Independent Traffic Consultant's Report may prove inaccurate. Even if the assumptions and methodologies in the Independent Traffic Consultant's Report are accurate, the actual passenger and cargo volumes may materially differ from those expressed or implied in the Independent Traffic Consultant's Report. See "Risk Factors—Risks Related to Our Business— Projections and forecasts of future traffic in the Independent Traffic Consultant's Report may prove to be incorrect, in which case Quiport may have materially different results of operations." Accordingly, investors are urged not to

place undue reliance on the Independent Traffic Consultant's Report, which should not be construed by any investor as affirmations or other approval or disapproval by us, the Initial Purchasers or our or their respective affiliates of any assumptions, methodologies, findings, observations, conclusions or forecasts contained therein.

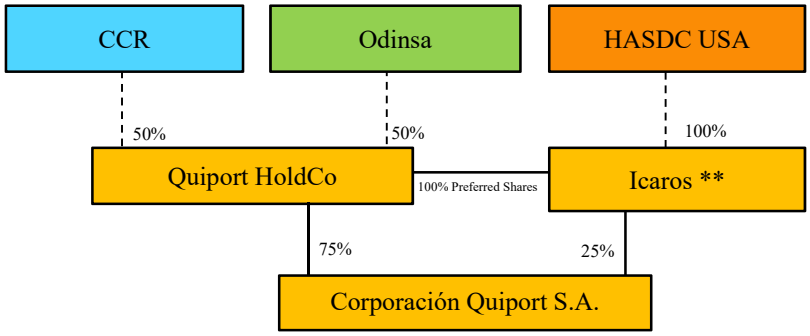
**General Corporate Information**

***Quiport***

We were incorporated as a stock corporation (*sociedad anónima*) in Ecuador on July 11, 2002. On the date of execution of the original Concession Contract, our shareholders were Aecon Construction Group Inc. ("Aecon"), Andrade Gutierrez Concessões S.A. ("AGC") and ADC Management and together with Aecon and AGC, the "Original Shareholders"). Following our incorporation, the Original Shareholders invited HASDC to become a 25% shareholder in Quiport, in accordance with the HASDC Investment Agreement (as defined herein), in order to satisfy certain requirements of the Original Senior Lenders. See "Principal Shareholders—HASDC Investment Agreement." During 2012, AGC transferred its participation to CCR and on December 11, 2015, Aecon transferred its shareholding to Odinsa, including all interests in relevant agreements related to the Project.

As of the date of these listing particulars, we are owned directly by Quiport HoldCo (75.0%) and Icaros (25.0%). CCR and Odinsa, each, owns, indirectly, 50.0% of Quiport HoldCo, which owns all of the preferred shares of Icaros. HASDC owns, indirectly, all of the common shares of Icaros. See "Principal Shareholders" for a more detailed description of our shareholding structure and agreements of our Shareholders. Our shareholding structure is expected to undergo a corporate reorganization in 2019 to create efficiencies. Pursuant to the reorganization plan, it is expected that, following completion of the corporate reorganization, CCR, Odinsa and HASDC will own, directly or indirectly, 46.5%, 46.5% and 7 %, respectively, of Quiport. See "—Corporate Reorganization."

The following diagram sets forth a simplified version of our current organizational structure:




- - - - - - - Held indirectly
——— Held directly

** Total capital stock of Icaros consists of 54,441,306 preferred shares held directly by Quiport HoldCo and 23,835 common shares held indirectly by HASDC. The preferred shares represent 99.956% of the total shares of Icaros and the common shares represent 0.0437% of the total shares of Icaros.

***Our Sponsors and Shareholders***

Our sponsors and Shareholders are highly-experienced strategic developers and operators of concession-based transportation infrastructure assets in multiple jurisdictions around the world. Together, they hold interests in eight airports with an average of approximately 100 million passengers and approximately 1.5 million tons of cargo for the year ended December 31, 2017.

Odinsa is a subsidiary of Grupo Argos, a diversified Colombian conglomerate with infrastructure assets under management of approximately U.S.$15 billion as of December 31, 2018. Odinsa is an airport and toll-road concession company in Latin America with a portfolio that includes two airports in Latin America (the International Airport of Bogotá and Quito International Airport), two toll roads under construction and four toll-road concessions in operations, in Aruba, Colombia and the Dominican Republic.

HASDC is a US-based international airport development and management company. It is a nonprofit corporation created for the benefit of the US-airport system of the City of Houston, which includes the Bush, Hobby and Ellington airports. In addition to Quiport, HASDC is a participant in international airports in San José and Liberia (Costa Rica).

CCR is a Brazilian-based infrastructure company focused on airport, toll roads and mass transit infrastructure projects. Its portfolio includes the international airports of Belo Horizonte and Curaçao (Brazil), Quito and San José (Costa Rica), as well as an airport services company headquartered in Texas. It also holds eleven concession roads in Brazil, covering over 3,265 km of toll roads, three subway lines operated in São Paulo, a subway line operated in Salvador (Bahia), ferryboats and light rail in Rio de Janeiro.

***Corporate Reorganization***

Our Shareholders expect to reorganize our holding structure in 2019 to obtain certain tax efficiencies and maximize shareholder value. The reorganization is expected to be completed following the incurrence of the Loans by us and the issuance of the Notes by the Issuer and would be subject to various consents, approvals and waivers from third parties, including potentially certain governmental approvals in the various applicable jurisdictions. Therefore, no assurance can be given that the reorganization, if undertaken, would be completed in a timely manner or at all. The reorganization is not expected to impact Quiport or its management. Pursuant to the reorganization plan, it is expected that, following completion of the corporate reorganization, CCR, Odinsa and HASDC will own, directly or indirectly, 46.5%, 46.5% and 7 %, respectively, of Quiport.

***Corporate Information***

Our registered office is located at Aeropuerto Internacional Mariscal Sucre, Edif. Quito Airport Center, Nivel 2, Quito, Ecuador EC170907. Our institutional website can be accessed at www.quiport.com. The information contained on, or accessible through, our website is not incorporated by reference into these listing particulars.

**The Issuer**

The Issuer, International Airport Finance, S.A., was incorporated as a company (sociedad anónima) in Spain on January 31, 2019, and is registered at the Commercial Registry of Madrid in Volume 38771, Sheet 1, page number M-689301. The Issuer has its registered office at Calle Ayala 100, Stair 2, Floor 1, Door D, 28001, Madrid, Spain. The Issuer's Spanish tax ID number is A-88287990 and the Legal Entity Identifier number is 959800M9M5LP0KXUP789. The Issuer has a share capital of €100,000, represented by 100,000 ordinary shares with a par value of €1.00 each, all of which as of the date of these listing particulars are fully subscribed and paid up. The Issuer's immediate shareholders are Companhia de Participaçoes em Concessoes, S.A. ("CPC"), a fully owned subsidiary of CCR holding 46,500 ordinary shares of the Issuer (46.5%); Odinsa holding 46,500 ordinary shares of the Issuer (46.5%); and HASDC holding 7,000 ordinary shares of the Issuer (7.0%).

**Recent Developments**

***Local Proceedings***

Quiport remains engaged in legal proceedings in Ecuador with respect to the Resolutions (as defined herein) issued by the Comptroller General of Ecuador (the "CGE") and Final Determinations No. 17201824900154057 and 17201824901288349 from the SRI (the "SRI Determinations") relating to certain tax determinations by the SRI that Quiport was not eligible for tax exemptions for fiscal years 2013 and 2014 in the amounts of $7.6 million and $10.0 million, respectively. Additionally, on January 16, 2019, Quiport received from the SRI the Final Determination No. 17201924900048637, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately U.S.$17.0 million in respect of revenues received for fiscal year 2015. See "Business—Legal Proceedings." With respect to the lawsuits brought by Quiport before the Administrative Contentious Court of Ecuador on September 20, 2017 requesting that the Resolutions be declared null and void, or, alternatively, that they be declared to have no effect. The proceedings are ongoing. See "Business—Legal Proceedings—Comptroller Resolutions." With respect to the SRI Determinations, the SRI confirmed Final Determination No. 17201824900154057 and rejected an administrative challenge filed by Quiport on March 19, 2018, and Quiport filed a lawsuit before the Ecuadorian tax courts on December 5, 2018. On February 13, 2019, Quiport posted a litigation bond in the amount of U.S.$1.12 million (or 10% of the tax liability in controversy) in order to proceed with local litigation. Quiport filed administrative challenges against Final Determination Nos. 17201824901288349 and 17201924900048637 on December 21, 2018 and February 11, 2019, respectively. Quiport has the right to begin lawsuits against the SRI before the Ecuadorian tax courts. See "Business—Legal Proceedings—Tax Exemption Dispute."

In respect of the Resolutions issued by the CGE, a judgment hearing with respect to Resolution No. 10378 has been scheduled for June 21, 2019. The preliminary hearing relating to Resolution No. 10379 is scheduled for October 29, 2019. The next succeeding merits hearing with respect to the CGE Resolutions relates to Resolution No. 10377 on March 25, 2019, and, with respect to Resolution No. 10376, merits hearing is scheduled for May 23, 2019. See "Business—Legal Proceedings—Comptroller Resolutions."

***International Monetary Fund Lending Package***

On February 20, 2019, the President of Ecuador announced that the government had reached an agreement with the International Monetary Fund (the "IMF") with respect to a proposed $4.2 billion loan package to Ecuador. The agreement remains subject to approval of the directors of the IMF. Together with an additional approximately $6.0 billion in loans that Ecuador expects to receive from various other multilateral development banks, Ecuador expects to receive more than $10 billion in loans from multilateral lenders in the future. See "Risk Factors—Risks Related to Ecuador— Ecuador has defaulted on its sovereign debt obligations in the past and could face challenges in its ability to access external funding in the future. In addition, Ecuador's sovereign credit rating was recently downgraded by Fitch and its outlook was revised to negative from stable by Moody's, which could contribute to further difficulty in accessing external funding or higher debt service costs."

## The Offering

*The following summary contains basic information about the Notes and the Loans and is not intended to be complete. For a more complete understanding of the Notes and the Loans, please refer to the section entitled "Description of the Notes" and "The Loans Agreement and the Loans" in these listing particulars.*

**General Terms of the Notes**

Issuer ..... International Airport Finance, S.A., a company (*sociedad anónima*) incorporated under the laws of Spain.

Notes ..... U.S.$400,000,000 in aggregate principal amount of Senior Secured Notes due 2033 to be issued under the Indenture.

Issue Date ..... March 14, 2019.

Issue Price ..... 100.000%, plus accrued interest, if any, from March 14, 2019.

Maturity Date ..... March 15, 2033.

Interest; Interest Payment Dates ..... The Notes will bear interest at 12.000%. Interest on the Notes will accrue from the date of issuance (the "Issue Date") until the date paid in full and will be payable semi-annually in arrears on March 15 and September 15 commencing on September 15, 2019 (each, a "Scheduled Payment Date"). Interest on the Notes will be calculated on the basis of a 360-day year of twelve 30-day months.

Amortization ..... On each Scheduled Payment Date, commencing on the September 15, 2020 Scheduled Payment Date (other than the Scheduled Payment Date on March 15, 2021) and ending on the date on which the Notes have been paid in full, in addition to interest and Notes Additional Amounts (if any), the holders of the Notes will be entitled to receive a principal amortization amount. See "Description of the Notes—Payment on the Notes."

| Scheduled Payment Dates | Principal Amount Payable |
|---|---|
| | (in U.S. dollars) |
| September 15, 2020 | $926,657.14 |
| September 15, 2021 | $3,711,035.49 |
| March 15, 2022 | $68,870.93 |
| September 15, 2022 | $4,105,239.70 |
| March 15, 2023 | $2,130,914.56 |
| September 15, 2023 | $4,123,231.94 |
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| September 15, 2024 | $10,134,142.73 |
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| | March 15, 2026 | $9,698,183.01 |
| | September 15, 2026 | $12,938,999.17 |
| | March 15, 2027 | $10,244,353.97 |
| | September 15, 2027 | $16,257,606.73 |
| | March 15, 2028 | $13,747,237.70 |
| | September 15, 2028 | $19,806,553.05 |
| | March 15, 2029 | $17,305,210.23 |
| | September 15, 2029 | $24,398,243.55 |
| | March 15, 2030 | $21,671,775.46 |
| | September 15, 2030 | $29,445,162.44 |
| | March 15, 2031 | $26,849,642.02 |
| | September 15, 2031 | $35,348,259.51 |
| | March 15, 2032 | $33,073,971.21 |
| | September 15, 2032 | $41,009,738.73 |
| | March 15, 2033 | $38,137,118.16 |

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| Amounts Payable under the Loans..... | Interest on the outstanding principal of the Loans will accrue at a base rate equal to 12.000%. For each Loan Payment Period, the base rate on the Loans will be adjusted and set at an applicable rate such that, after giving effect to any Additional Amounts that will be withheld or deducted, the interest payable on the Loans equals the interest payable on the Notes, together with any Notes Additional Amounts and Notes Agent Expenses payable plus an arm's length spread over the base rate. For the first Loan Payment Period, the interest rate on the Loans will be 13.000%. See "The Loans Agreement and the Loans—Interest."<br><br>On each Scheduled Payment Date, commencing on the September 15, 2020 Scheduled Payment Date and ending on the date on which the Loans have been paid in full, installments of principal will be payable on each Scheduled Payment Date (other than the Scheduled Payment Date on March 15, 2021). See "The Loans Agreement and the Loans—Principal and Maturity." |
| Ranking..... | The Notes will constitute general senior, secured, direct, unconditional and unsubordinated obligations of the Issuer and will rank *pari passu* in right of payment, without any preferences among themselves, with all other present and future unsubordinated obligations of the Issuer (other than obligations preferred by statute or Applicable Law). |
| Notes Collateral ..... | The Notes will be secured for the benefit of the Holders by a first priority security interest in:<br><br>• all of the Capital Stock of the Issuer;<br><br>• the Lender's rights in the Loans Agreement; |

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| | • the Issuer Accounts and the amounts on deposit therein and financial assets credited thereto;<br><br>• all of the Capital Stock of the Borrower;<br><br>• all future subordinated indebtedness incurred by the Issuer and the Borrower (other than any Issuer Subordinated Indebtedness); and<br><br>• any proceeds of the foregoing (collectively, the "Notes Collateral"). |
| Use of Notes Proceeds ..... | The net proceeds from the sale of the Notes on the Issue Date will be deposited in the Issuer Collections Account and will be used by the Issuer to irrevocably purchase and assume all of the Existing Lenders' rights and obligations under the Existing Loans Agreement and, together with the proceeds of the Upfront Fee (as defined herein), make one or more New Loans to the Borrower. See "Use of Proceeds."<br><br>The Borrower will use the proceeds of the New Loans to (x) repay in full on or around the Issue Date all amounts outstanding under its Intercompany Loans, (y) to make a retained dividend distribution to its Shareholders following completion of the corporate reorganization and (z) for certain general corporate purposes. |
| Optional Redemption..... | At any time prior to March 15, 2024, the Issuer may redeem all, but not less than all, of the Notes at a redemption price equal to (a) 100% of the principal amount of the Notes to be redeemed *plus* (b) accrued and unpaid interest and Notes Additional Amounts, if any, to, but not including, the Redemption Date *plus* (c) the Make-Whole Premium at the Redemption Date.<br><br>At any time on or after March 15, 2024, the Issuer may redeem all, but not less than all, of the Notes at the redemption prices set forth in "Description of the Notes—Optional Redemption," *plus* accrued and unpaid interest and Notes Additional Amounts, if any, on the Notes to be redeemed to, but not including, the Redemption Date.<br><br>The Issuer shall be permitted to carry out an optional redemption; *provided* that such notice shall provide that (i) the amount prepaid under the Loans shall be sufficient to redeem the Notes, and the Notes shall be redeemed in whole but not in part and (ii) the date of redemption shall be the same as the date of the prepayment, in each case, as |

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| | set forth in such Optional Prepayment Notice; *provided further* that notwithstanding anything to the contrary in the Indenture or the Notes Documents, the Issuer shall have the right to optionally redeem the Notes in full, but not in part, upon receipt of sufficient funds from the Borrower or a third party, whether or not such funds were received pursuant to the Loans Agreement. |
| Optional Tax Redemption ..... | The Issuer may exercise its right to redeem the Notes, in whole but not in part, pursuant to the provisions described under "Description of the Notes—Redemption of the Notes—Optional Redemption for Changes in Taxes Related to the Notes" at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and Notes Additional Amounts, if any. See "Description of the Notes—Redemption of the Notes—Optional Redemption for Changes in Taxes Related to the Notes." |
| Mandatory Redemption Upon Optional Prepayment of Loans ..... | In the event that any notice is delivered by the Borrower to the Issuer in connection with the Borrower exercising its right to prepay amounts due under the Loans pursuant to the provisions of the Loans Agreement other than in connection with an Excess Loans Optional Prepayment, the Issuer will be required to carry out and consummate a redemption in accordance with the terms as described under "Description of the Notes—Optional Redemption." See "Description of the Notes—Redemption of the Notes—Mandatory Redemption Upon Optional Prepayment of the Loans." |
| Mandatory Tax Redemption ..... | If the Borrower exercises its right to prepay, in whole but not in part, all amounts due under the Loans pursuant to the provisions described under "The Loans Agreement and the Loans—Optional Prepayments—Optional Prepayment for Changes in Taxes," the Issuer will be required to redeem all of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and Notes Additional Amounts, if any. See "Description of the Notes—Redemption of the Notes—Mandatory Redemption for Changes in Taxes Related to the Loans." |
| Mandatory Redemption upon any other prepayment of the Loans..... | Other than as provided under "Description of the Notes—Redemption of the Notes," "—Offers to Purchase the Notes" or in connection with an Excess Loans Optional Prepayment, in the event of any other prepayment of the Loans, for any reason, except for the repayment of the Loans following an acceleration thereof, the Issuer shall |

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| | redeem such portion of the Notes (including accrued interest and Notes Additional Amounts through the date of such redemption) equal to the aggregate principal amount of Loans being repaid or prepaid using the proceeds of any deposit received in the Lender Debt Service Payment Account with respect to such repayment or prepayment, as applicable, within five Business Days of receiving such deposit. |
| Mandatory Offer to Purchase without a Make-Whole Premium ..... | Upon receipt by the Issuer of an Offer to Purchase Instruction from the Borrower in connection with certain early termination, casualty, disposition or expropriation events, the Issuer will be required to undertake an offer to purchase all or a portion of the Notes in the principal amounts provided for at a purchase price equal to (a) 100% of the principal amount of the Notes being purchased, *plus* (b) accrued and unpaid interest, *plus* (c) Notes Additional Amounts thereon, in certain circumstances, up to a certain maximum principal amount. See "Description of the Notes—Offers to Purchase the Notes" and "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments." |
| Mandatory Offer to Purchase upon a Change of Control ..... | In the event the Issuer receives a Change of Control Notice from the Borrower in connection with a Change of Control Triggering Event, the Issuer will be required to offer to purchase all or a portion of the Notes outstanding on the purchase date at a purchase price equal to (a) 101% of the outstanding principal amount of the Notes being purchased, *plus* (b) accrued and unpaid interest, *plus* (c) Notes Additional Amounts thereon, if any. See "Description of the Notes—Offers to Purchase the Notes—Change of Control Offer to Purchase." |
| Notes Additional Amounts ..... | In the event that any deduction or withholding for or on account of, any Taxes imposed, assessed, levied or collected by (or on behalf of) Spain or any political subdivision or taxing authority thereof or therein is imposed on payments made by the Issuer with respect to the Notes, the Issuer will, subject to certain exceptions, pay such additional amounts (the "Notes Additional Amounts") as may be necessary in order that the net amounts receivable by the holders of Notes after such withholding or deduction shall equal the respective amounts which would have been receivable by such holders in the absence of such withholding or deduction. See "Description of the Notes—Notes Additional Amounts." |

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| Covenants of the Issuer ..... | The terms of the Indenture will require the Issuer to, among other things:<br><br>a. pay all amounts owed by it and comply with all of its other obligations under the terms of the Notes Documents;<br><br>b. comply with its obligations and agreements set forth in the Finance Documents and the Notes Documents to which it is a party;<br><br>c. take further assurances with respect to the Notes Collateral and the Shareholders Undertaking Agreement;<br><br>d. on the Issue Date, cause the proceeds of the Notes to be deposited in the Issuer Collections Account and will cause such proceeds in the Issuer Collections Account to be used to (i) irrevocably purchase and assume all of the Existing Loans and (ii) together with the Upfront Fee (which will be deposited in the Issuer Collections Account), to make one or more new Loans to the Borrower pursuant to the Loans Agreement;<br><br>e. deliver the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act;<br><br>f. obtain and maintain all necessary governmental approvals, consents and licenses;<br><br>g. maintain books, accounts and records in accordance with applicable law;<br><br>h. maintain its corporate existence;<br><br>i. comply with all applicable laws;<br><br>j. pay applicable taxes;<br><br>k. maintain the ranking of the Notes;<br><br>l. give notice to the Indenture Trustee of the occurrence of a Default or Event of Default; and<br><br>m. take reasonable action to claim any credits, refunds or reimbursements from the government of Ecuador due to the Issuer or Quiport as a result of any Taxes paid, withheld or deducted by Quiport and deposit the proceeds of any such credits, |

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| | refunds or reimbursements into the Issuer Collections Account.<br><br>In addition, the terms of the Indenture will restrict the Issuer's ability, among other things, to:<br><br>a. incur indebtedness;<br><br>b. grant liens;<br><br>c. make certain restricted payments;<br><br>d. engage in other lines of business; and<br><br>e. enter into any sale and leaseback transactions.<br><br>These covenants are subject to a number of important limitations and exceptions. See "Description of the Notes—Covenants." |
| Issuer Accounts..... | The Issuer Security and Accounts Agreement, to be dated as of the Issue Date, will require the establishment and maintenance of the following accounts:<br><br>• the Lender Debt Service Payment Account;<br><br>• the Lender Debt Service Reserve Account; and<br><br>• the Issuer Collections Account.<br><br>Pursuant to the terms of the Issuer Security and Accounts Agreement, the accounts listed above and the funds deposited therein will be pledged with a first priority security interest for the benefit of the holders of Notes.<br><br>Additionally, the Issuer will establish and maintain the Capital Contributions Account, which will be an account of the Issuer and will not be pledged to secure the Notes. |
| Lender Debt Service Payment Account..... | The Lender Debt Service Payment Account will be funded (i) with any amounts received by the Issuer, in its capacity as Lender, from the Borrower under the Loans Agreement and the other Finance Documents, (ii) from the Lender Debt Service Reserve Account, (iii) from the Issuer Collections Account and (iv) at the option of the Issuer, from the Capital Contribution Account.<br><br>The Notes Collateral Agent shall withdraw all or any portion of the amount on deposit in the Lender Debt Service Payment Account, on each Scheduled Payment Date or any other date when any amounts are due and |

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| | payable by the Issuer under the Indenture or the Notes, for purposes of making payments in respect of the Notes in the following order of priority:<br><br>• *first*, to pay fees and expenses and indemnities, if any, then due and payable to the Indenture Trustee and the Notes Agents;<br><br>• *second*, to pay all accrued and unpaid interest (including Notes Additional Amounts, if any) due on the Notes;<br><br>• *third*, to pay any principal payment (including Notes Additional Amounts, if any, in respect thereof) due on such Scheduled Payment Date on the Notes; and<br><br>• *fourth*, to pay any other amounts due under the Indenture or on the Notes.<br><br>See "Description of the Notes—Accounts and Priority of Payments—Lender Debt Service Payment Account." |
| Lender Debt Service Reserve Account ..... | To the extent that there are insufficient funds in the Lender Debt Service Payment Account on any date when payments are due on the Notes, the Notes Collateral Agent will, to the extent that funds are available (including as a result of any drawing on any DSRA Reserve L/C credited thereto), transfer an amount equal to such deficiency from the Lender Debt Service Reserve Account to the Lender Debt Service Payment Account.<br><br>The Lender Debt Service Reserve Account will initially be funded on the Issue Date with one or more irrevocable and unconditional standby letters of credit in favor of the Notes Collateral Agent (each a "DSRA Reserve L/C") issued by an Acceptable Financial Institution, for credit thereto in an amount equal to the then-applicable Required Balance of the Lender Debt Service Reserve Account, to be delivered by the Shareholders of the Borrower or any Affiliate thereof. The Shareholders of the Borrower (or such Affiliate or Affiliates) may (but shall not be required to) from time to time deliver additional DSRA Reserve L/Cs for credit to the Lender Debt Service Reserve Account, and the amounts available to be drawn under any DSRA Reserve L/C credited to the Lender Debt Service Reserve Account shall be taken into account for purposes of determining the balance standing to the credit of the Lender Debt Service Reserve Account from time to time. See "Description of the Notes—Accounts and Priority of Payments—Lender Debt Service Reserve Account." |

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| Issuer Collection Account..... | The Issuer Collections Account will be funded with (a) on the Issue Date, the net proceeds of the Notes and the Upfront Fee received by the Issuer from the Borrower, (b) with any credits, refunds or reimbursements from the government of Ecuador received by the Issuer or the Borrower as a result of any Taxes paid, withheld or deducted by the Borrower, (c) any amounts required to be deposited therein in accordance with the Shareholders Undertaking Agreement, (d) any Expropriation Compensation by the Borrower or any Shareholder, and (e) amounts on deposit in the Lender Debt Service Payment Account or the Lender Debt Service Reserve Account to the extent they exceed the Required Balance for such account.<br><br>Amounts on deposit in the Issuer Collections Account will be used, on the Issue Date, for the purchase of the Assigned Loans as described under "The Loans Agreement and the Loans—Optional Prepayment of the Existing Loans by means of Assignment" and, together with the amounts constituting the Upfront Fee deposited in the Issuer Collections Account, to make the new Loans to the Borrower as described under "The Loans Agreement and the Loans."<br><br>Funds on deposit in the Issuer Collections Account shall be available to (i) cover insufficiencies in the Lender Debt Service Payment Account or, at the option of the Issuer, the Lender Debt Service Reserve Account, (ii) to make Issuer Restricted Payments subject to conditions contained in the Indenture or ((iii) in the case of amounts therein constituting Expropriation Compensation Amounts, for application as required under paragraph (o)(i) under "The Loans Agreement and the Loans—Covenants—Affirmative Covenants," for application to an Offer to Purchase of the Notes to the extent required or, to the extent such amounts are not required to be so applied in accordance therewith, for repayment of Issuer Subordinated Indebtedness by transfer to the Offshore Collection Account. See "Description of the Notes—Accounts and Priority of Payments—Issuer Collections Account." |
| Capital Contribution Account..... | The Issuer has established, in its own name, a Capital Contribution Account for the purpose of receiving and maintaining capital contributions from its Shareholders. The Capital Contribution Account will not be an "Issuer Account" and the Issuer will have exclusive control over and exclusive right of withdrawal from such account. Any amount standing to the credit thereof will not be pledged in |

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| | any way under the Notes Documents or in favor of the Senior Secured Notes Parties. The Issuer may use funds on deposit in the Capital Contribution Account to cover insufficiencies in the Lender Debt Service Payment Account or the Lender Debt Service Reserve Account or for any other purpose in its sole discretion. See "Description of the Notes—Accounts and Priority of Payments—Capital Contribution Account." |
| Events of Default under the Indenture ..... | The Indenture will provide that the following will constitute an Event of Default under the Indenture:<br><br>1. default in the payment when due of principal or premium on the Notes;<br><br>2. default in the payment of interest or other amounts on the Notes within 30 days after the due date therefor;<br><br>3. failure to redeem the Notes in connection with any mandatory redemption or fails to undertake any mandatory offer to purchase;<br><br>4. default in the performance or observance of any covenant or provision under the Indenture or any other Notes Document;<br><br>5. bankruptcy or insolvency proceedings;<br><br>6. failure of the Notes Collateral to be or remain perfected;<br><br>7. the Indenture, the Notes, any other Notes Document or the Intercreditor Agreement (if any) (or any provision thereof) is declared to be void, invalid or unenforceable;<br><br>8. failure of the entry into the Shareholders Undertaking Agreement on or prior to the 90th day after the Issue Date;<br><br>9. at any time following the earlier to occur of the consummation of the Corporate Reorganization and 12 months after the Issue Date (or 18 months, under certain circumstances), the indirect ownership of the Issuer and the Borrower shall not be substantially similar; and<br><br>10. the occurrence or existence of a Loan Event of Default. |

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| | These Events of Default are subject to a number of important limitations, exceptions and cure periods. For more details, see "Description of the Notes—Events of Default." |
| Shareholders Undertaking Agreement ..... | On or prior to the date that is 90 days after the Issue Date, the shareholders of the Borrower, the shareholders of the Issuer and the Notes Collateral Agent will enter into a shareholders undertaking agreement (the "Shareholders Undertaking Agreement"), pursuant to which:<br><br>1. each of the Shareholders of the Borrower will agree to deposit, into the Issuer Collections Account, any Expropriation Compensation received by it and, to the extent applicable, into the Borrower Compensation Account, any proceeds from a Casualty Event or Disposition directly received by it;<br><br>2. each of the Shareholders of the Borrower will agree to deposit into the Issuer Collections Account all proceeds of any buyout or other repurchase of the Concession Contract; and<br><br>3. each of the Shareholders of the Borrower and the Shareholders of the Issuer, as applicable, will agree not to grant any Liens on the shares of the Borrower or the Issuer, as applicable, subject to specified exceptions. |
| Intercreditor Arrangements ..... | Upon the entry by the Borrower of any Other Pari Passu Indebtedness, each Designated Representative (acting on its own behalf and on behalf of the Intercreditor Secured Parties it represents) will enter into the Intercreditor in substantially the form to be attached as an exhibit to the Loans Agreement.<br><br>Under the Intercreditor Agreement, the holders of the Notes will be represented by the Notes Collateral Agent and any future holders of Other Pari Passu Indebtedness will be represented by their authorized representative. The Intercreditor Agreement will provide for the priorities and other relative rights among the holders of the Notes and the holders of any Other Pari Passu Obligations with respect to the Shared Collateral. |
| Governing Law ..... | The Indenture, the Notes, the Issuer Security and Accounts Agreement, the Issuer Subordinated Lender Security Agreement, the Borrower Subordinated Lender Security Agreement and the Shareholders Undertaking Agreement (upon execution and delivery) will be governed by and |

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| | construed in accordance with the laws of the State of New York.<br>The Borrower Share Pledge Agreement will be governed by and construed in accordance with the laws of Ecuador and the Issuer Share Pledge Agreement will be governed by the laws of the Kingdom of Spain. |
| Form and Denominations; Settlement ..... | The Notes will be issued in the form of global notes without coupons, registered in the name of a nominee of DTC and its direct and indirect participants, including Euroclear and Clearstream. The Notes will be denominated and payable in U.S. dollars and will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. |
| Transfer Restrictions ..... | The Notes have not been and will not be registered under the Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes may only be offered and sold (1) within the United States or to U.S. persons who are both (x) "qualified institutional buyers" in reliance on the exemption from registration provided by Rule 144A under the Securities Act and (y) "Qualified Purchasers" within the meaning of Section 2(a)(51)(A) of the Investment Company Act or (2) to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. The sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the Investment Company Act provided by Section 3(c)(7) thereof. |
| U.S. Risk Retention..... | As more fully described in these listing particulars, on the Issue Date, Quiport, acting as the "sponsor" of a "securitization transaction," or a "majority-owned affiliate" (each as defined in the U.S. Risk Retention Rule) thereof, will purchase an "eligible vertical interest" in the form of at least 5% of the aggregate principal amount of the Notes and hold such U.S. Retention Interest on an ongoing basis for so long as required by the U.S. Risk Retention Rule. Such retention obligation will commence as of the Issue Date, which is the date on which the Loans are transferred to, and/or made by, the Issuer. See "Credit Risk Retention." |
| Listing ..... | Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF. |

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| Indenture Trustee, Registrar, Paying Agent, Transfer Agent and Notes Collateral Agent | Citibank, N.A. |
| Notes Account Bank | Citibank, N.A. |
| **General Terms of the Loans** | |
| Loans | U.S.$400,000,000 senior unsecured loans to Quiport, as Borrower pursuant to the Loans Agreement. The Loans will be disbursed in three tranches consisting of (i) the purchase by and assignment in full to the Issuer, as Lender, of U.S.$66,998,881.48 of the Existing Loans (the "Assigned Loans"), (ii) a U.S.$80,067,925.61 senior loan made by the Issuer, as Lender, to Quiport, as Borrower, for the purpose of repaying the Intercompany Loans (the "Loan B") in full and (iii) a U.S.$252,933,192.91 senior loan made by the Issuer, as Lender, to Quiport, as Borrower ("Loan C" and, together with Loan B, the "New Loans," and the New Loans, together with the Assigned Loans, the "Loans"). |
| Maturity Date | March 15, 2033. |
| Interest; Interest Payment Dates | Each Loan will bear interest at a base rate of 12.000% per annum.<br>For each Loan Payment Period, the base rate will be adjusted such that the interest paid on the Loans, after deducting or withholding any amounts of withholding or other tax on such payments as required by Applicable Law shall be equal to the total interest payable by the Issuer on the Notes, plus any Notes Additional Amounts payable (if any), on the Notes, and Notes Agent Expenses for such period plus an arm's length spread over the base rate (the "Applicable Rate"). See "The Loans Agreement and the Loans—Interest." For the first Loan Payment Period, the interest rate on the Loans will be 13.000%.<br><br>Interest on each Loan will accrue from March 14, 2019, or from the most recent Scheduled Payment Date, as applicable, and be payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2019 (each, a "Scheduled Payment Date"). Interest on the Loans will be calculated on the basis of a 360-day year of twelve 30-day months.<br><br>See "The Loans Agreement and the Loans—Interest." |
| Amortization | On each Scheduled Payment Date, commencing on the September 15, 2020 Scheduled Payment Date (other than the Scheduled Payment Date on March 15, 2021) and |

ending on the date on which the Loans have been paid in full, in addition to interest and Additional Amounts (if any), the Lender will be entitled to receive a principal amortization amount. See "The Loans Agreement and the Loans—Principal and Maturity—Principal."

| Scheduled Payment Dates | Principal Amount Payable |
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| | (in U.S. dollars) |
| September 15, 2020 | $926,657.14 |
| September 15, 2021 | $3,711,035.49 |
| March 15, 2022 | $68,870.93 |
| September 15, 2022 | $4,105,239.70 |
| March 15, 2023 | $2,130,914.56 |
| September 15, 2023 | $4,123,231.94 |
| March 15, 2024 | $3,986,259.93 |
| September 15, 2024 | $10,134,142.73 |
| March 15, 2025 | $7,171,746.08 |
| September 15, 2025 | $13,709,846.56 |
| March 15, 2026 | $9,698,183.01 |
| September 15, 2026 | $12,938,999.17 |
| March 15, 2027 | $10,244,353.97 |
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| March 15, 2030 | $21,671,775.46 |
| September 15, 2030 | $29,445,162.44 |
| March 15, 2031 | $26,849,642.02 |
| September 15, 2031 | $35,348,259.51 |
| March 15, 2032 | $33,073,971.21 |
| September 15, 2032 | $41,009,738.73 |
| March 15, 2033 | $38,137,118.16 |

Ranking ..... The Loans will be senior, direct, unsecured, unconditional and unsubordinated obligations of Quiport and will rank *pari passu* in right of payment with all other present and future senior, unsecured and unsubordinated Indebtedness of Quiport from time to time outstanding, except for such other liabilities as are or may be preferred under Ecuadorian bankruptcy law.

Use of Loans Proceeds ..... The Borrower will use the proceeds of the New Loans (x) to repay the Intercompany Loans in full on or around the Issue Date, (y) to make a retained dividend distribution to its Shareholders following completion of the Corporate Reorganization and (z) for certain general corporate purposes.

Optional Prepayments with Make-Whole..... At any time prior to March 15, 2024, the Borrower may, at

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| | its option, prepay all, but not less than all, of the Loans at a prepayment price equal to (a) 100% of the principal amount of the Loans to be prepaid, *plus* (b) accrued and unpaid interest (including Additional Amounts, if any), *plus* (c) a Make-Whole Premium.<br><br>At any time on or after March 15, 2024, the Borrower may, at its option, prepay all, but not less than all, of the Loans at the prepayment prices set forth under "The Loans Agreement and the Loans—Prepayments of the Loans—Optional Prepayments—Optional Prepayments with Make-Whole Premium," *plus* accrued and unpaid interest (including Additional Amounts, if any). |
| Prepayment for Changes in Taxes ..... | Quiport will have the option to prepay the Loans in full, but not in part, if certain changes in applicable tax law occur and require the Borrower to pay Additional Amounts or Notes Additional Amounts (in the form of interest through the Applicable Rate or otherwise) in excess of the Additional Amounts or Notes Additional Amounts (in the form of interest through the Applicable Rate or otherwise) that it would pay as of the Issue Date. See "The Loans Agreement and the Loans—Prepayments of the Loans—Optional Prepayment for Changes in Taxes." |
| Excess Loans Optional Prepayment..... | Solely to the extent the aggregate principal amount of Loans exceeds the aggregate principal amount of Notes outstanding, the Borrower may elect to prepay Loans, in part, at a prepayment price of (a) par plus accrued and unpaid interest (including Additional Amounts, if any), in a maximum principal amount not to exceed the amount by which the aggregate principal amount of Loans exceeds the aggregate principal amount of Notes outstanding immediately prior to giving effect to such prepayment (an "Excess Loans Optional Prepayment"); *provided* that, after giving effect to any such Excess Loans Optional Prepayment, the aggregate principal amount of Loans shall be equal to or greater than the aggregate principal amount of Notes outstanding; provided, further that no corresponding redemption of Notes shall be required under the Indenture in connection with an Excess Loans Optional Prepayment. |
| Legal Defeasance and Discharge ..... | The Loans may be prepaid, in whole but not in part, at Quiport's option, in connection with legal defeasance or covenant defeasance of the Notes, at a price equal to the amount required to be deposited by the Issuer with the Indenture Trustee to effectuate a legal defeasance or covenant defeasance of the Notes, in each case, pursuant to the provisions described under "Description of the Notes—Defeasance and Discharge." |

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| Prepayment by means of an Assignment ..... | Any optional prepayment of the Loans may be made by means of an assignment of all of the Loans to one or more eligible assignees designated by Quiport in the relevant notice of prepayment, subject to the satisfaction of certain conditions, including that all of the outstanding principal amount of the Notes shall be redeemed and all Senior Secured Notes Obligations unconditionally and irrevocably paid in full prior to or substantially concurrently with such assignment and assumption. See "The Loans Agreement and the Loans—Prepayments of the Loans—Prepayment of the Loans by means of Assignment." |
| Mandatory Prepayments; Change of Control Prepayment ..... | Quiport shall cause the Issuer to make an offer to purchase all of the Notes, without premium or penalty, upon the occurrence of the early termination of the Concession Contract by the Management Unit or any other Governmental Authority or a unilateral termination of the Concession Contract by Quiport.<br><br>Upon the occurrence of certain change of control events, Quiport shall cause the Issuer to make an offer to purchase all of the Notes at a price equal to 101% of the outstanding principal amount of the Loans. |
| Mandatory Prepayments in connection with Certain Events..... | Quiport shall cause the Issuer to make an offer to purchase Notes in the principal amounts specified in "The Loans Agreement—Prepayments of the Loans—Mandatory Prepayments," without premium or penalty, upon the occurrence of:<br><br>• a Disposition or Dispositions by Quiport of property or business assets where the Net Cash Proceeds deposited in the Borrower Compensation Account not applied in accordance with the covenant described under "The Loans Agreement and the Loans—Covenants—Negative Covenants—Disposition of Assets" is at least $30.0 million;<br><br>• a Casualty Event where the proceeds of any Insurance Payment deposited in the Borrower Compensation Account not applied in accordance with the covenant described under "The Loans Agreement and the Loans—Covenants—Affirmative Covenants—Insurance" is at least $30.0 million; and<br><br>• the receipt of Expropriation Compensation in the |

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| | form of cash or Cash Equivalents, whether directly or through the Shareholders, which Expropriation Compensation is not used to permanently repay the Loans or other Pari Passu Indebtedness of Quiport within 60 days of receipt.<br><br>See "The Loans Agreement and the Loans—Prepayment of the Loans—Mandatory Prepayments."<br><br>Upon receipt of an Offer to Purchase Instruction from the Borrower upon the occurrence of any of the above events, the Issuer will be required to make an offer to purchase Notes (an "Offer to Purchase"). The Issuer will be required to provide notice to the Indenture Trustee, the Borrower and the Administrative Agent of the aggregate principal amount of Notes validly tendered and not validly withdrawn in such offer to purchase, and the Borrower will be required to prepay the Loans on the date of consummation of the offer to purchase in such aggregate principal amount of Loans equal to the Notes that have validly tendered into the Offer to Purchase and not withdrawn, subject to certain limitations in respect of the maximum principal amount to be repurchased. See "Description of the Notes—Offers to Purchase the Notes." |
| Additional Amounts ..... | The Loans Agreement will provide that any and all payments by (or on behalf of) the Borrower to the Lender with respect to the Loans, will be made free and clear of, and without any deduction or withholding for or on account of any Taxes imposed, assessed, levied or collected by (or on behalf of) a Taxing Jurisdiction, unless such Taxes are required by any applicable law to be deducted or withheld.<br><br>If any such Taxes are required to be deducted or withheld, then the Borrower, subject to certain exceptions, will be required to: (i) certify to the Lender and the Administrative Agent the amount of such additional amounts (the "Additional Amounts") that would otherwise have been payable in respect of such payments, and that the Lender has taken such Additional Amounts into account in the calculation of the Applicable Rate for such Loan Payment Period, (ii) deduct or withhold such Taxes, and (iii) pay the full amount of Taxes deducted or withheld to the relevant Taxing Jurisdiction in accordance with applicable law. See "The Loans Agreement and the Loans—Additional Amounts." |
| Covenants ..... | The terms of the Loans Agreement will contain covenants applicable to the Borrower, including but not limited to the |

following affirmative covenants:

- preservation of corporate existence and conduct of business;
- maintain books and records;
- compliance with law;
- maintain Governmental Authorizations;
- performance of the Airport;
- payment and filing of taxes;
- apply the proceeds of the New Loans as described under "Use of Proceeds";
- maintain the priority of the Loans;
- maintain insurance;
- maintain its properties;
- comply with the Material Contracts;
- ensure funding of the Lender Debt Service Reserve Account to its required balance on each Semi-Annual Date;
- take further assurances with respect to the Finance Documents and the Shareholders Undertaking Agreement;
- maintain ratings;
- application of Expropriation Compensation;
- provide financial statements and other reports and notices; and
- deliver an Annual Budget.

In addition, the terms of the Loans Agreement will restrict the Borrower's ability, among other things, to:

a. incur indebtedness;

b. grant liens;

c. conduct any business other than a Permitted Business;

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| | d. make certain fundamental changes;<br><br>e. form subsidiaries or make certain investments;<br><br>f. dispose of assets;<br><br>g. make certain transactions with affiliates;<br><br>h. enter into certain hedging transactions;<br><br>i. make restricted payments;<br><br>j. take certain actions with respect to its Material Contracts;<br><br>k. issue Capital Stock;<br><br>l. enter into management contracts or similar arrangements; and<br><br>m. amend the Onshore Borrower Trust Agreement.<br><br>These covenants are subject to a number of important limitations and exceptions. See "The Loans Agreement and the Loans—Covenants." |
| Offshore Accounts ..... | The Master Accounts Agreement will require that the following accounts be established and maintained:<br><br>• Offshore Collection Account;<br><br>• Offshore O&M Expense Account;<br><br>• Income Tax Reserve Account;<br><br>• EPS Reserve Account;<br><br>• Capital Expenditure Reserve Account; and<br><br>• Borrower Compensation Account (collectively, the "Offshore Borrower Accounts").<br><br>The Offshore Borrower Accounts and any amount standing to the credit thereof from time to time will not be pledged, hypothecated, transferred, assigned, granted or subject to any Lien. |
| Offshore Collection Account ..... | The Borrower will deposit or cause to be deposited in the Offshore Collection Account the following amounts: |

a. all Project Revenues payable outside of Ecuador;

b. all amounts transferred from the Onshore Project Revenues Collection Account and the Onshore Regulated Fees Collection Account;

c. all other amounts payable to or for the account of the Borrower outside of Ecuador that are not required to be deposited in another Borrower Account in accordance with the terms of the Master Accounts Agreement;

d. amounts from other Offshore Borrower Accounts when the balance standing to the credit thereof exceeds the Required Balance of such other Offshore Borrower Accounts;

e. amounts transferred from the Borrower Compensation Account; and

f. all proceeds from Permitted Investments maintained in an Offshore Borrower Account.

On each Monthly Transfer Date, the Borrower shall cause the funds on deposit in the Offshore Collection Account to be withdrawn and transferred in the following order of priority, in amounts in accordance with the Master Accounts Agreement:

- *first*, to the Onshore O&M Expense Account,
- *second*, to the Ecuador Operator Account,
- *third*, to the Offshore O&M Expense Account,
- *fourth*, to each Debt Service Payment Account (including the Lender Debt Service Payment Account),
- *fifth*, to each Debt Service Reserve Account (including the Lender Debt Service Reserve Account),
- *sixth*, after December 31, 2025, to the Income Tax Reserve Account,
- *seventh*, to the EPS Reserve Account, and
- *eighth*, to the Capital Expenditure Reserve Account.

Any amounts remaining in the Offshore Collection Account after making the applicable transfers specified above shall remain in the Offshore Collection Account and may, on any date within a Restricted Payment Period, be transferred to the Distribution Account subject to the

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| | satisfaction of certain conditions. See "The Loans Agreement and the Loans—Accounts and Priority of Payments—Offshore Borrower Accounts—Offshore Collection Account." |
| Borrower Compensation Account ..... | The Borrower shall cause any amounts constituting proceeds of any Disposition or Casualty Event (excluding, for the avoidance of doubt, any such amounts thereof to be used for payment of ISD in respect of such transfers outside of Ecuador) to be deposited in the Borrower Compensation Account in accordance with the Master Accounts Agreement.<br><br>Funds on deposit consisting of proceeds of any Disposition shall be available to be applied in accordance with the disposition covenant described under "The Loans Agreement and the Loans—Covenants—Negative Covenants—Disposition of Assets" or make Excess Disposition Offers to Purchase to the extent required.<br><br>Funds on deposit consisting of proceeds of any Casualty Event shall be available to be applied in accordance with the insurance covenant described under "The Loans Agreement and the Loans—Covenants—Affirmative Covenants—Insurance" or make Excess Loss Offers to Purchase to the extent required. |
| Offshore O&M Expense Account ..... | The Loans Account Bank (acting upon instructions of the Borrower) will be permitted to withdraw all or any portion of the amount on deposit in the Offshore O&M Expense Account to pay for any O&M Expenses (including O&M Expenses of the Ecuador Operator pursuant to the O&M Agreement) then due and payable and projected to be due and payable outside of Ecuador from the Offshore O&M Expense Account. |
| Income Tax Reserve Account ..... | The Loans Account Bank (acting upon instructions of the Borrower) will be permitted to withdraw all or any portion of the amount on deposit in the Income Tax Reserve Account as directed by the Borrower to pay any income or profits tax generated at the Airport with respect to which a Claim has been presented and there is no Contest or no successful Contest, at the Borrower's discretion. |
| EPS Reserve Account ..... | The Loans Account Bank (acting upon instructions of the Borrower) will be permitted to withdraw all or any portion of the amount on deposit in the EPS Reserve Account for transfer to the Onshore O&M Expense Account to pay any EPS Obligation. |
| Capital Expenditure Reserve Account ..... | The Loans Account Bank (acting upon instructions of the Borrower) shall withdraw all or any portion of the amount |

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| | on deposit in the Capital Expenditure Reserve Account to pay Capital Expenditures that become due. |
| Distribution Account ..... | The Borrower shall have exclusive control over and exclusive right of withdrawal from its Distribution Account and such account and any amount standing to the credit thereof from time to time will not be pledged, hypothecated, transferred, assigned, granted or subject to any flawed asset arrangement in any way whatsoever under any Financing Transaction Documents. For the avoidance of doubt, any payments or transfers made by the Borrower from funds on deposit in the Distribution Account shall not constitute Restricted Payments.<br><br>The Borrower may use funds in the Distribution Account to cover insufficiencies in any Borrower Account or for any other purpose in its sole discretion. |
| Onshore Accounts ..... | Pursuant to the Onshore Borrower Trust Agreement, Quiport irrevocably assigned and transferred in trust to the Onshore Borrower Trust all of its rights, title and interest in the Onshore Revenues, all present and future title of credit, title of securities, letter of credit or financial instrument for payment, credit or guarantee issued to bearer, or in favor, or to the order of Quiport, as well as any insurance in which Quiport appears as an insured, guaranteed party or beneficiary, and any proceeds thereof and all funds from time to time deposited in the Onshore Borrower Trust Accounts and all other present and future deposit accounts, securities accounts or other accounts of Quiport held at any financial institution in Ecuador.<br><br>The following accounts have been established and are maintained in accordance with the Onshore Borrower Trust Agreement:<br><br>• Onshore Regulated Fees Collection Account,<br><br>• Onshore Project Revenues Collection Account, and<br><br>• Onshore O&M Expense Account.<br><br>See "The Concession—Onshore Borrower Trust Agreement." |
| Onshore Regulated Fees Collection Account ..... | Quiport will deposit or cause to be deposited into the Onshore Regulated Fees Collection Account all Onshore Project Revenues consisting of Regulated Fees. Subject to the transfer of the Municipality's share of the Regulated |

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| | Fees to the Municipality in accordance with the Strategic Alliance Agreement, the Onshore Trustee will transfer the entire balance standing to the credit of the Onshore Regulated Fees Collection Account to the Offshore Collection Account on a daily basis. See "The Concession—Onshore Borrower Trust Agreement—Onshore Accounts." |
| Onshore Project Revenues Collection Account ..... | Quiport will deposit or cause to be deposited into the Onshore Project Revenues Collection Account all Onshore Project Revenues (other than any Regulated Fees), and all other amounts paid to or for the account of Quiport.<br><br>Amounts on deposit therein will be transferred, on a monthly basis, in the amounts as required under the Onshore Borrower Trust Agreement and the Master Accounts Agreement, as follows:<br><br>• *first*, to the Onshore O&M Expense Account,<br><br>• *second*, to the account of Ecuador Operator,<br><br>• *third*, to the Offshore Collection Account the entire remaining balance standing to the credit thereof; *provided* that, pursuant to the Master Accounts Agreement and the Standing Instruction, the Onshore Trustee has been instructed to maintain in the Onshore Project Revenues Collection Account and not to transfer, on each Monthly Transfer Date, to the Offshore Collection Account all such funds unless directed to do so by the Borrower or in the event of an Event of Default.<br><br>See "The Concession—Onshore Borrower Trust Agreement—Onshore Accounts" and "The Loans Agreement and the Loans—Accounts and Priority of Payments—Offshore Collection Account." |
| Onshore O&M Expense Account ..... | Quiport may withdraw funds from this account to pay for the onshore operation and maintenance costs of the Project. |
| Ecuador Operator Account ..... | The Ecuador Operator Account is established and maintained in the name of the "Fideicomiso Mercantil Quiport Onshore Trust" pursuant to the Onshore Operator Trust Agreement.<br>Funds are required to be deposited in the Ecuador Operator Account on any Monthly Transfer Date in an amount equal to the aggregate amount of O&M Expenses of the Ecuador |

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| | Operator pursuant to the O&M Agreement on or prior to the subsequent Monthly Transfer Date. See "Description of the Notes—Definitions—Required Balance." |
| Events of Default ..... | The Loans Agreement will contain certain events of default, consisting of the following:<br>• default in the payment when due of principal or premium, prepayment price or Additional Amounts or interest on the Loans;<br>• any representation, warranty or certification made or deemed made in (or pursuant to) the Loans Agreement or the Master Accounts Agreement or any certificate, document or financial or other statement furnished pursuant to the provisions thereof by the Borrower proves to have been untrue or incorrect in any material respect;<br>• default in the performance or observance of any covenant or provision under the Loans Agreement or any other Finance Document;<br>• default in the performance or observance of any material obligation, the invalidity of certain Material Contracts, or material litigation, arbitration or administrative or other similar proceedings challenging the validity or enforceability of certain Material Contracts;<br>• invalidity of the Loans Agreement, the Loans or any other Finance Document;<br>• bankruptcy or insolvency proceedings;<br>• cross-default;<br>• cross-judgment;<br>• an Expropriatory Action occurs that could reasonably prevent the Borrower from carrying on all or substantially all of its business or operations as a result thereof;<br>• the lawful currency of Ecuador ceases to be the Dollar or to be transferable outside of Ecuador, and such restriction shall have the effect of preventing the Borrower from performing in any material respect its material obligations under the Finance Documents, which restriction or |

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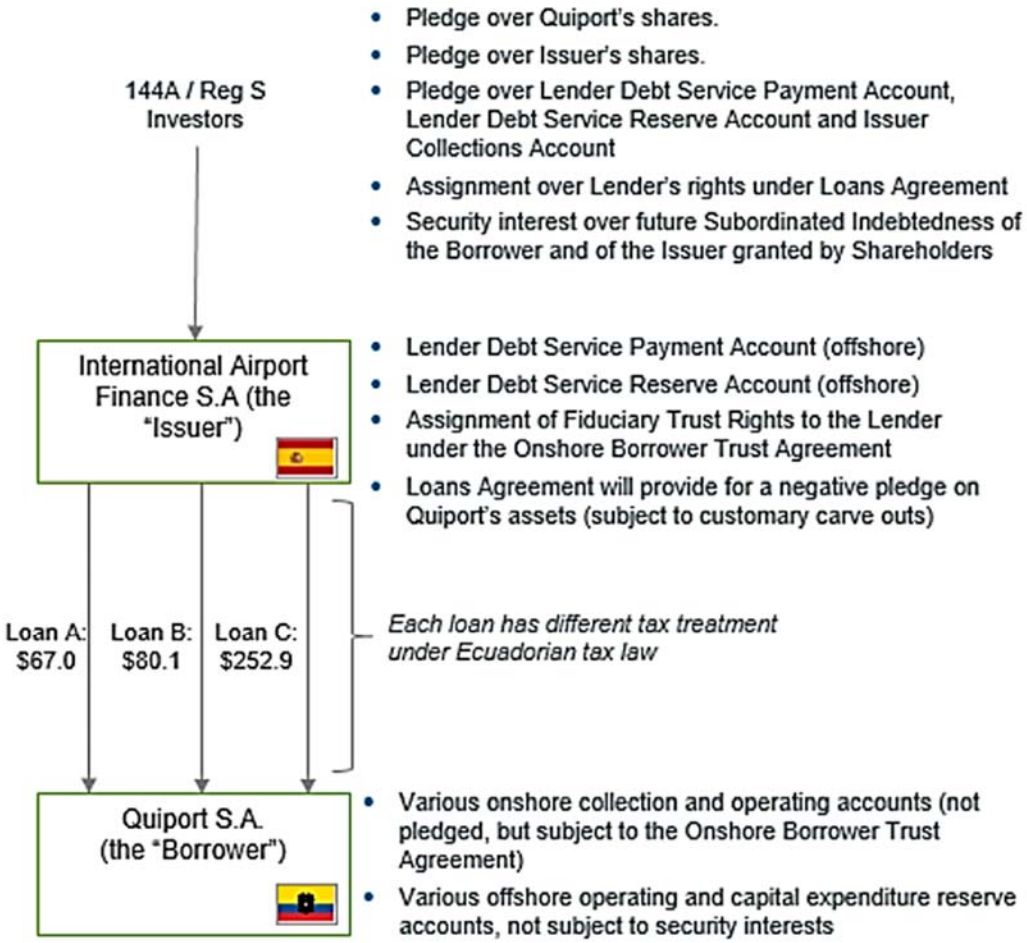
| | requirements continues in effect for a period of six months; or<br><br>• the occurrence of a Notes Event of Default.<br><br>These Events of Default are subject to a number of important limitations, exceptions and cure periods. For more details, see "The Loans Agreement and the Loans—Events of Default." |
| Governing Law ..... | The Loans Agreement and the Master Accounts will be governed by and construed in accordance with the laws of the State of New York.<br><br>The Onshore Borrower Trust Agreement is governed by and construed in accordance with the laws of Ecuador. |
| Administrative Agent ..... | Citibank, N.A. |
| **Other Terms:** | |
| Risk Factors ..... | Prospective investors should carefully consider the information under "Risk Factors" in connecting with the other information contained in these listing particulars. |

**Summary Overview of the Transaction**

The following diagram shows the transaction structure, which is described in more detail below.




1. On the Issue Date, the Issuer will issue U.S.$400,000,000 of Notes being offered hereby. U.S.$20.0 million of the Notes, comprising 5% of the aggregate principal amount of Notes issued, will be purchased directly (or through the Initial Purchasers), by Quiport in order to comply with the U.S. Risk Retention Rule. See "Credit Risk Retention."

2. On or prior to the Issue Date, Quiport will make an upfront payment to the Issuer under the Loans Agreement in the amount of approximately U.S.$5.2 million (the "Upfront Fee").

3. On the Issue Date, the net proceeds of the Notes being offered hereby will be deposited in the Issuer Collection Account. U.S.$67.0 million of the net proceeds of the Notes will be used by the Issuer to repay the Existing Lenders, and the Existing Loans will be purchased in full and assigned to the Issuer, as the Assigned Loans (which are also referred to as Loan A). The terms and conditions of the loans being purchased and assigned to the Issuer will be amended and restated to reflect the terms and conditions as described in "The Loans Agreement and the Loans."

4. On the Issue Date, the Issuer will use the remaining net proceeds of the Notes, together with the Upfront Fee, to make the New Loans to Quiport in the aggregate principal amount of U.S.$333.0 million. The New Loans will be made pursuant to the Loans Agreement (as amended and restated on the Issue Date), and will have identical terms and conditions to the terms and conditions of the Assigned Loans.

5. On or around the Issue Date, the proceeds of Loan B (which will be a New Loan), in the aggregate principal amount of U.S.$80.1 million, will be used to repay in full all amounts outstanding under the Intercompany Loans (as defined herein).

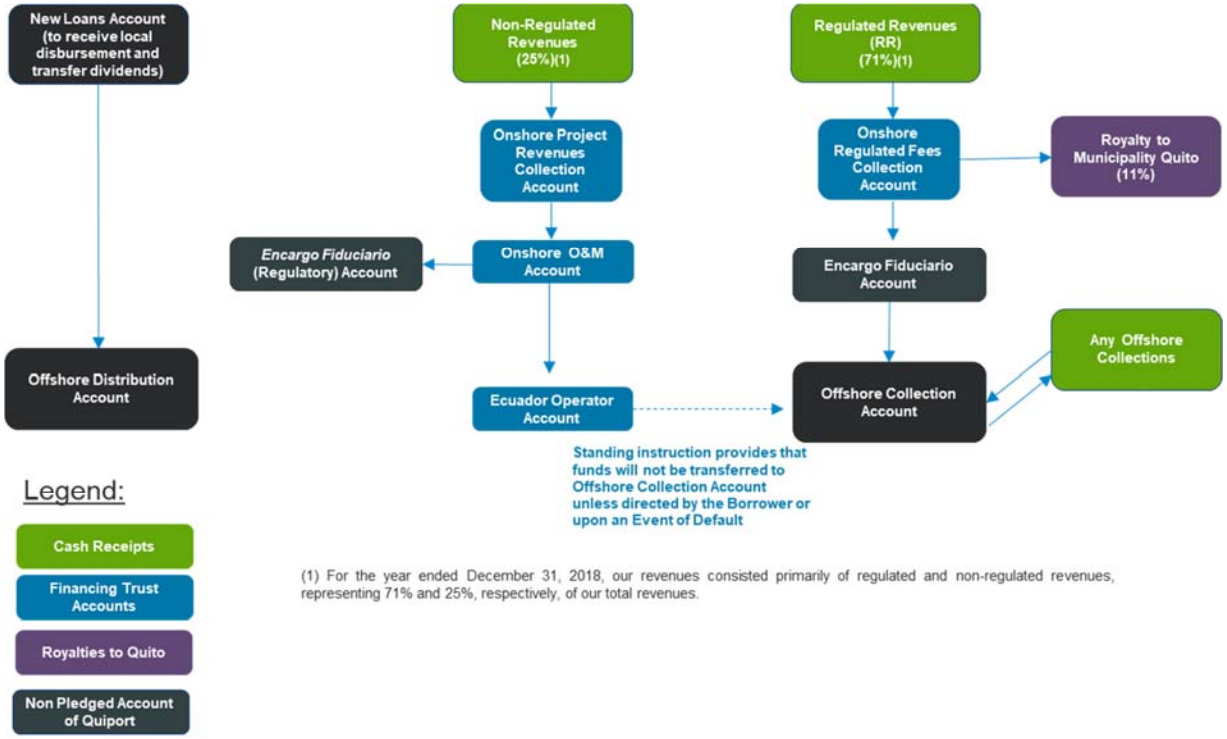
6. On the Issue Date, the proceeds of Loan C (which will be a New Loan), in the aggregate principal amount of U.S.$252.9 million, will be used, together with funds from existing accounts at Quiport, for general corporate purposes and, following completion of the Corporate Reorganization, to fund a dividend to Quiport's Shareholders in an amount of up to U.S.$200.0 million. The transactions set forth in paragraphs 1 – 6 are herein collectively referred to as the "Transactions." For a more complete description of the structure of the Transactions, see "The Loans Agreement and the Loans."

7. On the Issue Date, the Shareholders or affiliates thereof will provide letters of credit such that the Capital Expenditure Reserve Accounts and Lender Debt Service Reserve Account shall be funded to their respective Required Balances.

**Cash Flow Waterfalls**

***Onshore Cash Flow Waterfall***

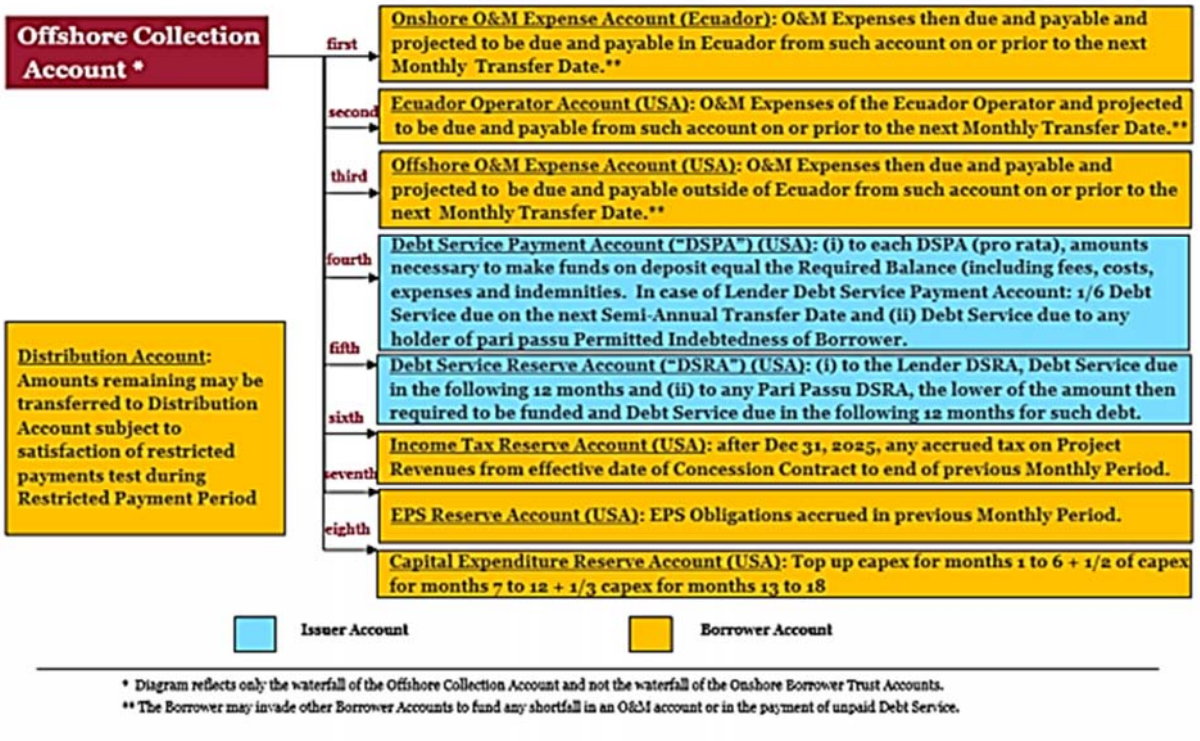
Quiport's regulated revenues are deposited into the Onshore Regulated Fees Collection Account and its non-regulated revenues are deposited in the Onshore Project Revenues Collection Account. 11% of the Regulated Fees collected are transferred to the Municipality in accordance with the Strategic Alliance Agreement. Project revenues payable outside of Ecuador, together with other amounts, including from the Onshore Regulated Fees Collection Account, are transferred to the Offshore Collection Account. The cash flow diagram below reflect transfers of such revenues.




(1) For the year ended December 31, 2018, our revenues consisted primarily of regulated and non-regulated revenues, representing 71% and 25%, respectively, of our total revenues.

***Offshore Cash Flow Waterfall***

Quiport's offshore accounts will be maintained pursuant to the Master Accounts Agreement. Under the terms of the Master Accounts Agreement, although neither the Lender nor the holders of the Notes will have any security interest in the offshore accounts, Quiport will agree to apply funds contained in the Offshore Collection Account on each Monthly Transfer Date in the priority reflected in the below diagram.




For a more complete description of the cash flow waterfalls, see "The Concession—Onshore Borrower Trust Agreement" and "The Loans Agreement and the Loans—Accounts and Priority of Payments—Offshore Borrower Accounts."

## Summary Financial and Other Data

The following tables set forth the summary of our financial and other data as of and for the years ended December 31, 2018, 2017 and 2016. The summary of our financial data set forth below as of December 31, 2018, 2017 and 2016 and for each of the years then ended have been derived from our Financial Statements included elsewhere in these listing particulars. The Financial Statements have been prepared in accordance with IFRS. All our financial data is presented in U.S. dollars. The summary financial data should be read together with "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and the accompanying notes thereto included elsewhere in these listing particulars.

| | Year ended December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **2016** |
| | (in thousands of U.S. dollars) | | |
| **Statement of comprehensive income:** | | | |
| **Revenue:** | | | |
| Regulated revenue | | | |
| Passenger tariffs | 77,279 | 70,984 | 69,594 |
| Airport services tariffs | 43,804 | 39,858 | 38,813 |
| Non-regulated revenue: | | | |
| Non-regulated revenue | 43,366 | 38,918 | 38,066 |
| Recognition of concessionaire contract liabilities[(1)] | 955 | 914 | 1,252 |
| Commercial incentives[(2)] | (3,438) | (3,056) | (315) |
| Recognition of MSIA contract liabilities[(3)] | 9,746 | 9,746 | 9,746 |
| **Total revenue** | **171,712** | **157,364** | **157,156** |
| Interest revenue | 19 | 132 | 95 |
| Amortization of intangible assets | (32,789) | (31,392) | (31,520) |
| Employee benefit expenses | (12,418) | (10,856) | (10,495) |
| Employee profit-sharing | (11,183) | (9,809) | (8,989) |
| **Financial costs:** | | | |
| Senior Secured Credit Facilities | (8,508) | (12,594) | (17,479) |
| Related companies[(4)] | (5,273) | (5,275) | (5,290) |
| Bridge loans[(5)] | (142) | — | — |
| Others | (127) | (581) | (612) |
| **Total financial costs** | **(14,050)** | **(18,450)** | **(23,381)** |
| Services and supplies | (9,114) | (8,129) | (7,362) |
| Operation and maintenance fee | (6,707) | (6,318) | (6,296) |
| Professional fees | (10,254) | (5,888) | (6,375) |
| Maintenance and repair expenses | (3,254) | (3,031) | (2,903) |
| Utilities | (2,505) | (2,311) | (2,603) |
| Insurance expenses | (2,280) | (2,249) | (2,370) |
| Taxes and contributions | (1,805) | (1,224) | (1,494) |
| Equipment depreciation | (851) | (994) | (1,244) |
| Others | (1,154) | (1,263) | (1,283) |
| **Profit for the year and total comprehensive income** | **63,367** | **55,582** | **50,936** |

(1) Corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See note 14 to our Financial Statements.

(2) Consists of discounts issued by Quiport to airlines as part of an incentives program to increase passenger traffic.

(3) Consists of the accrued revenue relating to the contract liability from Quiport's right under the Concession Contract to operate the Old Airport until the Airport began operations, which is amortized over a straight line during the term of the Concession Period. See note 14 to our Financial Statements.

(4) Refers to the interest expense of the Intercompany Loans. See notes 19 and 21 to our Financial Statements.

(5) This line item corresponds to the Existing Loans, as defined herein. The Senior Secured Credit Agreement was assigned, in whole, to the Existing Lenders in an amount of U.S.$65,950,077.48 on December 20, 2018, following which the Senior Secured Credit Agreement (as defined herein) was amended and restated pursuant to the Existing Loans Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans."

| | At December 31, | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| | (in thousands of U.S. dollars) | | |
| **Statement of financial position:** | | | |
| **Assets** | | | |
| Current assets: | | | |
| Cash and banks[(1)] | 23,056 | 52,151 | 47,487 |
| Restricted cash[(2)] | 25,000 | 1,680 | 25,662 |
| Other financial assets | — | — | 13 |
| Trade and other receivables | 13,943 | 15,675 | 14,909 |
| Current tax assets[(3)] | 58 | 52 | 41 |
| Other assets[(4)] | 6,655 | 1,987 | 2,007 |
| Total current assets | 68,712 | 71,545 | 90,119 |
| Non-current assets: | | | |
| Property and equipment | 5,151 | 3,918 | 7,323 |
| Intangible asset[(5)] | 736,499 | 748,111 | 757,070 |
| Total non-current assets | 741,650 | 752,029 | 764,393 |
| **Total assets** | **810,362** | **823,574** | **854,512** |
| **Liabilities and Shareholders' Equity** | | | |
| Current liabilities: | | | |
| Borrowings | 66,092 | 108,997 | 39,269 |
| Trade and other payables | 11,215 | 11,867 | 17,774 |
| Accrued liabilities[(6)] | 11,307 | 9,917 | 9,223 |
| Current tax liabilities[(3)] | 1,172 | 481 | 515 |
| Contract liabilities[(7)] | 10,519 | 10,508 | 10,666 |
| Total current liabilities | 100,305 | 141,770 | 77,447 |
| Non-current liabilities: | | | |
| Trade and other payables | — | — | 41 |
| Contract liabilities[(7)] | 208,738 | 219,156 | 229,643 |
| Borrowings | 79,041 | 103,768 | 220,207 |
| Defined benefits | 205 | 174 | — |
| Total non-current liabilities | 287,984 | 323,098 | 449,891 |
| **Total liabilities** | **388,289** | **464,868** | **527,338** |
| Equity: | | | |
| Share capital | 66,000 | 66,000 | 66,000 |
| Legal reserve | 25,412 | 19,854 | 14,760 |
| Retained earnings | 330,661 | 272,852 | 246,414 |
| **Total equity** | **422,073** | **358,706** | **327,174** |
| **Total liabilities and shareholders' equity** | **810,362** | **823,574** | **854,512** |

(1) Includes (a) trust fund balances in the Onshore Regulated Fees Collection Account (as defined herein) in which all regulated revenue is received until transferred to the Municipality by the Onshore Trustee (as defined herein) and Quiport's own account, (b) trust fund balances in the Onshore Project Revenues Collection Account (as defined herein), which is managed by the Onshore Trustee, used to meet Quiport's contractual obligations, and (c) cash managed in offshore accounts. In accordance with the terms of the Existing Loans Agreement, we must maintain free and unencumbered cash (excluding, for the avoidance of doubt, any cash that is (i) subject to any liens, (ii) held for the benefit of any third party or (iii) held as cash reserves for the payment of future obligations) in our accounts in an amount not less than U.S.$25.0 million. Notwithstanding the foregoing, we may use any such unencumbered cash in connection with or related to any take-out financing substantially concurrently with the repayment of our obligations under the Existing Loans Agreement, or the assignment and the payment of all amounts payable in connection with such assignment of the Existing Loans Agreement. See note 5 to our Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans."

(2) Corresponds to Quiport's obligation under the original master security and accounts agreement, dated as of August 24, 2005, to maintain a debt service reserve account for the purpose of guaranteeing a debt service. For the year ended December 31, 2017, Quiport's reserve was covered by a letter of credit in the amount of U.S.$25.0 million. As of December 31, 2018, as a result of the assignment, in whole, of the Senior Secured Credit Agreement to the Existing Lenders on December 20, 2018, following which the Senior Secured Credit Agreement was amended and restated pursuant to the Existing Loans Agreement, Quiport is no longer required to maintain such debt service reserve account. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans" and notes 6 and 15 to our Financial Statements.

(3) Current tax liabilities consists of overseas remittance tax and withholdings at source and current tax liabilities consist of VAT and withholdings at source payable. In October 2005, Quiport was approved and qualified by the National Council of Tax Havens (*Consejo Nacional de Zonas Francas* or "CONAZOFRA") as a free trade zone user of the new Airport and was thus granted the benefits provided under Resolution 2005-13 issued by CONAZOFRA and published in the Official Gazette No. 161 dated December 8, 2005 ("Resolution 2005-13"), for 20 years. See note 13 to our Financial Statements.

(4) Consists principally of certain operational costs and prepaid insurance.

(5) Consists of the new Airport and other related expenses. Intangible asset is being amortized from February 20, 2013 using the straight-line method until the end of the Concession Period (as defined herein). See note 10 to our Financial Statements.

(6) Consists of employee profit-sharing and social benefits. In accordance with applicable law, workers are entitled to a 15% share in a company's profits applicable to accounting for liquid profits or book income. Pursuant to authorization from the Ministry of Labor (*Ministerio del Trabajo*), Quiport consolidated its employee profit-sharing with the profit-sharing generated by the Ecuador Operator since the two entities are part of the same economic group with complementary businesses. To calculate and pay for the employee profit-sharing, Quiport includes employees of SFM Facility Servicios Complementarios S.A. and Protección, Seguridad y Vigilancia S.A., which provide cleaning and security services for the airport facilities.

(7) Corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods.

| | Year ended December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **2016** |
| **Other operating data:** | | | |
| Total O&D passengers[1] | 5,228,072 | 4,875,166 | 4,852,530 |
| Total air traffic movements (departing and arriving aircraft)[2] | 57,397 | 52,227 | 55,122 |
| Total revenue per total departing O&D passenger (in U.S.$) | 32.8 | 32.3 | 32.4 |
| Tons of cargo exported (thousands) | 194.1 | 170.4 | 153.6 |
| Tons of cargo imported (thousands) | 37.9 | 33.6 | 27.2 |
| Non-regulated revenue[3] per departing O&D passenger (in U.S.$) | 16.7 | 16.0 | 15.6 |
| **Other data:** | | | |
| Adjusted EBITDA | | | |
| Profit for the year and total comprehensive income (in thousands of U.S.$) | 63,367 | 55,582 | 50,936 |
| *Plus* | | | |
| Amortization of intangible assets (in thousands of U.S.$) | 32,789 | 31,392 | 31,520 |
| Equipment depreciation (in thousands of U.S.$) | 851 | 994 | 1,244 |
| Financial costs (in thousands of U.S.$) | 14,050 | 18,450 | 23,381 |
| **Adjusted EBITDA[4]** (in thousands of U.S.$) | **111,057** | **106,418** | **107,081** |

(1) Passenger information for the year ended December 31, 2018 is based on preliminary data.

(2) Excludes military and other non-commercial flights.

(3) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 17 and 14 to our Financial Statements.

(4) We define Adjusted EBITDA as profit for the year and total comprehensive income, plus amortization of intangible assets, equipment depreciation and financial costs. Adjusted EBITDA is not a measurement of our financial performance under IFRS. We believe that Adjusted EBITDA is useful to investors as it provides a meaningful basis for reviewing the results of our operations by eliminating the effects of financing and investing decisions, as well as excluding the impact of activities not related to our ongoing operating business. Adjusted EBITDA is not defined under IFRS, should not be considered in isolation or as substitutes for measures of our performance prepared in accordance with IFRS and are not indicative of our profit for the year and total comprehensive income as determined under IFRS. Adjusted EBITDA has limitations as an analytical tool, and you should not consider such measures either in isolation or as a substitute for profit for the year and total comprehensive income, cash flow or other methods of analyzing our results as reported under IFRS. Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

## Risk Factors

*Investing in the Notes involves risk. You should carefully consider the risks and uncertainties described below and the other information in these listing particulars before making an investment in the Notes. The risks described below are not the only ones facing us or investments in Ecuador in general. Our business, financial condition and/or results of operations could be materially adversely affected by any of these risks. There are a number of factors, including those described below, which may adversely affect our ability to make payment on the Loans, and thus adversely affect the ability of the Issuer to make payment on the Notes. Additional risks not presently known to us or that we currently deem to be immaterial may also impair our operations.*

*These listing particulars also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in these listing particulars. See "Forward-Looking Statements."*

### Risks Related to Our Business

***Our concession to operate, maintain and develop the Airport was granted by the Municipality, is managed by the Management Unit, and is therefore subject to political and other uncertainties that could affect the economic performance of the Airport.***

Our Concession is subject to the terms of several agreements, including, among others, the Concession Contract, the Strategic Alliance Agreement, and the Investment Contract, as well as the Implementation Agreement (as defined herein), the Master Municipality Agreements (as defined herein), the Surcharge Trust Agreement (as defined herein) and the Surcharge Collection Agreement (as defined herein), among others. See "The Concession." Although the Concession Contract grants us the right to free and undisturbed operation of the Airport and the uninterrupted use of the land, terminals, buildings and equipment related thereto, the Municipality, the Management Unit (as defined herein) and other entities of Ecuador have in the past, and may in the future, take various actions that impacted the economic performance of the Airport, our income and the enforcement and administration of the Concession. For example, in 2009, following the adoption of a new Constitution of Ecuador (*Constitución de la República del Ecuador*) which was published in Official Gazette No. 449 on October 20, 2008 (the "2008 Constitution") and other changes to the legal framework, revenues derived from the charges for various services at the Old Airport, which, pursuant to the Concession Contract, were intended to be used for the financing of the construction of the new Airport, were declared to be public funds by the Ecuadorian Constitutional Court. After various consultations and the renegotiation of the economic structure of the Concession, Quiport executed the Strategic Alliance Agreement with the Municipality and the Management Unit, pursuant to which the parties agreed on the application of those revenues for the Concession, in exchange for which the Municipality would begin to receive a percentage of the revenues generated by the new Airport. See "The Concession—The Concession Contract—Obligations under the Concession Contract."

Because the Airport is an important asset for Ecuador and the Municipality of Quito and the Concession involves "public resources" (as determined by the courts of Ecuador), the Concession Contract and the operation of the Airport is subject to particularly high levels of public scrutiny and political uncertainties. Government entities could attempt to renegotiate or nullify existing contracts, revise tariffs or mandate an increase of the Municipality's participation in the revenues derived from the Airport, as well as increase supervision and regulation. The Municipality, the CGE and other regulatory agencies of Ecuador have taken and may, in the future, take positions or have interpreted and may, in the future, interpret the Concession Contract, the Strategic Alliance Agreement and other agreements in ways that are adverse to

us, including, for example, our right to use all cash from the Old Airport for the construction costs of the new Airport.

For example, the Constitutional Court of Ecuador issued a ruling dated July 23, 2009, as published in the Official Registry (*Registro Oficial*) No. 644 on July 29, 2009 (the "Constitutional Court Ruling"), declaring that all Airport Charges (as defined herein) in Ecuador are public resources and ordering that the relevant agreements be modified to reflect an accurate participation framework for income derived from such regulated sources. The Concession Contract was renegotiated and amended on August 9, 2010, to reflect the Constitutional Court Ruling, and Quiport, the Municipality and the Management Unit entered into the Strategic Alliance Agreement and related agreements to establish a structure for the public and private contributions to the Project, as well as the distribution of the economic benefits derived from their respective contributions, including a requirement that 11% of regulated revenues of the Airport be paid directly to the Municipality through 2035, and 12% of such from 2035 through the end of the Concession Period. See "The Concession—Strategic Alliance Agreement." While we would vigorously contest, and seek compensation for, any action that we believe is in breach of the terms of the Concession Contract, the other applicable agreements or applicable laws and regulations, we cannot guarantee that the Municipality, the CGE or other regulatory agencies of Ecuador will not continue to try to adopt resolutions or take positions that we believe are inconsistent with our contractual rights or that the Ecuadorian executive power or the Constitutional Court will not ratify any such changes (to the extent that such ratification is required for such changes). Moreover, the FTZ Tax Exemption (as defined herein) granted to us for a term of 20 years will expire on December 31, 2025, after which we will no longer have the benefits provided under Resolution 2005-13. In addition, the FTZ Tax Exemption is currently being challenged by the SRI and there can be no assurance that it will not be revoked. See "Business—Legal Proceedings—Tax Exemption Dispute" and "The Concession—The Concession Contract—Political Event."

Future actions of the Municipality, the Management Unit, the CGE and other Ecuadorian governmental agencies concerning the operation and regulation of the Airport could have a material adverse effect on the economic performance of the Airport and our business generally. In addition, such actions could also hinder our ability to obtain future financing. We cannot predict how regulations applicable to airports and ancillary services in Ecuador may be applied to us differently in the future or what new regulations may be adopted by the Ecuadorian government. Any such regulation could have a material adverse effect to our ability to generate revenues necessary for the operation and maintenance of the Airport and making payments on our debt, including the Loans, which, in turn, could have a material adverse effect on the ability of the Issuer to make payments on the Notes.

***Quiport is in discussions with the Municipality and the Management Unit that may result in amendments to the Concession Contract.***

Quiport is in discussions with the Municipality and the Management Unit, some of which may result in amendments to the Concession Contract, including adjustments to section 2.8.2 of the Concession Contract, the IATA service levels, certain amounts previously paid under the Concession Contract, the reimbursement for a penalty imposed on EPMSA by the relevant environmental authority with respect to certain obligations related to the Old Airport and advertising rights at the Airport, among others. See "The Concession—The Concession Contract—Obligations under the Concession Contract—General Obligations of Quiport." We cannot predict the outcome of these discussions with the Municipality and Management Unit or whether these discussions will result in amendments to the Concession Contract that are adverse to us or the holders of the Notes. In addition, we may not be able to obtain all or any of the amendments which could impact our operations or negotiations could be protracted and delayed. In addition, any amendments to the Concession Contract are not assumed to occur in the Independent Traffic Consultant's Report. As a result, if there are any amendments to the Concession Contract, projections

included in the Independent Traffic Consultant's Report may not be realized and may differ materially from our actual results. See "—Projections and forecasts of future traffic in the Independent Traffic Consultant's Report may prove to be incorrect, in which case Quiport may have materially different results of operations." These and other factors could have a material adverse effect on our performance and compliance with applicable laws, as well as on our business, operations, cash flows and on our ability to make payments on our debt, including the Loans, which, in turn, could have a material adverse effect on the ability of the Issuer to make payments on the Notes.

***We are currently involved in disputes regarding certain resolutions by the CGE.***

Quiport is one of several corporations in Ecuador engaged in disputes arising from resolutions by the CGE, which has oversight responsibilities related to state contracts in Ecuador. Beginning in May 2015, the CGE undertook an audit of the Concession Contract, the Strategic Alliance Agreement and their related agreements. As a result of this audit, the CGE issued, on August 5, 2016, certain predeterminations finding Quiport liable for an aggregate amount of U.S.$138,882,709.11, which predeterminations were subsequently confirmed on May 16, 2017, by certain resolutions made by the CGE. For more information on the individual predeterminations, see "Business—Legal Proceedings—Comptroller Resolutions." Quiport challenged these predeterminations, including by filing a Request for Reconsideration with the CGE on July 14, 2017. As the CGE failed to respond to the Request for Reconsideration within the period provided by law, the Request for Reconsideration was deemed rejected as a matter of Ecuadorian Law. In addition, on August 21, 2017, the CGE issued Writs Nos. 0667, 0670, 0675, and 0677 (collectively, the "Writs"), which expressly rejected the Request for Reconsideration and confirmed the Resolutions. On September 20, 2017, Quiport commenced four lawsuits against the CGE and the Attorney General of Ecuador before the Administrative Contentious Court of Ecuador requesting that these be declared null and void. These proceedings remain ongoing.

In addition to rights and remedies existing under Ecuadorian law, Quiport has various substantive and procedural rights under various agreements, including, without limitation, the Concession Contract, the Strategic Alliance Agreement and the Investment Contract. By means of a letter dated September 12, 2017, Quiport provided notice to the Municipality and the Management Unit that the CGE's failure to reconsider the Resolutions and issuance of the Writs constitute a Political Event under the Concession Contract and Strategic Alliance Agreement. In addition, by means of a letter dated September 13, 2017, Quiport separately notified Ecuador of the existence of a Dispute under the Investment Contract. In accordance with the Investment Contract, Quiport has the right to commence international arbitration proceedings any time. See "Business—Legal Proceedings—Comptroller Resolutions." A judgment hearing relating to one of the predeterminations has been scheduled for June 21, 2019. We cannot assure you that these matters will be resolved in our favor or in a timely manner or that any of these rights under the various contracts and applicable laws will be recognized by the courts of Ecuador or in an arbitration proceeding. As of the date of these listing particulars, no reserves have been established for these proceedings. For more information see note 13 to or Financial Statements.

If the determination of any of the above disputes are unfavorable to us following any lawsuits, subsequent appeals or other dispute resolution proceedings, we could be subject to significant liabilities, which liabilities could have a material adverse effect on us and our business and our ability to repay the Loans, which would consequently impact the ability of the Issuer to repay the Notes.

***We are currently involved in disputes regarding payment of certain taxes with the SRI, and any unfavorable determination could result in significant liabilities.***

Quiport is one of several corporations in Ecuador engaged in disputes arising from determinations by the SRI, the Ecuadorian tax authority, relating to its failure to recognize certain exemptions as a free trade zone user. On February 20, 2018, Quiport received a final determination from the SRI in connection with fiscal year 2013, which concluded that it was not eligible for certain exemptions as a free trade zone user and was liable for approximately U.S.$7.6 million of tax payments in respect of revenues received for fiscal year 2013. On December 5, 2018, Quiport filed a lawsuit challenging the SRI's tax determination for fiscal year 2013 before the Ecuadorian tax courts in accordance with Quiport's right to bring lawsuits against the SRI before the Ecuadorian tax courts. In addition, on November 26, 2018, Quiport received a final report from the SRI in connection with fiscal year 2014, which concluded that Quiport was liable for approximately U.S.$10 million of tax payments in respect of revenues received for fiscal year 2014. On December 21, 2018, Quiport filed an administrative challenge before the SRI. Furthermore, on June 14, 2018, Quiport received a draft tax assessment notice in respect of fiscal year 2015 and, on January 16, 2019, Quiport received from the SRI a final determination which concluded that Quiport was liable for approximately U.S.$17.0 million in respect of revenues received for fiscal year 2015. On February 11, 2019, Quiport filed an administrative challenge before the SRI.

Although we believe that Quiport has substantive and procedural rights under various agreements, including, without limitation, the Concession Contract, the Strategic Alliance Agreement and the Investment Contract, we cannot assure you that any of these rights under the various contracts and applicable laws will be recognized by the courts of Ecuador or in an arbitration proceeding, or that the terms of such agreements will otherwise be interpreted in our favor. See "—Our concession to operate, maintain and develop the Airport was granted by the Municipality, is managed by the Management Unit, and is therefore subject to political and other uncertainties that could affect the economic performance of the Airport." On March 22, 2018, December 26, 2018 and February 14, 2019, in accordance with the Concession Contract, Quiport provided notice to the Municipality and the Management Unit that the SRI's Determinations constitute a Political Event under the Concession Contract. In addition, by means of letters dated April 12, 2018, Quiport separately notified Ecuador of the existence of a Dispute under the Investment Contract. In accordance with the Investment Contract, Quiport has the right to commence arbitration proceedings any time. See "Business—Legal Proceedings— Tax Exemption." As of the date of these listing particulars, no reserves have been established for these proceedings. We cannot assure you that these matters will be resolved in our favor or in a timely manner. As of the date of these listing particulars, no reserves have been established for these proceedings.

If the final determination of such disputes or any other disputes relating to subsequent years are unfavorable to us following any lawsuits, subsequent appeals or other dispute resolution proceedings, we could be subject to significant liabilities for unpaid tax payments in each fiscal year from and after 2013, which liabilities are not part of the assumptions used in the Independent Consultant's Report and which could have a material adverse effect on us and our business and our ability to repay the Loans, which would consequently impact the ability of the Issuer to repay the Notes.

***Provisions in the Concession Contract could be interpreted in ways adverse to us.***

The Concession Contract, Strategic Alliance Agreement and other agreements related to the Concession and the Project are complicated documents that set up a complex trust structure that has been amended on several occasions and could contain technical errors or provisions contrary to the understanding of the parties when it was signed. We cannot guarantee that any action taken by the Ecuadorian government or the courts, the Municipality or other regulatory agencies based on an interpretation with which we disagree would not have a material adverse effect on our business, results of operations, prospects and financial condition.

***Our cash flows are dependent on, and a large percentage of our charges are regulated by, the Concession Contract.***

We depend exclusively on revenues from the Airport to meet our operating and maintenance expenses and to make payments on our indebtedness. The majority of our revenue is directly or indirectly affected by the number of passenger and cargo flights arriving at and departing from the Airport, as the Concession Contract allows us to charge tariffs in connection with such activities. This regulated revenue represented 71% of our revenue for the year ended December 31, 2018. Regulated revenue is regulated by the Ordinance No. 335 and modifications thereto are subject to the approval of the Municipality. See "Business—Regulation" and "—Our concession to operate, maintain and develop the Airport was granted by the Municipality, is managed by the Management Unit, and is therefore subject to political and other uncertainties that could affect the economic performance of the Airport."

We could present and justify a proposal for modification of any of these charges, but the decision ultimately rests with the Municipality. The Municipality could also adopt new regulations that could affect certain of the existing or new tariffs and fees that we charge or could charge. These and other factors could have a material adverse effect to our ability to generate revenues necessary for the operation and maintenance of the Airport and making payment on the Loans, which would have a material adverse effect on the ability of the Issuer to make payments on the Notes.

***The Concession Contract could be terminated by the Municipality upon the occurrence of certain early termination events or without cause.***

The Concession Contract is subject to early termination by the Municipality upon the occurrence of certain events, including but not limited to certain bankruptcy or dissolution events of Quiport, material breaches or defaults thereunder by Quiport, including failure to renew the Performance Bond (as defined herein), or the failure of Quiport to pay certain amounts due thereunder. In the event of a termination by the Municipality for cause, Quiport is not entitled to any termination payment. See "The Concession—The Concession Contract—Termination and Termination Payments—Termination by the Municipality" and "The Concession—The Concession Contract—Obligations under the Concession Contract—Performance Bond." In addition, even in the event of any termination without cause, we cannot assure you that the Municipality will actually pay amounts that are due under the terms of the Concession Contract or that, if paid, such payments will be timely or sufficient to repay the Loans, and, consequently, the Notes. See "The Concession—The Concession Contract—Termination and Termination Payments—Termination by Quiport—Consequences of Termination" and "—Risks Related to the Notes—A prepayment of the Loans would cause a redemption of the Notes prior to maturity." If the Concession Contract is terminated and the Municipality does not make the termination payment due thereunder, it is likely that we will be unable to meet our debt obligations, including repayment of the Loans, which would have a material adverse effect on the ability of the Issuer to make payments on the Notes.

***Our revenues are highly dependent on levels of air traffic, which depend, in part, on factors beyond our control, including cyclicality of economic conditions.***

Our revenues are closely linked to passenger and cargo traffic volumes and air traffic movements, which depend on many factors beyond our control, including prevailing economic conditions and the political situation in Ecuador, Latin America, the United States, Europe and elsewhere, aircraft accidents and other safety concerns globally, public health crises, the attractiveness of the Airport and flight routes, fluctuations in petroleum prices and changes in regulatory policies applicable to the airport industry. In addition, our commercial subconcessionaires' revenues could be affected by events beyond our control, which in turn could impact the revenue share participations we collect from them and their ability to operate viable businesses. Furthermore, climate conditions or environmental factors, may also affect aircraft movements. Any decreases in air traffic to or from the Airport as a result of factors such as these

could adversely affect our business, results of operations, prospects and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Increases in or the volatility of international fuel prices could reduce demand for air travel.***

Fuel represents a significant cost for airlines. International prices of fuel have experienced significant volatility in recent years. Though international prices of fuel have decreased in the last several months, such prices may be subject to increase at any time and price volatility resulting from imbalances between oil demand and production, voluntary or otherwise, a general escalation in international hostilities by oil-producing countries, costs of exploration and refining, natural disasters, accidents in the industry, political climates or any future terrorist attacks. Such increases in airlines' costs or volatility could result in higher airline ticket prices and may decrease demand for air travel generally, thereby having an adverse effect on our business. For example, domestic traffic of the Airport decreased between 2011 and 2017, mainly due to a change in government policy with respect to airplane fuel subsidies, which had an impact in maintaining lower domestic air travel prices, according to the Independent Traffic Consultant's Report. High fuel prices are likely to have a material adverse impact on the operations of carriers, particularly those with older, less fuel efficient airline fleets. Such impact could, in turn, have a negative effect on our business, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Any reduction in routes or flight frequencies or any financial difficulties in the airline industry could have a material adverse effect on our results of operations.***

We do not control the granting, revocation or termination of landing rights at the Airport. Ecuador and, more specifically, DGAC, has the right to grant or revoke landing rights. In addition, each airline may terminate its operations at the Airport at any time without notice. Over the past 15 years, the airline industry has experienced financial problems, with many airlines merging or otherwise restructuring under bankruptcy laws. Adverse economic developments, a general downturn in the airline or tourism industries in general or other events affecting our airline customers' businesses, such as terrorist attacks or accidents and other passenger safety concerns, could have a material adverse impact on the timing and amounts of payments owed to us. Although bankruptcy filings by certain major airlines providing service to the Airport (such as Delta and Northwest in 2005 and American Airlines in 2011) have not had a significant impact on the amount of our collections, we cannot assure you that future bankruptcies or similar events will not have an adverse impact on our revenues. For example, one of the main airlines operating in our Airport, TAME, the national air carrier of Ecuador, has been experiencing financial instability over the recent years. In the past, we have experienced delays in collecting payments from TAME. As of the date of these listing particulars we are not experiencing any difficulties in collection of payments. However, there can be no assurance that TAME will be able to meet its payment obligations in the future nor the consequences of any potential bankruptcy or insolvency event of such airline. See "— TAME, the national air carrier of Ecuador, has experienced a poor financial condition in recent years. A weakening in TAME's financial condition or any potential bankruptcy or insolvency event could result in reduced operations and traffic loss to the Airport." A significant decrease in the amount of payments or a default or delinquency with respect to the payments made by our airline customers could impair the timely payment of our obligations, including the Loans, which would have a material adverse effect on the ability of the Issuer to make payments on the Notes. Consolidation of operations following a merger of two airlines that both fly to the Airport could result in a reduction in routes or frequency of flights. Any reduction in flight services or financial difficulties experienced by any of our airline customers could have a material adverse effect on our results of operations, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***A weakening in the financial condition or any potential bankruptcy or insolvency of TAME, the national air carrier of Ecuador, could result in reduced operations and traffic loss to the Airport.***

TAME, the national air carrier of Ecuador, represented approximately 24% of the passenger traffic at the Airport in 2018. TAME has experienced poor financial conditions since 2013, which has led it to close domestic and international routes and has resulted in delays in payments by TAME to us in the past. Any reduction in TAME's route offerings, whether through corporate strategy or an insolvency or bankruptcy event, could adversely impact the passenger traffic through the Airport and have a material adverse effect on our results of operations, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Competition from competing destinations and competing airports could adversely affect our business.***

The principal factor affecting our business is the number of passengers that use the Airport, which is dependent upon the level of business, tourism and economic activity in Ecuador and elsewhere. As such, the passenger traffic volume of Airport may be adversely affected by economic instability. Passenger traffic volume may be adversely affected by the attractiveness, affordability and accessibility of competing tourist and business destinations located outside of Ecuador. The attractiveness of the destinations we serve is also likely to be affected by perceptions of travelers as to the safety and political and social stability of the country. Additionally, competition from other airports in Ecuador could affect the number of passengers that use the Airport. In particular, although not expected to be completed in the short or medium-term based on current air traffic levels, there is a proposed development project for a new international airport in Guayaquil, which could lead to airlines to start operating through such airport. According to the Independent Traffic Consultant's Report, routes to Guayaquil represented more than 50% of the Airport's market share in the past. There can be no assurance that business activity and tourism levels and, therefore, the number of passengers using the Airport will, in the future, match or exceed current levels. Any decrease in air traffic to or from the Airport as a result of factors such as these could adversely affect our results of operations, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Terrorist attacks, health epidemics, changes in or failures of airport security measures and other air traffic incidents have had a severe impact on international air travel and have adversely affected our business and may continue to do so in the future.***

As with other airport operators, we are at risk of terrorist attacks. The terrorist attacks in the United States on September 11, 2001, the more recent terrorist attacks in Paris and Brussels, and other attacks attributed to the Islamic State of Iraq and Syria or any other organization, had a severe adverse impact on the air travel industry, particularly on U.S. carriers and on carriers operating international service to and from the United States. The Airport could also be adversely affected by wars, general instability in other regions of the world and public health crises, such as the avian flu, severe acute respiratory syndrome ("SARS") between 2002 and 2003, A/H1N1 flu ("swine flu") of 2009, the Chikungunya and Zika viruses, or another epidemic or outbreak. Events such as these may cause businesses, tourists or the public in general to reduce their use of air transportation, either voluntarily or forcibly, if governments were to impose restrictions on air travel or other related activities. In the event of a terrorist attack, disease outbreak or similar event at the Airport, airport operations would be disrupted or suspended during the time necessary to conduct rescue operations, investigate the incident and repair or rebuild damaged or destroyed facilities. Although we carry terrorism and sabotage insurance, we cannot guarantee that our insurance policies will cover all losses and liabilities resulting from these events or in such amounts as to prevent a material liability or loss to our business. We cannot assure you that any future similar incidents will not have a significant further adverse impact on passenger traffic to the Airport or on our results of operations.

Airport security service is the responsibility of the Ecuadorian national and municipal governments, the National Police (*Policía Nacional*) and the Public Metropolitan Company of Airport Services and Free Trade Zone Areas and Special Areas (*Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regímenes Especiales* or "EPMSA"). We are responsible for adopting, and adopt, security measures necessary to assist the Ecuadorian and Municipal governments and the Airport security agents from EPMSA in protecting the public and maintaining the security of passengers. In addition to the directives of Ecuadorian aviation authorities, as a substantial portion of our international flights involve travel to or from the United States, we are required to comply with security directives of the TSA. We are also required to comply with other international regulations regarding security matters in accordance with the terms of the Concession Contract.

Security measures taken to comply with future security directives or in response to a terrorist attack or similar threat could reduce passenger capacity at the Airport due to increased passenger screening and slower security checkpoints, which would have an adverse effect on our financial performance, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***The United States Federal Aviation Administration ("FAA") or another regulatory agency could downgrade Ecuador's aviation safety rating, which could have a negative impact on passenger traffic.***

The FAA periodically audits the aviation regulatory authorities of other countries. As a result of its review, each airport within a country is given a rating under the International Aviation Safety Assessment Program ("IASA") rating. Since May 24, 2006, IASA has rated Airport as a Category 1 jurisdiction, which means that it is compliant with standards of ICAO. We cannot assure you that Ecuador will continue to meet international safety standards, and we have no direct control over their compliance with IASA guidelines. If Ecuador's IASA rating were to be downgraded in the future, airlines could be prevented from expanding or changing their current operations between the United States and Ecuador code-sharing arrangements between Ecuador and United States' airlines could be suspended, and operations by airlines flying from Ecuador to the United States could be subjected to greater FAA oversight. The European Aviation Safety Agency and other regulatory agencies may take similar actions, either independently or in response to any such action by the FAA. These additional regulatory requirements could result in reduced passenger traffic or, in some cases, in an increase in the cost of service, which could materially adversely affect our business, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Seasonality may cause fluctuations in operating results.***

Although we do not consider our business to be subject to material seasonal fluctuations, international passenger traffic is subject to tourism-related seasonal trends. The Airport serves a diversified passenger mix, which presents different seasonality patterns in tourist destination airports compared to other airports in South America. Peak international traffic volume months are July and August, coinciding with the summer travel season, and December and January, during the winter tourist season with the arrival of tourists from the United States and Canada, which affects the travel demand of both resident and non-resident passengers. Parking revenues also experience seasonality, with higher revenues during August. Operating results can therefore vary from period to period depending on such levels of passenger traffic and other revenues. This seasonality may result in quarter-to-quarter volatility in our operating results, which could materially adversely affect our business and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Severe weather conditions, such as eruptions from volcanos, may disrupt business operations.***

The Airport is surrounded by four active volcanos (Guagua Pichincha to the west, Reventador to the east and Cotopaxi and Tungurahua to the south). Of the four, Reventador is one of the most active volcanos in Ecuador and presents the greatest risk to the operation of the Airport due to wind patterns. The last eruption from Reventador that affected the Old Airport occurred in November 2002. An eruption of a surrounding volcano (including related events caused by volcanic activity) or other severe weather conditions could adversely affect our business, results of operations, prospects and financial condition.

***Projections and forecasts of future traffic in the Independent Traffic Consultant's Report or other information based on preliminary data may prove to be incorrect, in which case Quiport may have materially different results of operations.***

Specialized tariffs, fees and surcharges relating to aircraft movements, rents, duties and other charters derived from third parties engaged in commercial or airline activities at the Airport and airport fees collected from the operation of the Airport are our primary source of income. These revenues depend in significant part on the volume of aircraft movements, passenger traffic and cargo to and from the Airport.

The Independent Traffic Consultant prepared the Independent Traffic Consultant's Report with respect to the Airport, which report is attached hereto as Appendix A. This report is based on numerous assumptions, estimates, projections and forecasts as detailed in such report, which are subject to inherent risks and uncertainties. The Independent Traffic Consultant's Report includes assumptions such as, among other things, assumed costs of financing, growth in aircraft size and passenger traffic (including recovery of domestic traffic and increased international routes), the ongoing investment plan as outlined in our master plan is undertaken, macroeconomic considerations including that the current infrastructure in Ecuador does not constrain traffic growth and that Ecuador remains politically and financially stable. The Independent Traffic Consultant's Report also assumes that we will benefit from the FTZ Exemption through December 31, 2025. If certain legal proceedings with respect to SRI Determinations in respect of such exemption are determined in a manner unfavorable to us, such assumption will not be realized and the projections reflected in the Independent Traffic Consultant's Report may prove inaccurate. Additionally, the Independent Traffic Consultant's Report assumes that the Municipality Economic Benefit Participation will remain at 11% through 2035, with an increase to 12% from 2035 onwards. See "—Our concession to operate, maintain and develop the Airport was granted by the Municipality, is managed by the Management Unit, and is therefore subject to political and other uncertainties that could affect the economic performance of the Project." However, such assumptions, estimates, projections and forecasts, as set forth in the Independent Traffic Consultant's Report, may not be accurate. Even if the assumptions and methodologies in the Independent Traffic Consultant's Report are accurate, the actual passenger and cargo volumes may materially differ from those expressed or implied in the Independent Traffic Consultant's Report. As a result, these projections are not necessarily an accurate or reliable indication of our current value or future performance, and income actually received by us may be materially different than those projected. In addition, certain year-end operating information included in these listing particulars is based on preliminary information and may subsequently be adjusted or revised to reflect new or more accurate data. Such revisions could reveal that traffic or cargo statistics may be materially different from those described in these listing particulars.

We assume no responsibility for the accuracy of any assumptions or projections contained in the Independent Traffic Consultant's Report, for the accuracy of the analysis therein or for the appropriateness of the assumptions used in such projections. No representation is made or intended, nor should any be inferred, with respect to the likely existence of any particular future set of facts or circumstances. You are cautioned not to place undue reliance on the projections and assumptions contained in the Independent Traffic Consultant's Report. If actual results are less favorable than those shown in the projections or if the assumptions used in formulating the projections prove to be incorrect,

these circumstances could materially adversely affect our ability to make payments on the Loans, which would have a material adverse effect on the ability of the Issuer to make payments on the Notes. See "Appendix A—Independent Traffic Consultant's Report."

Our independent auditors have not reviewed the Independent Traffic Consultant's Report and, accordingly, do not express an opinion or any other form of assurance thereon. After the issuance of the Notes, the holders of the Notes will not be provided with revised projections or any summary of the differences between the projections contained in the Independent Traffic Consultant's Report and actual events. We expressly disclaim any duty to update the Independent Traffic Consultant's Report under any circumstances.

***Our operations are at greater risk of disruption due to the dependence of the Airport on a single commercial runway.***

As is the case with many other domestic and international airports around the world, the Airport has only one runway. While we seek to repair our runways during off-peak hours, we cannot make any assurances that the operation of the Airport will not be disrupted due to necessary maintenance. Furthermore, we cannot assure you that the operation of the Airport will not be disrupted due to unscheduled or other necessary maintenance resulting from unforeseen events such as earthquakes, hurricanes, volcanic ash and rocks or other natural disasters, aircraft accidents or other factors beyond our control. The closure of our runway for a significant period of time could have a material adverse effect on our results of operations and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***We may agree to make additional capital investments for future construction, which may affect our ability to make payments on our debt.***

We are responsible for performing ongoing maintenance and repairs at the Airport in accordance with the Concession Contract. See "Business—Master Plan." If the extent or cost of such work is materially in excess of our expectations, it could have a material adverse effect on our results of operations and cash flows, which in turn could affect our ability to make payments on the Loans, which could have a material adverse effect on the ability of the Issuer to make payments on the Notes. Furthermore, we may agree to additional capital projects in connection to improve services and maintain our quality standards. We intend to undertake additional capital projects as part of our master plan. Capital expenditures in connection with any such construction projects, particularly any that need to be financed through the incurrence of additional indebtedness, could increase our expenses and reduce cash flows, and may affect our ability to make payments on the Loans, which could have a material adverse effect on the ability of the Issuer to make payments on the Notes. We cannot assure you that any capital projects undertaken will be completed successfully, within budget and result in improved financial performance for our operations.

***Delays and costs related to the expansion of our facilities and the construction of new facilities may adversely affect us.***

As part of our strategy to optimize the operating efficiency of the Airport and provide best-in-class service to our customers, we may construct new facilities or upgrade existing ones. In accordance with our master plan, we expect to continue to expand the passenger terminal with the addition of new boarding gates and apron areas, as well as expand the cargo and apron parking area for the GSE area and undertaking taxiway improvements. See "Business—Improvements and Expansion—Master Plan." Any such construction or upgrading involves various risks, including engineering, construction, regulatory and other significant challenges that may delay or prevent the successful operation of the Airport or significantly increase our costs. We may be unable to complete our projects in a timely manner, or at all, due to factors such as our inability to obtain financing, regulatory changes, noncompliance or the unavailability of contractors and subcontractors and logistical problems.

Any expansion will require significant capital, which we may be unable to obtain on acceptable terms, if at all. We may fail to generate sufficient cash flow from our operations to meet our cash requirements for the financing of our various projects. Furthermore, our capital requirements may vary materially from those currently planned if, for example, our income, costs and expenses do not meet expected levels or we have to incur unforeseen capital expenditures. Consequently, we may require additional financing sooner than anticipated, or we may have to delay some of our new development and expansion plans or otherwise forgo market opportunities. We may not be able to obtain future equity or debt financing on favorable terms, if at all. Future borrowing instruments such as credit facilities are likely to contain restrictive covenants and may require us to pledge assets as security for borrowings under those facilities. Our inability to obtain additional capital on satisfactory terms may delay or prevent the implementation of our growth strategy and our master plan, which could have a material adverse effect on our business and results of operations. In addition, the terms and conditions of our indebtedness imposes various restrictions and requirements on our ability incur debt, make investments or access future capital. See "—Our substantial indebtedness could negatively affect our ability to operate the Airport, access future capital, refinance existing or future debt and meet our debt obligations." We may be adversely affected if we are not able to complete any expansion project on time or within budget, our new or modified facilities do not operate at designed capacity or cost more to operate than we expected.

***The Airport requires significant maintenance expenditures to ensure its safety and efficiency, and our operations may require us to incur greater growth capital expenditures than we currently expect.***

Our facilities, including our passenger terminals and runways, require ongoing maintenance and those expenses are expected to increase as our facilities age. Pursuant to the Concession Contract, we have the obligation to ensure compliance with the applicable requirements of the International Air Transport Association ("IATA") "B" level of service. Due to changes to the Airport Development Reference Manual of IATA (the "IATA Manual") made in December 2014, the CGE concluded in its final report DAPyA-0006-2016 dated January 1, 2016 (the "Final Report"), that the Standards in the Concession Contract were no longer aligned with those of the IATA Manual and made certain recommendations to the Mayor of Quito, the Metropolitan Council of Quito (the "Council") and the General Manager of the Management Unit.

As a result, Quiport, the Municipality and the Management Unit have engaged in negotiations in order to align the service levels of the Concession Contract with the service level which would be equivalent to the former IATA level "B." See "The Concession—The Concession Contract—Obligations under the Concession Contract—General Obligations of Quiport." See "The Concession—The Concession Contract—Obligations under the Concession Contract—General Obligations of Quiport" and "—Quiport is in discussions with the Municipality and the Management Unit that may result in amendments to the Concession Contract."

If we are unable to maintain our facilities in accordance with the terms of the Concession Contract or industry or regulatory standards, we may be subject to penalties or fines, be in breach of the Concession Contract and we may experience periods in which our facilities are unavailable, which could result in unexpected costs or the loss of income. Furthermore, we may be required to undertake unscheduled growth capital expenditure projects if any of the below were to occur:

- higher than expected aircraft or passenger numbers through the Airport;
- changes in travel profiles such that a greater proportion of passengers or aircraft arrive during a peak periods;
- additional security, safety, operating or environmental requirements;

- inaccurate budgeting for new projects or insufficient contingencies with respect to new developments we may undertake;
- changes in airline requirements that require modifications or upgrades to existing infrastructure;
- the asset life of key infrastructure, such as our terminals or runway, is less than expected;
- the increased usage of certain facilities due to unavailability of facilities that are being upgraded;
- loss of a major airport building, for example, from fire or a natural hazard; and
- complex projects involving new technologies experiencing unforeseen implementation failure.

We may incur additional costs if we experience any or all of the events outlined above and our business could be materially adversely affected.

***Our revenues and profitability may not increase whether we fail or succeed in our business strategies.***

Our ability to increase its revenue and profitability will depend in part on our business strategy, which consists of the development of new routes and greater frequencies of flights on existing routes, increasing Airport users' commercial activities, developing infrastructure to accommodate expected growth in passenger traffic and continuing to improve commercial offerings. See "Business—Strategy." Our ability to increase our commercial revenue is significantly dependent upon increasing passenger traffic and expanding and improving its non-regulated revenue, among other factors. We cannot assure you that we will be successful in implementing any of these strategies. Passenger traffic volumes at the Airport depends on factors beyond our control, such as the attractiveness of Ecuador as a business and tourist center. Accordingly, we cannot assure you that overall passenger traffic volume will increase and our results of operations will improve even if our strategies are successful.

***Our substantial indebtedness and debt service obligations could negatively affect our ability to operate the Airport, access future capital, refinance existing or future debt and meet our debt obligations.***

After disbursement of the New Loans, we will be highly leveraged. As of December 31, 2018, after giving pro forma effect to the Loans and the application of the estimated proceeds therefrom, we would have had approximately U.S.$400.0 million of total debt. Our ability to service the Loans and any future debt that is incurred will depend on the future performance of the Airport, which is subject to prevailing economic, financial, operational, competitive, legislative and regulatory factors as well as other factors that are beyond our control and compliance with covenants in the agreements governing such debt. If we are unable to service our debt, the Loans and any other permitted indebtedness could be accelerated, and we cannot assure you that we will have the ability to repay such accelerated debt or that, upon a foreclosure or in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our business, we would have sufficient assets to repay in full such accelerated indebtedness, which could materially adversely affected the ability of the Issuer to make payments on the Notes.

In addition, the terms and conditions of the Existing Loans, as of the date of these listing particulars and following the amendment and restatement of such Existing Loans under the Loans Agreement in accordance with the terms as described in "The Loans Agreement and the Loans," imposes various restrictions and requirements on our ability to operate our business, including:

- restricting or conditioning our ability to refinance our debt;
- reducing funds available to fund our business operations and for other corporate purposes because portions of our cash flow from operations must be dedicated to the payment of principal and interest on our debt; and

- restricting or conditioning our ability to incur additional debt for working capital, capital expenditures or general corporate purposes.

Such restrictions could limit our flexibility in planning for or reacting to changes in our business and in the economy generally, which could have a material adverse effect on our business, results of operation and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Natural disasters could adversely affect our business.***

Ecuador is situated in a seismically active areas and experiences earthquakes and tsunamis from time to time. The last major earthquakes occurred on April 16, 2016, with a magnitude of 7.8, which struck the northern coast of Ecuador causing severe damage to Ecuador's infrastructure in the affected region, including its roads and ports, and most recently, on February 22, 2019, with a magnitude of 7.5, which struck the eastern region of Ecuador, near the border with Peru. A study conducted by the Ecuadorian National Secretary of Planning and Development (*Secretaría Nacional de Planificación y Desarrollo* or "SENPLADES"), the Ecuadorian National Institute of Statistics (*Instituto Nacional de Estadística y Censos* or "INEC") and various ministries estimates that the cost of reconstructing the infrastructure damaged by the earthquake that occurred on April 16, 2016 is approximately U.S.$3.3 billion (approximately 3% of Ecuador's gross domestic product ("GDP")). In connection with the most recent earthquake in Ecuador, given that it struck an area sparsely populated, the preliminary reports indicated no major damage, according to the Ecuadorian President.

Although we have adopted procedures to follow in the event of a natural disaster and the Airport is situated at 2,411 meters above sea level and has been built to withstand natural forces, a natural disaster could damage our physical assets to the point where our ability to operate the Airport could be interrupted. Any such suspension or reduction of operations would have an adverse effect on passenger and cargo traffic and air traffic movements at the Airport and, accordingly, would reduce our income. For example, according to the Independent Traffic Consultant's Report, the 2016 earthquake was one of the causes for the reduction in passenger traffic growth, resulting in a decrease of approximately 0.5 million, or 4%, from approximately 5.4 million in 2015 to approximately 5.2 million in 2018. Although we maintain an "all risk" insurance policy covering physical damage and business interruption, there can be no assurance that the scope of damages suffered by the Airport in the event of a natural disaster would not exceed the policy limits of our insurance. In addition, the effects of a natural disaster on Ecuador's economy and the economies of neighboring countries could be severe and prolonged, leading to a decline in the attractiveness of Ecuador as a tourist destination. The occurrence of a natural disaster, particularly one that causes damages in excess of our insurance policy limits, could have a material adverse effect on our business and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***We are exposed to risks inherent to the operation of airports.***

We are obligated to protect the public at the Airport and to minimize the risk of airside and landside accidents. In addition, under the Concession Contract we are required to maintain certain insurance policies, subject to availability on commercially reasonable terms, for the entirety of the Concession Period. See "The Concession—Concession Contract—Obligations under the Concession Contract—Insurance." As with any business that deals with members of the public, we must implement certain measures for their protection, such as fire safety in public spaces, design and maintenance of car parking facilities and access routes to meet road safety rules. We are also subject to the inherent risks normally associated with the operation of an airport, including equipment failures and ruptures, electrical failures and other hazards, each of which could result in damage to or destruction of the Airport's facilities or injuries to persons and damage to property. We can offer no assurance that our insurance policies will

cover all of our operational hazards. See "Risks Related to Our Business—Our insurance policies may not provide sufficient coverage against all liabilities." We are also obligated to take certain measures related to aviation activities, such as the maintenance, management and supervision of the terminal building, the provisioning of rescue and fire-fighting services for aircraft, the measurement of runway friction coefficients and the management of safety threats from birds and other wildlife on airport sites. These obligations could increase our exposure to liability to third parties for personal injury or property damage resulting from our operations.

***Hardware and software failures, delays in the operation of our computer systems or the failure to implement system enhancements may have an adverse effect on our business.***

Our operations depend on the efficient and uninterrupted operation of our computer systems. A failure of our network or data gathering procedures could impede the processing of data, delivery of databases and services and the day-to-day management of our business and could result in the corruption or loss of data. Despite any precautions we may take or redundant systems we may have, damage from fire, floods, hurricanes, power loss, telecommunications failures, break-ins, computer viruses, hacking or any other cybersecurity events (such as cyber-attacks) at our various computer facilities could result in disruptions in the Airport's power supply or computer systems. Our insurance does not cover damages or losses arising out of cyber security attacks. In addition, any failure to provide the data communications capacity we require could result in service interruptions at the Airport. In the event of a delay in the delivery of data, we could be required to transfer our data collection operations to alternative providers. Significant delays in any planned delivery of system enhancements and improvements, or inadequate performance of the systems once they are completed, could damage our reputation and harm our business.

***Any problems under our commercial agreements could have an adverse effect on our results of operations and operation of our business.***

A portion of our revenue is derived from duty-free stores, space rental, catering, car rentals, banking and foreign exchange, cargo handling, advertising, car parking, departure check-in charges, among other items. Revenue from these agreements represented 25% of our revenue for the year ended December 31, 2018. Following the expiration or termination of these agreements, there can be no assurance that we will be able to find a substitute counterparty for the applicable retail space in a timely manner and on commercially reasonable terms or at all. Any dispute with these counterparties, termination by them of their agreements with us, renewals or extensions of their agreements, difficulties in operating their businesses and making payments to us, or weakening of demand for these agreements could have an adverse effect on our business and results of operations, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Our business operations could be materially adversely affected by restrictions on the sale of tax and duty-free and consumer goods in airports.***

We generate non-aeronautical income through tax and duty-free sales, including sales of alcohol, tobacco, perfume and cosmetics. Any decision by the Ecuadorian government to restrict sales of these products, or limit or prohibit the availability of tax and duty-free sales generally, could materially adversely affect the level of related sales transacted by various duty-free concessionaires. Similarly, any decision by other countries to which we have ongoing flights that limits or prohibits the entry of duty-free goods by residents could materially adversely affect the level of related sales transacted by various duty free concessionaires. Such a result could have an adverse effect on our non-aeronautical income by adversely affecting our receipt of variable rents that are equal to a percentage of duty-free concessionaire's gross sales. In addition, the imposition of security requirements prohibiting certain items from being carried on aircraft has the potential to negatively impact the level of sales transacted by duty free concessionaires.

For example, in 2007, restrictions on carrying liquids, aerosols and gels on aircraft were introduced in response to the perceived security threats presented in connection with these items. The existence of regulations such as these necessarily limits the sale and size of certain products that may be purchased within the Airport. Regulations restricting categories of items that may be carried onto flights may materially impact the sales of our duty-free concessionaires and consequently our non-aeronautical income. As a result, further restrictions on categories of items that may be carried on flights may have a materially adverse effect on our business and financial conditions, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***We face risks in our dealings with counterparties, and the operation of the Airport may be affected by the actions of such counterparties, which are beyond our control.***

We engage with a number of significant counterparties in our operation of the Airport, including the Operators and airlines. Additionally, we may in the future engage third parties in any construction or expansion of the Airport and portions of the Airport's operations are dependent on the services of other third parties for the rendering of services to passengers and airlines. We are dependent on some of these relationships to achieve our strategic and business objectives. However, many of the services provided by these parties are beyond our control. Given the material nature of these relationships, we may be adversely affected by events impacting the relevant counterparty but unrelated to the Airport.

Our cash flows and results of operations are dependent upon the continued ability of our counterparties to meet their payment obligations for the different services provided by the Airport. As of December 31, 2018, flights operated by TAME, Latam and Avianca comprised more than 72% of the Airport passenger traffic, according to the Independent Traffic Consultant's Report. As a result, we may not be able to, if at all, fully anticipate, detect, or protect against deterioration in our counterparties' creditworthiness and overall financial condition. The deterioration of the creditworthiness or overall financial condition of a material counterparty could expose us to an increased risk of non-payment or other default under our agreements with such counterparties. Additionally, any disruption of the commercial relationship between us and those airlines, could result in a significant impact on the Airport's revenues until such time as other market participants replace capacity previously serviced by such airlines.

We have little to no control over the internal management, operations, controls and procedures (including in relation to health, safety and environmental risks, as well as ethical conduct and technical and operational matters) of our significant counterparties. As a result, given the importance to our operations of our counterparties, we face the risk that the actions or omissions of our significant counterparties expose us to reputational and legal risk, and credit or other risks dependent on the operations and financial conditions of our counterparties, and any adverse events affecting such counterparties could have a similarly adverse effect on us, our business and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***The operations at the Airport may be affected by actions of third parties, which are beyond our control.***

As is the case with most airports, the operation of the Airport is dependent on certain public services provided by the Ecuadorian government for the rendering of services to passengers and airlines, such as meteorology, air traffic control, security, electricity and immigration and customs services. In addition, we are dependent on third party providers for certain complementary services such as baggage handling, fuel services, catering and aircraft maintenance and repair. We are not responsible or liable for, and cannot control, the services provided by the Ecuadorian government or by these third parties. Any significant disruption in, or adverse consequences resulting from a third party's failure to perform services, including a work stoppage or other similar event, could have a material adverse effect on our

operations and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***We are subject to various environmental laws, regulations and authorizations that affect our operations and may expose us to significant costs, liabilities, obligations or restrictions.***

We, our airline customers and our commercial counterparties with business operating at the Airport are subject to various environmental laws, regulations and authorizations governing, among other things, the generation, use, transportation, management and disposal of hazardous materials, the emission and discharge of hazardous materials into the ground, air or water, and human health and safety. Failure to comply with these environmental requirements, including the terms of the Concession Contract, could result in our being subject to litigation, fines or other sanctions. We could also incur significant capital or other compliance costs relating to such requirements. We could also be held responsible for contamination, human exposure to hazardous materials or other environmental damage at the Airport or otherwise related to our operations. We are unable to determine our potential liability under these pending or possible future claims.

These environmental requirements, or the enforcement and interpretation thereof, change frequently and have tended to become more stringent over time. Future environmental laws, regulations and authorizations may require us to incur additional costs in order to bring the Airport into, and maintain, compliance. Our ability to undertake capital projects, expand the Airport and meet increased demand could be limited by such future requirements.

Our costs, liabilities, obligations and restrictions relating to environmental matters could have a material adverse effect on our business, results of operations and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Our insurance policies may not provide sufficient coverage against all liabilities.***

We can offer no assurance that our insurance policies will cover all of our liabilities in the event of an accident, natural disaster, terrorist attack or other incident. The market for airport insurance and construction insurance is limited, and a change in coverage offered by insurance companies could reduce our ability to obtain and maintain adequate, cost-effective coverage. Although we believe we have insurance policies that are typical for the airport management industry, a certain number of our assets cannot, by their nature, be covered by property insurance (notably underground equipment, refractory materials (unless otherwise declared and accepted by the insurer) and software). Furthermore, our insurance premiums may increase due to an accident, terrorist attack, acts of war or other incident. Substantial claims resulting in an accident in excess of our related insurance coverage or increased premiums could adversely affect our business and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes. See "—We are exposed to risks inherent to the operation of airports," and "The Concession—Concession Contract—Obligations under the Concession Contract—Insurance."

***We are subject to current and future legal proceedings and disputes, which could have a material adverse effect on our business, financial condition, results of operations and future prospects.***

We are subject to current and future legal proceedings and disputes, including administrative proceedings against the CGE and the Attorney General of Ecuador before the Administrative Contentious Court of Ecuador and against the SRI. See "Business—Legal Proceedings." An unfavorable decision rendered in these proceedings and subsequent appeals could require us to pay significant damages. We can give you no assurance that the outcome of any such matter would not have a material adverse effect on our financial condition, results of operations or cash flows. We are unable to predict the ultimate outcome of

these disputes or the actual effect of these matters on our profitability at this time, and any views we form as to the viability of these claims or the financial exposure in which they could result, could change from time to time as the matters proceed through their course, as facts are established, and various judicial determinations are made.

***We have entered into certain transactions with related parties that may create conflicts of interest.***

We have entered into transactions with certain related parties and certain of our direct and indirect Shareholders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Intercompany Loans," "Certain Relationships and Related Party Transactions" and see note 21 to the Financial Statements. For example, two of our Shareholders, CCR and Odinsa, are guarantors of the Existing Loans that will be purchased and the Existing Lenders thereunder will be repaid in connection therewith using a portion of the proceeds of the Notes being offered hereby. Additionally, the Issuer is owned (indirectly) by our Shareholders, which could create a conflict of interest between Quiport, the Issuer, our Shareholders and the holders of the Notes, especially in the case of bankruptcy, insolvency or similar event of Quiport, the Issuer or one of our Shareholders. See "Risk Factors—Risks Related to the Notes— Enforcing rights under the Loans and the Notes may be difficult and insolvency laws of Ecuador or Spain may not be as favorable to holders of the Notes and may preclude holders of the Notes from recovering payments due on the Notes." We believe that all of our transactions with related parties have been conducted in a manner consistent with our normal business practices on market terms and are in accordance with applicable legal standards. There can be no assurance that the terms and scope of any related party transactions are as favorable to us as those that may have been obtained from unaffiliated third parties. Additionally, no assurance can be given that the potential conflicts of interest inherent in these transactions would not disadvantage us, particularly in circumstances in which our interests differ from the interests of our affiliates or creditors, and have a materially adverse effect on our business and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Our success depends on key members of our management.***

Our current and future performance depends significantly on the continuous contribution of our executive officers and key members of our management and employees. Employee hiring and assignment takes into account the competence, skills, aptitude and knowledge of the corresponding person as well as their capacity, work-ethic, honesty and commitment to achieve the objectives proposed for that position. We cannot guarantee that we will have the same group of executive officers and management in the future, or that in the event that new executive officers or management are hired to replace them, they will have the same knowledge and experience. The loss of our executive officers and key members of our management and employees may adversely affect our business, financial condition and results of operations, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Deterioration of labor relations could have a material adverse impact on our results of operations.***

As of December 31, 2018, there were a total of 358 employees at the Airport, of which 101 were employees of Quiport and 257 were employees of the Operator. As of December 31, 2018, 34 of the Operator's employees, were members of the ADC & HAS Labor Union; 46 were members of the Aeronautical Firefighter ADC & HAS Association; and 220 were members of the Quiama Ecuador Employees Association. There currently are no collective bargaining agreements and we have not experienced any strikes or other union-related issues. Although we believe we currently have good relations with our employees, if our employees were to engage in strikes or other work stoppages, including sabotage, we could experience a significant disruption of our operations and higher ongoing

labor costs, which could have an adverse effect on our business, financial position and results of operations. In addition, we could be adversely affected by labor unrest or strikes by employees of governmental agencies that supervise or that provide immigration, security or other services at the Airport, and with whom we must work to operate our business. Any deterioration of our relationships with our employees or governmental agencies could have a material adverse effect to our operations and financial condition, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***Failure to comply with applicable laws and regulations in respect of corruption, money-laundering and other illegal or improper activities could have a material adverse effect on our business.***

We are subject to a variety of domestic and international laws and regulations, including applicable anti-bribery, anti-money laundering and anti-corruption laws and regulations and sanctions related to doing business with certain persons and countries. Such laws and regulations vary by jurisdiction and may not be equally stringent. We are in the process of developing policies and procedures designed to promote and achieve compliance by us and our respective directors, officers, employees and agents with anti-bribery, anti-money laundering and anti-corruption laws and regulations and sanctions. However, we have no obligation to maintain them and may elect not to continue developing them or maintaining them at any time or at all. Although we seek to comply with all laws, regulations and requirements applicable to our business, there can be no assurance that our efforts will be sufficient to prevent or detect inappropriate practices or violations of law in all relevant jurisdictions by our equity holders, employees, officers and affiliates or those of our equity holders, customers, suppliers or sub-concessionaires. Any failure by our equity holders, employees, officers and affiliates, customers, suppliers or sub-concessionaires to comply with any of these requirements could have a material adverse effect on our business, reputation, result of operations or financial condition.

***Investigations involving one of our Shareholders, CCR, may have a negative impact on our business.***

On February 23, 2018, reports were published in the media involving one of our Shareholders, CCR, with regards to a deposition of Brazilian lobbyist, Mr. Adir Assad, under the 48$^{th}$ phase of Brazil's Federal Police anti-corruption investigation named *Lava Jato* (the "Lava Jato Operation"), in which Mr. Assad alleged that certain fictitious contracts were entered into by CCR and/or its affiliated companies in the amount of approximately R$46 million between 2009 and 2012.

Due to the abovementioned information, on February 28, 2018, CCR's Board of Directors approved the creation of an Independent Committee (the "Independent Committee") to conduct an internal investigation with the purpose to look into the allegations mentioned in the deposition of Mr. Assad and other related issues (the "Internal Investigation"). The Independent Committee was advised by outside legal counsel and an international consulting firm specialized in corporate investigations.

In parallel, in 2018 the Brazilian federal prosecutor in the state of Paraná and the São Paulo state prosecutor commenced investigations with respect to these and other allegations.

On November 29, 2018, CCR entered into a confidential agreement with the government of São Paulo (*Termo de Autocomposição*), which provided for the termination of the investigation being conducted by the São Paulo state prosecutor with respect to the allegations mentioned in Mr. Assad's deposition and other events, as required by the relevant authorities. The *Termo de Autocomposição* also provided for the payment by CCR of a fine in the amount of R$81.53 million. Such agreement is subject to ratification by courts in the state of São Paulo, Brazil.

On December 5, 2018, the Internal Investigation was finalized and two days thereafter the Independent Committee presented the results to CCR's Board of Directors. The results of the Internal Investigations includes information that was reported to the São Paulo state prosecutor within the context of the *Termo*

*de Autocomposição* and, as such, is also subject to confidentiality, as required by the relevant authorities. Upon receipt of the results of the Internal Investigation, CCR's Board of Directors approved the implementation of additional measures to enhance CCR's internal controls and corporate governance structure.

On March 6, 2019, CCR announced that its controlled company Rodonorte - Concessionária de Rodovias Integradas S.A. ("RodoNorte") entered into a leniency agreement with the Federal Public Prosecution Office of Paraná (the "Leniency Agreement"), pursuant to which RodoNorte agreed to (a) pay a cash fine in the amount of R$35.0 million, as well as (i) to forfeit an amount of R$350.0 million, in the form of a 30% discount on toll collection prices granted to highway drivers using all the toll roads operated by RodoNorte for at least 12 months and (ii) to undertake additional works on the roads it operates in a total amount equivalent to R$365.0 million; and (b) submit to external compliance monitoring process, in accordance with the terms of the Leniency Agreement. The Lenience Agreement is subject to ratification by courts in the state of Paraná, Brazil, and the terms and conditions of such agreement are confidential, as provided by applicable law.

The non-ratification of the *Termo de Autocomposição* or the Leniency Agreement by the courts in Brazil could have a negative impact on the reputation and results of operations of Quiport and CCR.

**Risks Related to Ecuador**

***Ecuador has defaulted on its sovereign debt obligations in the past and could face challenges in its ability to access external funding in the future. In addition, Ecuador's sovereign credit rating was recently downgraded by Fitch and its outlook was revised to negative from stable by Moody's, which could contribute to further difficulty in accessing external funding or higher debt service costs.***

In 2008, Ecuador defaulted on its interest payments for certain of its sovereign bonds due 2012 (the "2012 Bonds") and 2030 (the "2030 Bonds and, together with the 2012 Bonds, the "2012 and 2030 Bonds") in the aggregate amount of approximately U.S.$157 million and principal payments of approximately U.S.$3,200 million. These defaults followed the publication of a report in 2008 by the Commission of Integral Audit of Public Credit ("CAIC"), a committee composed of representatives from both the Ecuadorian government and private sector organizations and members of civil society. CAIC reviewed Ecuador's debt obligations from 1976 to 2006 and in its report made a number of findings regarding the legitimacy of Ecuador's debt obligations (including the 2012 and 2030 Bonds), in particular relating to concerns involving the public assumption of private debt, appropriate authorizations, sovereign immunity, and the relevant economic terms of the debt obligations incurred, and determined that the bonds had been issued illegally. After the default, which occurred during the first term of President Correa's administration, Ecuador offered to repurchase the 2012 and 2030 Bonds at a discount to their par value. Holders responded to this offer by tendering substantially all of the 2012 and 2030 Bonds. Although some holders continue to hold the defaulted 2012 and 2030 Bonds, Ecuador has successfully repurchased additional 2012 and 2030 Bonds from remaining holders from 2009 onwards. As of February 26, 2019, the total aggregate amount of outstanding principal on the 2012 Bonds is U.S.$68,048,000, which represents 5.44% of the original aggregate principal amount of the 2012 Bonds, and the total aggregate amount of outstanding principal on the 2030 Bonds is U.S.$149,634,000, which represents 5.99% of the original aggregate principal amount of the 2030 Bonds. In addition, on August 17, 2018, Fitch downgraded Ecuador's long-term foreign-currency issuer default rating to "B-" from "B" and, in January 2019, revised Ecuador's outlook to negative while, its outlook was revised to negative from stable by Moody's in December 2018, which may increase Ecuador's difficulty in accessing external funding. Furthermore, on January 28, 2019, Ecuador issued additional U.S.$1,000 million sovereign debt in the form of 10.75% notes due in 2029 (the "2029 Bonds").

In addition, Ecuador has engaged in discussions with the IMF and other multilateral entities for purposes of securing additional funding in the future. Although Ecuador has a staff-level agreement with the IMF with respect to a $4.2 billion lending package, the agreement remains subject to approval by the IMF's directors, and we cannot assure you when or if such agreements will be finalized or if Ecuador will consummate such proposed transactions. See "Summary—Recent Developments." Failure to consummate such lending package could negatively impact Ecuador's ability to pay back its outstanding debt and decrease liquidity and price of the Notes.

Furthermore, Ecuador relies, in part, on additional financing from the domestic and international capital markets in order to meet its future expenses. Although Ecuador has remained current on its obligation to its other series of sovereign bonds, as well as on its other debt obligations, given the history of defaults, and more recently, defaults with respect to the 2012 and 2030 Bonds, combined with a downgraded credit rating, its recent issuance of the 2029 Bonds and reports of discussions for additional funding in the future, Ecuador may not be able to access external financing on favorable terms or at all, and might be subject to legal proceedings and disputes, any of which could materially adversely affect the market value of the sovereign bonds of Ecuador, the rating of Ecuador and of any Ecuadorian company, such as us and our debt.

***We are exposed to Ecuadorian political risk, which has been characterized by institutional instability.***

All of our operations are located in Ecuador. Therefore, our results of operations and financial condition are dependent on economic, political and social developments in Ecuador, and are affected by the economic and other policies of the Ecuadorian government, including depreciation, inflation, economic downturns, political instability, social unrest and terrorism. Between 1997 and 2007, Ecuador had eight presidents, and three of them were overthrown during periods of political unrest. Since 2007, Alianza PAIS, the leading political party in Ecuador, won majorities in five consecutive National Assembly elections and three presidential elections. Additionally, there has been recent turnover in the governmental cabinet, in particular with respect to the position of finance minister. Ecuador's finance minister was replaced in both March and May 2018, and currently Richard Martinez serves in such position.

Since 2007, Ecuador adopted a new Constitution as well as diverse other changes to the legal framework, defaulted on interest payments for certain sovereign bonds, and took various measures impacting investments in Ecuador. Since Mr. Moreno assumed the presidency in 2017, Ecuador has investigated allegations of corruption in connection with various members of the prior Correa administration, including, among others, Jorge Glas, who served as Vice President for the last four years of the Correa administration and the first six months of the Moreno administration until his removal from office in January 2018. Among other officials under investigation for corruption is the former Comptroller, Carlos Polit, who is no longer in the country and has been replaced by Mr. Pablo Celi.

Moreover, in March 2019, municipal elections will be held in Ecuador for a number of regional public offices, and we cannot predict the outcome of such elections or the impact it could have in terms of instability deriving from uncertainties related to changes in leadership among key governmental decision makers or policies. We cannot assure you that the current political situation will continue or any future administration will implement political and economic policies or policies that stimulate economic growth and social and institutional stability. Any changes in the economy or the government of Ecuador may materially and adversely affect us.

***Any investment in debt instruments of a company that operates in an emerging market, such as Ecuador, involves significant risk.***

Ecuador is an emerging market economy. Emerging markets are generally more vulnerable to market volatility, as well as political and economic instability, than developed markets. As such, investments in

debt instruments of issuers with all or substantially all of their interests in an emerging market are subject to certain risks that may affect economic and fiscal results. These risks include:

- inflation;
- high interest rates;
- changes in governmental economic, tax or other policies;
- the imposition of trade barriers or exchange controls;
- dependence on remittances and tourism;
- wage and price controls, including with respect to the tariffs charged by us;
- economic downturns and political and social instability; and
- expropriation and political violence or disturbance.

Ecuador's economy remains vulnerable to external shocks, including the negative global economic consequences that occurred as a result of the global economic recession that took place in 2008 and 2009, the economic impact of the decrease in international oil prices that took place between the fourth quarter of 2014 and into 2016 and the negative economic consequences that can arise as a result of future significant economic difficulties of its major regional trading partners or by more general "contagion" effects, which could have a material adverse effect on Ecuador's economic growth and its ability to service its public debt. In particular, Ecuador secondary levels and oil prices have had a strong inverse correlation in recent years. In addition, political events such as a change in administration in the United States or changes in the policies of the European Union or Ecuador's regional trading partners could impact Ecuador's economy.

In addition, economic conditions in Ecuador are, to some extent, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have effects on the securities of issuers in other countries, including Ecuador. We cannot assure you that events outside Ecuador, especially in other emerging markets, will not have a negative impact on economic conditions in Ecuador or adversely affect the market value of the Notes. Any of the above factors may adversely affect payments on the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes or the liquidity of, and trading market for, the Notes.

***Changes in tax laws and regulations, uncertainties with respect to future tax policies or the interpretation of existing regulations in Ecuador could adversely affect our business, results of operations and financial condition.***

Changes in tax laws and regulations, uncertainties with respect to future tax policies or the interpretation of existing regulations in Ecuador could adversely affect our business, results of operations and financial condition.

The Ecuadorian government may implement changes to tax regulations, which could affect our tax burdens, by, for example, increasing tax rates and fees, creating new taxes, limiting tax deductions and/or eliminating tax-based incentives and non-taxable income rules. In addition, the interpretation of existing tax regulations of tax authorities and courts may differ from ours, which could result in tax litigation and associated costs and penalties. We are unable to estimate the outcomes that any such changes or interpretations could have on business, results of operations and financial condition. See "We are

currently involved in disputes regarding payment of certain taxes with the SRI, and any unfavorable determination could result in significant liabilities."

Under existing regulations, the Borrower expects that a withholding tax of 25% will be applicable in Ecuador to interest payments on the New Loans in excess of the interest payment accrued at the maximum local reference rate (t*asa activa referencial*) published by the Ecuadorian Central Bank on a monthly basis, through 2023, plus 0.25%. Additionally, under Ecuadorian regulations, subsequent to the expiration of the benefits of the tax treatment under the Investment Contract in June 2023, the Borrower expects that a withholding tax of 25% will be applicable in Ecuador to interest payments on the Assigned Loans and the tranche of the New Loans that will be used to repay the Intercompany Loans, in excess of the interest payment accrued at the local reference rate published by the Ecuadorian Central Bank on monthly basis, and a withholding tax of 25% will be applicable in Ecuador to the full amount of interest payments of the New Loan to be used to make the distribution of dividends. The Lender may apply for a refund of the withheld amounts in accordance with the terms of the Double Taxation Agreement executed between Ecuador and Spain. The tax treatment of the structure of this transaction is uncertain, and an alternative characterization of the transaction or changes in law in Ecuador could result in different withholding tax treatment or requirements. Any greater tax withholding requirements could materially adversely affect the Borrower's ability to make payments on the Loans, and consequently, the Issuer's ability to make payments on the Notes. See "—The Ecuadorian tax treatment of the Loans is not certain, and a tax treatment different from what is summarized in these listing particulars could result in material adverse tax consequences to the Borrower. In addition, under the terms of the Loans Agreement, the Borrower will be required, in lieu of paying Additional Amounts to the Lender and making additional payments to the Issuer in respect of Notes Additional Amounts payable by the Issuer, to adjust the Applicable Rate for each interest period to take into account any Additional Amounts and Notes Additional Amounts that would otherwise be payable."

Under the terms of the Loans Agreement, the Borrower will be required, in lieu of paying Additional Amounts to the Lender and making additional payments to the Issuer in respect of Notes Additional Amounts payable by the Issuer, to adjust the Applicable Rate (as defined herein) for each interest period to take into account any Additional Amounts and Notes Additional Amounts that would otherwise be payable. To the extent any adjustment to the Applicable Rate does not fully take into account such Additional Amounts and Notes Additional Amounts, and the Borrower is not able to otherwise pay such Additional Amounts to the Lender and make payments to the Issuer in respect of such Notes Additional Amounts, the payments of interest under the Loans may not be aligned with the required payments of interests on the Notes, which could have a material adverse effect on the ability of the Issuer to make payments on the Notes. See "—Risks Related to the Notes—The interest rate gross up mechanism applicable to Additional Amounts required to be withheld, deducted or otherwise discounted with respect to interest payments to be made on the Loans may be unenforceable or subject to penalty by the government of Ecuador."

***The Ecuadorian economy is vulnerable to external factors such as global recessions, the volatility of commodity and raw material prices and natural disasters affecting the agricultural sector, which could adversely affect our business and financial performance.***

Prior to the adoption of the Dollarization Program, Ecuador suffered periods of high inflation. From 1994 to 1999, the inflation rate ranged from a 22.8% low in 1995 to a 60.7% high in 1999. In 1999 and early 2000, the sharp devaluation of the sucre contributed to an increase in the inflation rate of 96.1% in 2000. The restrictions imposed by the Dollarization Program brought this to an end. The inflation rate was 3.4% in 2015 and 1.1% in 2016. In 2017, Ecuador experienced deflation of 0.2%. For the year ended December 31, 2018, inflation was 0.3%. A return to the sucre could increase the risk of inflation in

Ecuador, which could have a material adverse effect on our results of operations and financial performance.

Given the constraints of dollarization, and Ecuador's inability to issue currency, Ecuador is more vulnerable than other countries to external factors such as global recessions, the volatility of commodity and raw material prices and natural disasters affecting the agricultural sector. The relative strength or weakness of the dollar, relative to the currencies of Ecuador's Andean trading partners, has also affected Ecuador's inflation rate during those periods. Adverse changes in these external factors could weaken Ecuador's economy, which could have a material adverse effect on our results of operations and financial performance.

***A significant increase in interest rates in the international financial markets could have a material adverse effect on the economies of Ecuador's trading partners and adversely affect Ecuador's economic growth and Ecuador's ability to make payments on its outstanding public debt.***

If interest rates outside Ecuador increase significantly, Ecuador's trading partners could find it more difficult and expensive to borrow capital and refinance their existing debt. These increased costs could adversely affect economic growth in those countries. Decreased growth on the part of Ecuador's trading partners could have a material adverse effect on the markets for Ecuador's exports and, in turn, adversely affect Ecuador's economy and, additionally, could reduce air travel in the region, which could have an adverse effect on our results of operations and financial performance. An increase in interest rates would also increase Ecuador's debt service requirements with respect to Ecuador's debt obligations that accrue interest at floating rates. As a result, Ecuador's ability to make payments on its outstanding debt would be adversely affected. Any failure by Ecuador to make payments on its outstanding public debt could have a material adverse effect on our results of operations and financial performance, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

***A number of factors have impacted and may continue to impact revenues and the performance of the economy of Ecuador.***

The economy of Ecuador and the Republic's budget are highly dependent on petroleum revenues. There can be no assurance that revenues from petroleum exports will not experience significant fluctuations as a result of changes in the international petroleum market. For example, in response to the decline in revenue attributable to the fall in the price of oil in 2016, Ecuador reduced its budget from U.S$34.1 billion in 2015 to U.S.$29.8 billion in 2016. Concerns with respect to the weakness of the world economy, terrorism, market volatility and certain geopolitical developments, such as political instability in the Middle East and Venezuela, may have a potentially adverse effect on the petroleum market as a whole. Worsening economic conditions in any of these regions could have a significant impact on Ecuador's revenues from oil and overall economic activity. Any reduction in Ecuador's crude oil production or export activities or a decline in the prices of crude oil and refined petroleum products for a substantial period of time may materially adversely affect Ecuador's revenues and the performance of its economy which could affect passenger traffic demand or otherwise have a material adverse effect on our results of operations and financial performance, including our ability to make payments under the Loans, which, in turn, could impact the Issuer's ability to make payments on the Notes.

**Risks Related to the Notes**

***The Issuer has no operations and has limited sources of funds.***

The Issuer was incorporated on January 31, 2019, for the sole purpose of acting as issuer for the Notes and Lender under the Loans Agreement, and the Issuer has no other business, assets or revenue-generating operations. As a result, the Issuer is subject to many of the risks common to newly-formed

enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources. Its only significant assets consist of its interest in the Loans, any rights as beneficiary under the Assignment of Fiduciary Trust Rights (as defined herein) and any cash in its accounts.

Furthermore, the Notes are obligations of the Issuer secured by the Notes Collateral, and will not be direct obligations of, nor be guaranteed by, Quiport, the Indenture Trustee, any of the Shareholders, or any other party other than the Issuer. Because the Issuer has no operations of its own, its ability to pay principal, interest and other amounts due on the Notes will be dependent upon receiving payments under, or with respect to, the Loans Agreement and the other Loans Documents (as defined herein), and, as a result, on Quiport's financial condition, liquidity and results of operations. Additionally, the Indenture will include covenants and other provisions that, among other things, restrict the Issuer's ability to borrow money, dispose of its assets to generate cash and engage in any operations other than those described above and related activities. Failure of Quiport to make scheduled payments under the Loans Agreement (including upon a prepayment event or following an acceleration of the Loans) and thereby make funds available to the Issuer to pay amounts due on the Notes will result in non-payment of the Notes, and holders of the Notes may have to rely on claims for payment under the Notes Collateral, which is limited and may not be sufficient for payment of amounts under the Notes. See "—The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes, and the value of the Notes Collateral may be less than the principal amount of the Notes and it may be difficult to realize the value of the Notes Collateral."

***Payments on the Notes will be subject to Quiport's ability to make payments on the Loans.***

The Notes are structured so that funds available to the Issuer under the Loans are expected to be sufficient to pay amounts on the Notes. Therefore, the Notes are subject to the same credit risks to which Quiport's obligations are subject, as well as certain other risks, and the Issuer's ability to make timely and full payment of the amounts payable on the Notes will be dependent upon Quiport's creditworthiness. Quiport's ability to service its debt under the Loans Agreement is subject to its ability to maintain sufficient operating cash flow and other factors, which are beyond the Issuer's control. See "—Risks Related to Our Business" and the other information relating to Quiport included in these listing particulars. Any failure of Quiport to make payments on its debt may result in nonpayment of the Loans and, as a result, affect the ability of the Issuer to make payment on the Notes.

***The Ecuadorian tax treatment of the Loans is not certain, and a tax treatment different from what is summarized in these listing particulars could result in material adverse tax consequences to the Borrower. In addition, under the terms of the Loans Agreement, the Borrower will be required, in lieu of paying Additional Amounts to the Lender and making additional payments to the Issuer in respect of Notes Additional Amounts payable by the Issuer, to adjust the Applicable Rate for each interest period to take into account any Additional Amounts and Notes Additional Amounts that would otherwise be payable.***

Under existing regulations, the Borrower expects that a withholding tax of 25% will be applicable in Ecuador to interest payments on the New Loans in excess of the interest payment accrued at the tasa activa referencial, a local reference rate published by the Ecuadorian Central Bank on monthly basis. Additionally, under Ecuadorian regulations, subsequent to the expiration of the protections afforded by the Investment Protection Agreement in 2023, the Borrower expects that a withholding tax of 25% will be applicable in Ecuador to interest payments on the Assigned Loans and the tranche of the New Loans which will be used to repay the Intercompany Loans, in excess of the interest payment accrued at the local reference rate. Additionally, the Lender may apply for a refund of the withheld amounts due to the application of the Double Taxation Agreement executed between Ecuador and Spain. The tax treatment of the structure of this transaction is uncertain and an alternative characterization of the transaction,

interpretation of the application of the Double Taxation Agreement or changes in law in Ecuador could result in different withholding tax treatment or requirements. Any greater tax withholding requirements could materially adversely affect the Borrower's ability to make payments on the Loans, and consequently, the Issuer's ability to make payments on the Notes.

Additionally, under the terms of the Loans Agreement, the Borrower will be required, in lieu of paying Additional Amounts to the Lender and making additional payments to the Issuer in respect of Notes Additional Amounts payable by the Issuer, to adjust the Applicable Rate for each interest period to take into account any Additional Amounts and Notes Additional Amounts that would otherwise be payable. To the extent any adjustment to the Applicable Rate does not fully take into account such Additional Amounts and Notes Additional Amounts and the Borrower is not able to otherwise pay such Additional Amounts to the Lender and make payments to the Issuer in respect of such Notes Additional Amounts, the payments of interest under the Loans may not be aligned with the required payments of interests on the Notes, which could result in the Issuer receiving insufficient amounts to make payments on the Notes.

***The interest rate gross up mechanism applicable to Additional Amounts required to be withheld, deducted or otherwise discounted with respect to interest payments to be made on the Loans may be unenforceable or subject to penalty by the government of Ecuador.***

According to art. 90 of the Fiscal Code (*Código Tributario*) and art. 35 of the Regulation for the application of the Internal Tax Regime Law (*Reglamento para la aplicación de la Ley de Régimen Tributario Interno*), any gross up with respect to Ecuadorian withholding tax may be deemed unenforceable or subject to penalty or considered as non-deductible for tax purposes. In order to compensate the Lender (and indirectly, the holders of the Notes) for any withheld amounts under the Loans Agreement, the Loans Agreement will provide for the interest rate to increase such that the amount received by the Lender is equal to the full amount due under the Loans Agreement for each scheduled payment date if no amounts had been withheld or deducted. However, no assurance can be given that the government of Ecuador or the courts thereof will not declare such interest rate adjustment unenforceable or subject to penalty, which may reduce the payments received by the Issuer under the Loans in its capacity as Lender and would adversely affect the ability of the Issuer to make payments on the Notes. See "The Loans Agreement and the Loans—Additional Amounts" and "—Risks Related to Ecuador—Changes in tax laws and regulations, uncertainties with respect to future tax policies or the interpretation of existing regulations in Ecuador could adversely affect our business, results of operations and financial condition."

***The Loans are unsecured and the Issuer, in its capacity as Lender under the Loans Agreement, will only have a fiduciary interest in certain Onshore Borrower Trust Assets, none of which may be sufficient to satisfy amounts owed in respect of the Loans and it may be difficult to realize the value thereof.***

The Loans are unsecured obligations of Quiport. The Loans will not be secured by liens on any real property or equipment of Quiport, nor will the Loans benefit from a pledge or assignment of any of the Project documents relating to the Airport or a pledge or security interest over any of Quiport's accounts. The Lender, in its capacity as Lender under the Loans Agreement, will benefit from an assignment of the trust beneficiary rights in respect of the Onshore Borrower Trust Agreement pursuant to the Assignment of Fiduciary Trust Rights, except for the Municipality's interest over the NQIA Surcharges (as defined in the Strategic Alliance Agreement), and will not have any security interest pursuant to the Onshore Borrower Trust Agreement. See "The Loans Agreement and the Loans."

The trust beneficiary rights of the Issuer, in its capacity as Lender under the Loans Agreement, in respect of the Onshore Borrower Trust Agreement is a fiduciary right that, in the event of default, enables the beneficiary to give instructions and to receive the underlying cash flow, in each case in accordance with

the terms of the Onshore Borrower Trust Agreement. Under Ecuadorian law, such fiduciary rights do not constitute a security interest and the Lender will not have a real right (*derecho real*) over any of the Onshore Borrower Trust Assets. In accordance with the terms of the Onshore Borrower Trust Agreement, the remedies available in connection with such fiduciary rights upon the occurrence and continuance of an Event of Default provide only that the Onshore Trustee (as defined herein) may suspend the withdrawal of funds from the local accounts and may make any payment of outstanding Obligations with the funds derived from the Onshore Borrower Trust Estate (as defined herein), in accordance with any express instruction that may be received from the Offshore Collateral Agent (for purposes of the Onshore Borrower Trust Agreement) or, otherwise, in accordance with an Instruction of Remedies (*Instrucción de Recursos*). Therefore, in the event the Onshore Trustee fails to comply with any instructions made pursuant to the Onshore Borrower Trust Agreement, the Lender may not unilaterally foreclose on the Onshore Borrower Trust Assets and would be required to initiate proceedings against the Onshore Trustee in order to require compliance with its instructions. These proceedings could be lengthy and could result in delays in the realization of value of the Onshore Borrower Trust Assets, which would have an adverse effect on the Lender's ability to make payments on the Notes. Therefore, if Quiport fails to make payments or otherwise defaults under the Loans Agreement, the Issuer, as Lender, may not receive sufficient proceeds from the Onshore Borrower Trust Assets to satisfy amounts owed on the Loans, and, accordingly, the Issuer may be unable to recover sufficient proceeds to repay all amounts due under the Notes.

***The Offshore Borrower Accounts will not be subject to any security interest for the benefit of the holders of the Notes or the Lender and, in the event of any enforcement proceeding, the holders of the Notes will not be permitted, either directly or through the Lender, the Indenture Trustee or any agent, to direct the Offshore Account Bank to take any actions with respect to the Offshore Borrower Accounts or otherwise control such Offshore Borrower Accounts.***

Pursuant to the Master Accounts Agreement, the Borrower will agree to establish and maintain the Offshore Borrower Accounts and to apply funds on deposit in the Offshore Collection Account in accordance with the priorities and procedures set forth therein. However, no security interest will be granted on such Offshore Borrower Accounts or any amounts on deposit therein for the benefit of the holders of the Notes or the Lender, and the holders of the Notes will not be permitted, either directly or through the Lender, the Indenture Trustee or any agent, to direct the Offshore Account Bank to take any actions with respect to the Offshore Borrower Accounts, amounts on deposit therein or otherwise control such Offshore Borrower Accounts, even in the event of an enforcement scenario. As such, the holders of the Notes and the Lender will have no priority with respect to such accounts or the amounts on deposit therein, which could adversely impact payments on the Notes due to the holders. See "The Loans Agreement and the Loans—Accounts and Priority of Payments—Offshore Borrower Accounts."

***The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes, and the value of the Notes Collateral may be less than the principal amount of the Notes and it may be difficult to realize the value of the Notes Collateral.***

The Notes will be secured for the benefit of the Holders solely by a first priority security interest in (i) the shares of the Issuer, (ii) the Lender's rights in the Loans Agreement, (iii) the Issuer Accounts (as defined herein) and amounts on deposit therein, (iv) the shares of the Borrower, (v) all future Subordinated Indebtedness (as defined herein), and (vi) any proceeds of the foregoing. See "Description of the Notes—Notes Collateral." The value of the Notes Collateral may be less than the principal amount of the Notes, and no assurance can be given that, if the Issuer defaults on the payments due on the Notes and the Notes Collateral Agent forecloses on and sells the Notes Collateral, holders of the Notes will receive sufficient proceeds to satisfy all amounts owed on the Notes. In addition, any enforcement of the Notes Collateral would be subject to relevant insolvency laws and regulations, and recovery of the value of any assets on insolvency may be limited or constrained by application of these laws and regulations. See "—The

disposal of pledged assets under Ecuadorian and Spanish law will be subject to statutory restrictions and may be substantially delayed."

***While the Notes will be secured by a first priority lien on the Lender Debt Service Reserve Account and the Lender Debt Service Payment Account, a failure by the Borrower to make a funding sufficient to fund the Required Balance for such accounts (other than the initial funding of the Lender Debt Service Reserve Account or funding of the Lender Debt Service Reserve Account to its Required Balance as of each Semi-Annual Transfer Date) will not constitute an Event of Default if it is exclusively the result of insufficient funds being available for such funding.***

Under the terms of the Loans Agreement, the Borrower shall be required to contribute sufficient funds to the Issuer on each Monthly Transfer Date to fund the Required Balance in the Lender Debt Service Payment Account and the Lender Debt Service Reserve Account. However, failure by the Borrower to make such funding (other than the initial funding of the Lender Debt Service Reserve Account or funding of the Lender Debt Service Reserve Account to its Required Balance as of each Semi-Annual Transfer Date (as defined herein)) shall not in and of itself constitute an Event of Default under the Loans Agreement and the Indenture, if it is exclusively the result of insufficient funds being available for such funding in accordance with the Master Accounts Agreement. See "Description of the Notes—Events of Default." A failure by the Borrower to fund the Lender Debt Service Payment Account and the Lender Debt Service Reserve Account to their Required Balance could limit the amounts that are available for the Issuer and have an adverse effect on the ability of the Issuer to make payments on the Notes. Enforcement on certain of the Notes Collateral may require a two-step process by holders of the Notes enforcing on the Notes Collateral prior to exercising any available right or action under the Loans Agreement.
Although the payments of the Notes will be secured by the Notes Collateral, in an enforcement scenario, the holders of the Notes, acting through the Notes Collateral Agent, may be required to enforce on certain of the Notes Collateral, before they can exercise any available right or action under the Loans Agreement. The enforcement process on the Notes Collateral could be lengthy and could result in delays in the realization of value of the Notes Collateral, which would delay any related payment under the Loans and have an adverse effect on the Issuer's ability to make payments on the Notes. Additionally, such requirements may also delay the ability of the holders of Notes to enforce their rights against other lenders that may be seeking remedies against Quiport.

***Failure to perfect security interests in the Notes Collateral on a timely basis or at all could adversely affect the rights of holders of the Notes in the Notes Collateral.***

The failure to properly perfect liens on the Notes Collateral on a timely basis or at all could materially adversely affect the ability of the Notes Collateral Agent to enforce its rights with respect to the Notes Collateral for the benefit of the holders of the Notes. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest or lien can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the Indenture Trustee or the Notes Collateral Agent will monitor the future acquisition of property and rights that constitute Notes Collateral or that the Issuer or the Shareholders, as applicable, will inform the relevant agents of such acquisition, and that the necessary action will be taken to properly perfect the lien on the Notes Collateral including with respect to the filing of any supplemental documentation, including continuation statements to maintain the collateral perfected. Neither the Indenture Trustee nor the Notes Collateral Agent will have any obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interests therein. Such failure may result in the loss of the practical benefits of the liens thereon or of the priority of the liens securing the Notes and have an adverse effect on the rights of the Noteholders to the Notes Collateral.

***The Notes Collateral securing the Notes may be diluted under certain circumstances.***

The Notes Collateral may secure additional notes issued in the future in certain circumstances to fund the making of additional loans to Quiport, subject to restrictions on and conditions to any such issuance contained in the Indenture. In addition, certain of the Notes Collateral may be shared with *pari passu* debt holders in limited circumstances. The rights of holders of Notes to the Notes Collateral would be diluted by any such increase in the indebtedness secured by the Notes Collateral.

***The disposal of pledged assets under Ecuadorian and Spanish law will be subject to statutory restrictions and may be substantially delayed.***

Appropriation of pledged assets by the pledgee upon the occurrence of an enforcement event is generally not permitted under Ecuadorian and Spanish law. As a result, the enforcement of a share pledge governed by Ecuadorian and Spanish law typically requires the sale of the relevant collateral through a formal disposal process involving a public auction or other similar procedures. No assurance can be given that any such disposal process would be successful and any such steps may result in substantial waiting periods, notice requirements, legal costs and expenses that may not be recoverable from the Issuer or through the enforcement of the Borrower Share Pledge Agreement and the Issuer Share Pledge Agreement. See "Enforcement of Civil Liabilities in Spain," "Enforcement of Civil Liabilities in Ecuador" and "Limitations on Validity and Enforceability of the Security Interests in the Notes Collateral and Certain Insolvency Law Considerations."

***Enforcing rights under the Loans and the Notes may be difficult and insolvency laws of Ecuador or Spain may not be as favorable to holders of the Notes and may preclude holders of the Notes from recovering payments due on the Notes or enforcing on the Notes Collateral.***

The Issuer is incorporated under the laws of Spain and Quiport is organized under the laws of Ecuador. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in either or both of such jurisdictions. The rights of the holders of Notes under the Notes and with respect to the Notes Collateral will be subject to the bankruptcy, insolvency and administrative laws, which include limitations that affect the rights of creditors generally in case an entity becomes insolvent, and, in particular, in the event of insolvency, on the ability of the creditors, including the holders of the Notes, to exercise their enforcement rights under the Notes Collateral and the security documents. There can be no assurance that the holders of Notes will be able to effectively enforce their rights in such complex, multiple bankruptcy, insolvency or similar proceedings. We cannot predict in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings, and such proceedings may be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of the holders of Notes under the Notes and with respect to the Notes Collateral. See "Enforcement of Civil Liabilities" and "Limitations on Validity and Enforceability of the Security Interests in the Notes Collateral and Certain Insolvency Law Considerations."

***The ability of holders of the Notes to seek remedies with respect to the Notes Collateral may be materially limited by the Intercreditor Agreement, if applicable.***

If Quiport incurs additional first lien indebtedness secured by the Collateral ("Other Pari Passu Indebtedness"), either directly or through a special financing vehicle, certain of the Notes Collateral, including the pledge of Quiport's shares, will be shared with such additional creditors (the "Shared Collateral"), and will be subject to entry into the Intercreditor Agreement. In such event, the rights of the Holders of Notes and the holders of such Other Pari Passu Indebtedness with respect to the Shared Collateral will be subject to and may be limited by the terms of the Intercreditor Agreement, which may limit the rights of the Holders of Notes to take any enforcement actions, including commencing legal proceedings against Quiport, enforcing on the Shared Collateral and petitioning for the bankruptcy of Quiport. See "The Loans Agreement and the Loans—Intercreditor Arrangement." No Holder of Notes or

such Other Pari Passu Indebtedness ("Senior Secured Obligations") will be entitled to take certain enforcement actions unless the required percentage of Senior Secured Obligations has elected to exercise such remedies and instructed the Intercreditor Collateral Agent to take such actions. Furthermore the other holders of Senior Secured Obligations may have the ability to control the outcome of certain intercreditor votes, and Holders of the Notes may not be in a position to control enforcement proceedings.

***Holders of Notes depend on the Issuer to pay all amounts received from the Borrower.***

The holders of the Notes are dependent upon the Issuer's ability to pay all amounts received from the Borrower under the Loans Agreement. In addition, the Issuer is obligated to turn over to the Indenture Trustee all notices it receives from the Borrower or the Administrative Agent under the Loans Agreement and to follow instructions of the Indenture Trustee, acting on behalf of (or at the direction of) the holders of the Notes with respect to the Loans Agreement. If the Issuer receives funds or notices under the Loans Agreement but fails, for any reason, to transmit the same to the Indenture Trustee (or the Indenture Trustee fails to pay over such amounts or give such notices to the holders of the Notes in accordance with the terms of the Indenture), the sole remedy of the holders of the Notes will be to pursue a claim under the Indenture against the Issuer or the Indenture Trustee, as applicable. Failure by the Issuer or the Indenture Trustee to perform their respective obligations will not afford the holders of the Notes any claim against Quiport under the Loans Agreement, or give rise to any default, event of default or right to accelerate amounts due under the Loans or the Notes.

***Quiport will be permitted to incur substantially more debt.***

Quiport will be permitted under the Loans Agreement to incur substantial additional indebtedness, including secured indebtedness, in the future, subject to the limitation on debt under the Loans Agreement. In addition, the Loans Agreement will allow Quiport to incur additional indebtedness under the Loans Agreement, and the Issuer may, in turn, issue additional Notes under certain circumstances to fund such borrowings under the Loans Agreement. In addition, the Loans Agreement will not prevent Quiport from incurring other liabilities that do not constitute indebtedness. See "The Loans Agreement and the Loans." If new debt or other liabilities are added to Quiport's current debt levels, the related risks that Quiport now faces could increase, which could materially adversely affect its ability to make payments on the Loans, which in turn, could materially adversely affect the Issuer's ability to make payments on the Notes.

***We may be unable to make a prepayment on the Loans upon a Change of Control Triggering Event and, consequently, the Issuer may be unable to effect a change of control offer required by the Indenture.***

The Loans Agreement will require the Borrower to instruct the Lender, as the Issuer, to make an Offer to Purchase the Notes following a Change of Control Triggering Event in accordance with the terms of the Indenture at a purchase price equal to 101% of the outstanding principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts thereon, if any, to the date of purchase and to make on the date of purchase a corresponding mandatory prepayment on the Loans in an amount sufficient to cause the Issuer to consummate such Offer to Purchase. See "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Change of Control Prepayment" and "Description of the Notes—Offers to Purchase the Notes—Change of Control Offer to Purchase." Any financing arrangements the Borrower may enter into may require repayment of amounts outstanding in the event of a change of control and may limit its ability to fund the prepayment of the Loans in certain circumstances. The Borrower may not have sufficient funds at the time of the change of control to make the required prepayment, or restrictions in its credit facilities and other financing arrangements may not allow the prepayment of the Loans, which would adversely affect the ability of the Issuer to consummate an Offer to Purchase the Notes following a Change of Control Triggering Event. A failure of the Issuer to make an

Offer to Purchase the Notes when required and as specified above would constitute an event of default under the Indenture. See "Description of the Notes—Events of Default."

***Certain change of control events may not constitute a Change of Control Triggering Event upon which occurrence an offer to repurchase the Notes will not be required.***

Under the terms of the Loans Agreement, certain types of change of control events will be deemed not to require a Change of Control Offer or prepayment of the Loans. If the Borrower delivers a Ratings Reaffirmation in connection with a Change of Control and such change of control results in control of the Borrower by a Qualified Transferee, no Change of Control Triggering Event will have occurred and no prepayment of the Loans or mandatory offer to repurchase the Notes will be required under the terms of the Loans Agreement and the Indenture. "Description of the Notes—Offers to Purchase the Notes—Change of Control Offer to Purchase" and "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Change of Control Prepayment."

***A prepayment of the Loans could cause a redemption or repurchase of the Notes prior to maturity and may adversely affect your return on the Notes.***

The Notes are subject to mandatory and optional redemption of the Issuer under certain circumstances. See "Description of the Notes—Redemption of the Notes." In addition, following certain events including the early termination of the Concession upon certain circumstances, certain disposition of assets by Quiport, certain casualty events or expropriatory actions related to the Airport or Quiport, Quiport may cause the Issuer to repurchase the Notes in certain amounts. See "Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments" and "Description of the Notes—Offers to Purchase the Notes." Additionally, with respect to redemptions in connection with dispositions, casualty events or expropriatory actions, the Issuer will be required to offer to purchase only the lesser of (a) the maximum principal amount of Loans and (b) the maximum principal amount of Notes that may be prepaid or purchased, as applicable, with the proceeds. In particular, the Loans will not benefit from the obligation of the Municipality to assume Quiport's debt upon certain termination events under the Concession Contract and will be subject to a mandatory redemption following a termination of the Concession Contract prior to its term. In addition, the Concession Contract contains a buyout provision that permits the Municipality, on or after the date that is 20 years after the Effective Date, to make an offer directly to our shareholders to purchase our rights and obligations under the Concession Contract. See "The Concession—The Concession Contract—Obligations under the Concession Contract." If such an offer is made and our shareholders accept such offer, the Loans will be subject to mandatory prepayment and the Notes to an offer to purchase. Furthermore, the Shareholders Undertaking Agreement (as defined herein), pursuant to which the shareholders of Quiport and the Issuer will agree to a negative pledge on their shares of Quiport and the Issuer, as applicable, and the shareholders of Quiport will agree to contribute the proceeds of any expropriation or buyout compensation under the Concession Contract to an account designated by Quiport, will not be entered into on the Issue Date, but will only be required to be entered into within 90 days of the Issue Date. Until such time, such agreements will be contained only in the Issuer Share Pledge Agreement and the Borrower Share Pledge Agreement, which will not be governed by the laws of the State of New York. See "Description of Notes Security Documents." Accordingly, upon a redemption or repurchase of the Notes, there can be no assurance that holders of the Notes would be able to find suitable alternative investment opportunities, and, as a result, their overall return on their investment may be less than anticipated.

***The Administrative Agent, the Notes Collateral Agent or the Indenture Trustee may fail or refuse to act under the Loans Agreement, the Indenture or other security documents for the Loans or the Notes if they are not provided with adequate security or indemnification.***

Under the Loans Agreement, the Indenture or other security documents, the failure to provide adequate security or indemnification to the Administrative Agent, the Notes Collateral Agent or the Indenture Trustee, as applicable will justify such agent's failure or refusal to act under such documents. To the extent that a security or indemnification provided by Quiport or the Lender is not satisfactory to the Administrative Agent, the Notes Collateral Agent or the Indenture Trustee for the exercise of any right or remedy under the Loans Agreement, the Indenture or other security documents for the Loans or the Notes, as applicable, that may cause such agent to incur any liability or expense (including any enforcement or collection proceeding resulting from an event of default under the Indenture or the Loans Agreement), the holders of the Notes will be required to provide such agent with adequate security or indemnification against any and all liability and expense that may be incurred by such agent by reason of taking or continuing to take action under the Loans Agreement, the Indenture or other security documents. Failure by the holders of Notes to provide such security or indemnification may result in the Administrative Agent, the Notes Collateral Agent or the Indenture Trustee failing or refusing to act under the Loans Agreement, the Indenture or other security documents, which could have a materially adverse effect on the rights of the holders of Notes under the Notes or with respect to the Notes Collateral.

***Holders of the Notes may be unable to directly enforce the Issuer Share Pledge Agreement.***

The pledge over the shares of the Issuer is granted in favor of the Notes Collateral Agent for the benefit of Senior Secured Notes Parties, and may only be enforced by Notes Collateral Agent. Spanish law does not expressly recognize the concepts of security agents or trustees and therefor, the security agent or trustee structure may not be recognized by Spanish courts. In cases where an entity acts as security agent of the beneficiaries of the security interest or guarantee (i.e., the creditors of the secured obligations), such security agent must be duly empowered for that purpose at the time it acts as security agent. The enforcement of the security interest granted in favor of the Senior Secured Notes Parties through the Notes Collateral Agent may be conditioned to the existence of a power of attorney granted by each of the secured parties in favor of the Notes Collateral Agent for such purpose. If no such power of attorney is provided or such power of attorney is not valid, neither the Notes Collateral Agent nor the Indenture Trustee may be able to enforce the relevant Spanish security interest on behalf of the Senior Secured Notes Parties (including the holders of the Notes), and the Notes Collateral Agent would only be able to enforce the security interest against the debt that it holds individually, and not for the full amount owed to creditors for whom it may be acting as Notes Collateral Agent, which would result in the holders of the Notes not receiving the full amount owed.

***The Issuer Share Pledge Agreement may be difficult to enforce and may not benefit from the Collateral Directive.***

The Issuer Share Pledge Agreement is subject to Spanish law and to the exclusive jurisdiction of the courts of the city of Madrid, Spain. In order to enforce the Issuer Share Pledge Agreement, the Notes Collateral Agent may choose from certain proceedings available to it, including, without limitation: (i) the enforcement proceeding for financial collateral security established under Royal Decree-Law 5/2005, of March 11, 2005, on urgent measures to promote productivity ("RDL 5/2005"), which implemented in Spain the EU Directive 2002/47/EC of the European Parliament and of the Council, of June 6, 2002, on financial collateral arrangements (the "Collateral Directive"), to the extent available; (ii) the enforcement proceedings for mortgaged and pledged assets established under Articles 681 to 698 of Spanish Act 1/2000, of January 7, 2000, on Civil Procedure; (iii) by set-off, as provided in the Issuer Share Pledge Agreement, for the first ranking financial pledge granted by the Issuer in respect of the cash account; and (iv) the out-of-court proceeding provided in Article 1,872 of the Spanish Civil Code, as well as any other proceedings available at the time of enforcement. So long as the secured obligations have not been

irrevocably and unconditionally paid or performed and discharged in full or otherwise cancelled, the use of any of the above proceedings may not be deemed to constitute a waiver of other available procedures. However, no assurance can be given that any such proceedings would be successful and any such steps may result in substantial legal costs and expenses that may not be recovered from the Issuer or through the enforcement of the Issuer Share Pledge Agreement. See "Enforcement of Civil Liabilities in Spain" and "Limitations on Validity and Enforceability of the Security Interests in the Notes Collateral and Certain Insolvency Law Considerations."

To the extent the Issuer Share Pledge Agreement falls within the scope of RDL 5/2005, the Notes Collateral Agent could enforce its rights of appropriation and avoid more burdensome steps for enforcement which would otherwise be required. However, in the event that a Spanish court concluded that the Issuer Share Pledge Agreement does not fall within the scope of RDL 5/2005, (i) the Issuer Share Pledge Agreement and its enforcement would not benefit from the insolvency privileges described above; (ii) the court may conclude that the only valid secured obligation under the Issuer Share Pledge Agreement over the shares of the Issuer is an obligation to pay a cash amount; and (iii) the enforcement of the Issuer Share Pledge Agreement may need to be carried out through other procedures available to the Notes Collateral Agent, such as through the sale of the pledged property in the market or in a public auction, and otherwise without the increased flexibility provided for under the Collateral Directive, as implemented in Spain by the RDL 5/2005. No assurance can be given that the Issuer Share Pledge Agreement will benefit from the Collateral Directive and we cannot predict which jurisdiction or insolvency proceeding would be commenced or the outcome of such proceedings, and, in the event that the Issuer Share Pledge Agreement does not benefit from the Collateral Directive, applicable insolvency laws may adversely affect the enforceability of the obligations of the Issuer and the enforcement of Issuer Share Pledge Agreement, or could result in substantial waiting periods, notice requirements and/or legal costs and expenses that may not be recoverable from the Issuer or through the enforcement of the Issuer Share Pledge Agreement. See "—It may be difficult to enforce civil liabilities against the Issuer and Quiport" and "Limitations on Validity and Enforceability of the Security Interests in the Notes Collateral and Certain Insolvency Law Considerations."

***The shares of Quiport will not be pledged to secure direct obligations of Quiport, but will be pledged instead to secure the Notes pursuant to the Borrower Share Pledge Agreement and treatment of a pledge securing an obligation of a third party may be uncertain.***

The shares of Quiport will be pledged to secure the Notes pursuant to the Borrower Share Pledge Agreement. As Quiport is not an obligor of, nor does it guarantee, the Notes, the security interest granted on such shares will create a Lien (as defined herein) for the benefit of an obligation of a third party. It is uncertain how an Ecuadorian court would treat such security interest of a third party obligation, or if it would give any preference to any direct obligations of Quiport secured on a *pari passu* basis with the Notes by the shares of Quiport. Any uncertain treatment of the security interest of the Notes Collateral Agent, on behalf of the holders of Notes, in such shares could have a material adverse impact on the rights of the holders of the Notes and their ability to enforce remedies in the event of default.

***The rights of the Issuer and certain holders of the Notes to receive payments in respect of the Loans and the Notes, respectively, may be subordinated by law to our obligations to other creditors.***

Under Ecuadorian insolvency law (only for reorganization purposes under the Commercial Bankruptcy Law (as defined herein)), if the Issuer is determined to be a related party to us, the Loans could be characterized as our subordinated obligations and would be subordinated in a reorganization under the Commercial Bankruptcy Law proceeding to our preferential and ordinary debts. Subordinated creditors will not have voting rights in the creditors' meetings. In the event that the Loans were to be subordinated in an insolvency proceeding, the Issuer may not receive payments under the Loans (and consequently the holders of the Notes may not receive payments in respect of the Notes). See "Limitations on Validity and Enforceability of the Security Interests in the Notes Collateral and Certain Insolvency Law Considerations."

***It may be difficult to enforce civil liabilities against the Issuer and Quiport.***

The Issuer is a company (*sociedad anónima*) incorporated under the laws of Spain. Most of the Issuer's directors reside outside the United States, and its assets and the assets of its directors are located outside the United States." Quiport is a stock corporation (*sociedad anónima*) organized under the laws of Ecuador and all of its executive officers, independent accountants, and controlling persons reside outside the United States. In addition, substantial portions of Quiport's assets (which, for the avoidance of doubt, do not include assets conceded to Quiport by the Granting Authority for operation of the Concession, which assets include the Airport) and the assets of these persons are located outside the United States. As a result, it may be difficult to effect service of process in the United States on those persons or to enforce judgments obtained in U.S. courts against them or us based on the civil liability provisions of the U.S. securities laws. Furthermore, no judgment may be enforced against assets conceded to Quiport by the Granting Authority for operation of the Concession, as they are owned by Ecuador and are subject to sovereign immunity. For more information on enforcement of civil liabilities in Ecuador and Spain, see "Enforcement of Civil Liabilities in Spain" and "Enforcement of Civil Liabilities in Ecuador."

***The credit ratings for the Notes may be lowered, suspended or withdrawn depending on various factors, including the rating agencies' assessments of Quiport's financial strength and Ecuadorian sovereign risk.***

The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. As part of the process of obtaining ratings for the Notes offered hereby, we had discussions with and submitted materials to certain rating agencies. Based on feedback from those rating agencies, we expect to select Moody's Investors Service ("Moody's") to rate the Notes offered hereby. Had we selected other rating agencies, the ratings those agencies assigned to the Notes may have been different than the rating we ultimately receive from Moody's. The ratings of the Notes address the likelihood of payment of principal at their maturity. The ratings also address the timely payment of interest on each scheduled payment date.

The ratings of the Notes are not recommendations to purchase, hold or sell the Notes, and the ratings do not address market price or suitability for a particular investor. Neither Quiport nor the Issuer can assure you that the rating of the Notes will remain in effect for any given period of time or that the rating will not be lowered, suspended or withdrawn entirely by one or more of the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. An assigned rating may be raised or lowered depending, among other things, on the respective rating agency's assessment of Quiport's financial strength, as well as its assessment of Ecuadorian sovereign risk generally. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes.

***The Volcker Rule may negatively impact the future market for the Notes.***

Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (together with implementing regulations, the "Volcker Rule") generally prohibits certain banking entities from, among other things, acquiring or retaining an ownership interest in a "covered fund," subject to certain exemptions. The Volcker Rule includes as a "covered fund" any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Therefore, absent an exemption, the Issuer would be a covered fund. The Issuer is expected to qualify for the "loan securitization exemption," which applies to an asset-backed security issuer the assets of which, in general, consist only of loans and certain assets or rights designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. If the Issuer were determined to not qualify for the loan securitization exemption, or were otherwise determined to be a covered fund, there would be limitations on the ability of banking entities that are subject to the Volcker Rule to purchase or retain any "ownership

interests," in the Issuer, which would potentially include the Notes. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the Notes.

***The Notes are subject to transfer restrictions.***

The Issuer is relying on exemptions from registration under the Securities Act and on the exemption provided for in Section 3(c)(7) of the Investment Company Act in this offering of the Notes. As a result, the holders' ability to transfer their Notes in the United States is limited for the life of the Notes to resales to "Qualified Purchasers" as that term is defined under the Investment Company Act. The Notes have not been registered under the Securities Act or any state securities laws, and the Issuer is not required to and will not register the Notes under the Securities Act. As a result, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period of time. The Issuer has not registered and will not register the Notes under the securities laws of any jurisdiction. Prospective investors should ensure that offers and sales of Notes comply with applicable securities laws. See "Transfer Restrictions."

***There is no established trading market for the Notes and one may not develop.***

The Notes are a new issue of securities and there is no established trading market for the Notes. The holders of Notes will not have any right to require the Issuer to register the resale of the Notes pursuant to the Securities Act. The Initial Purchasers have advised the Issuer and Quiport that they intend to make a market in the Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time, in their sole discretion. As a result, no assurance can be given that a market for the Notes will develop, as to the liquidity of any such market should it develop, the ability of holders of Notes to sell their Notes at a particular time or that the prices that such holders receive when they sell will be favorable. Consequently, a holder of Notes and an owner of beneficial interests in those Notes may not be able to liquidate their investment readily or at all and investors must be able to bear the economic risk of their investment in the Notes for the term of the Notes.

If a trading market were to develop, future trading prices of the Notes may be lower than the initial offering price and will depend upon many factors, including:

- the number of holders of the Notes and amounts outstanding under the Notes;
- the operating performance and financial condition of Quiport;
- the interest of securities dealers in making a market in the Notes;
- the market for similar securities;
- prevailing interest rates;
- time remaining until the maturity of the Notes;
- current ratings assigned to the Notes; and
- economic, financial, political, regulatory or judicial events of Ecuador or the financial markets generally.

Trading or resale of the Notes may be negatively affected by other factors described in these listing particulars arising from this transaction or the market for securities associated with operating assets or project financings.

## Use of Proceeds

The Issuer estimates that the net proceeds from this offering, after deducting underwriting commissions and other estimated expenses payable in connection with this offering, will be approximately U.S.$389,300,000.

The Issuer will use the net proceeds of the Notes to (i) irrevocably purchase and assume all of the rights and obligations (whether past, present or future, actual or contingent, or direct or indirect) of Citibank, N.A. ("Citi"), Banco Santander S.A. ("Santander Spain") and Banco Santander (Brasil) S.A., Luxembourg Branch ("Santander Brasil," and together with Citi and Santander Spain, the "Existing Lenders" and each an "Existing Lender") in their respective capacities as lenders under the Omnibus Amendment and Restatement to Common Terms Agreement and Facility Agreements (the "Existing Loans Agreement"), dated as of December 20, 2018, among Quiport, as borrower, the Existing Lenders and Citibank, N.A., as administrative agent, in the Existing Loans, plus accrued and unpaid interest, plus any funding losses or breakage costs payable under the Existing Loans Agreement, and any other cost, fee, expense or other obligation due and payable thereunder in an aggregate amount of U.S.$66,998,881.48, and (ii) make one or more New Loans to the Borrower in an aggregate amount of U.S.$333,001,118.52, pursuant to the Loans Agreement. The Borrower will apply the proceeds of the New Loans (x) to repay in full on or around the Issue Date all amounts outstanding under its Intercompany Loans, (y) to make a retained dividend distribution to its Shareholders following completion of its corporate reorganization, and (z) for certain general corporate purposes. The corporate reorganization may be subject to various consents, approvals and waivers from third parties, including potentially certain governmental approvals in the various applicable jurisdictions. Therefore, no assurance can be given that the reorganization, if undertaken, would be completed in a timely manner or at all. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities" for a description of the Existing Loans and the Intercompany Loans.

Certain affiliates the Initial Purchasers are lenders under the Existing Loans which are expected to be purchased in full by the Issuer with a portion of the net proceeds of the Notes, and will receive a portion of the amounts paid under the Existing Loans Agreement. See "Plan of Distribution—Other Relationships." Additionally, two of our Shareholders, CCR and Odinsa, are guarantors of the Existing Loans that will be purchased in full by the Issuer. Upon purchase by and assignment to the Issuer of the Existing Loans and the amendment and restatement thereof, the Assigned Loans will no longer benefit from any guarantee by any of our Shareholders.

## Capitalization

The following table sets forth Quiport's capitalization and cash as of December 31, 2018 on:

(i) an actual basis, and

(ii) as adjusted to give effect to the payment of the Upfront Fee, the purchase of the U.S. Retention Interest, the disbursements under the Loans Agreement and the use of proceeds therefrom to repay in full our Intercompany Loans and to make a dividend distribution in the aggregate amount of up to U.S.$200.0 million, but not any other use of proceeds. For further information, see "Use of Proceeds" and "The Loans Agreement and the Loans."

This table is qualified in its entirety by reference to, and should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Financial Statements and notes thereto appearing elsewhere in these listing particulars.

| | At December 31, 2018 | |
|---|---|---|
| | **Actual** | **As adjusted[1]** |
| | (in thousands of U.S. dollars) | |
| **Cash and banks** | 23,056 | 50,789 |
| Current borrowings | | |
| Bridge loans[2] | 66,092 | – |
| Non-current borrowings | | |
| Related companies[3] | 79,041 | – |
| Assigned Loans | – | 66,999 |
| New Loans | – | 333,001 |
| **Total borrowings** | **145,133** | **400,000** |
| **Total equity[4]** | **422,073** | **222,073** |
| **Total capitalization[5]** | **567,206** | **622,073** |

(1) As adjusted to give effect to the payment of the Upfront Fee, the purchase of the U.S. Retention Interest, the disbursement under the Loans Agreement, the repayment in full of U.S.$79.0 million of our Intercompany Loans, representing all amounts outstanding thereunder and to the dividend distribution in the aggregate amount of up to U.S.$200.0 million. See "Use of Proceeds."

(2) This line item corresponds to the Existing Loans, as defined herein. The Senior Secured Credit Agreement was assigned, in whole, to the Existing Lenders in an amount of U.S.$65,950,077.48 on December 20, 2018, following which the Senior Secured Credit Agreement was amended and restated pursuant to the Existing Loans Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans." The Senior Secured Credit Facilities, as adjusted, consists of the Existing Loans as assigned to the Issuer and the New Loans disbursed to the Borrower under the Loans Agreement on the Issue Date. See note 15 to our Financial Statements.

(3) This line item corresponds to the Intercompany Loans, as defined herein. See note 15 to our Financial Statements.

(4) As adjusted to give effect to the dividend distribution from retained earnings in the aggregate amount of up to U.S.$200.0 million.

(5) Total capitalization is equal to total borrowings plus total equity.

There has been no material change in our total capitalization since December 31, 2018.

## Selected Financial and Other Data

The following tables set forth our selected financial and other data as of and for the years ended December 31, 2018, 2017 and 2016. Our selected financial data set forth below as of December 31, 2018, 2017 and 2016 and for each of the years then ended have been derived from our Financial Statements included elsewhere in these listing particulars. The Financial Statements have been prepared in accordance with IFRS. All our selected financial data is presented in U.S. dollars. All our selected financial data is presented in U.S. dollars. The selected financial data should be read together with "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and the accompanying notes thereto included elsewhere in these listing particulars.

| | Year ended December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **2016** |
| | (in thousands of U.S. dollars) | | |
| **Statement of comprehensive income:** | | | |
| **Revenue:** | | | |
| Regulated revenue | | | |
| Passenger tariffs | 77,279 | 70,984 | 69,594 |
| Airport services tariffs | 43,804 | 39,858 | 38,813 |
| Non-regulated revenue: | | | |
| Non-regulated revenue | 43,366 | 38,918 | 38,066 |
| Recognition of concessionaire contract liabilities[(1)] | 955 | 914 | 1,252 |
| Commercial incentives[(2)] | (3,438) | (3,056) | (315) |
| Recognition of MSIA contract liabilities[(3)] | 9,746 | 9,746 | 9,746 |
| **Total revenue** | **171,712** | **157,364** | **157,156** |
| Interest revenue | 19 | 132 | 95 |
| Amortization of intangible assets | (32,789) | (31,392) | (31,520) |
| Employee benefit expenses | (12,418) | (10,856) | (10,495) |
| Employee profit-sharing | (11,183) | (9,809) | (8,989) |
| **Financial costs:** | | | |
| Senior Secured Credit Facilities | (8,508) | (12,594) | (17,479) |
| Related companies[(4)] | (5,273) | (5,275) | (5,290) |
| Bridge loans[(5)] | (142) | — | — |
| Others | (127) | (581) | (612) |
| **Total financial costs** | **(14,050)** | **(18,450)** | **(23,381)** |
| Services and supplies | (9,114) | (8,129) | (7,362) |
| Operation and maintenance fee | (6,707) | (6,318) | (6,296) |
| Professional fees | (10,254) | (5,888) | (6,375) |
| Maintenance and repair expenses | (3,254) | (3,031) | (2,903) |
| Utilities | (2,505) | (2,311) | (2,603) |
| Insurance expenses | (2,280) | (2,249) | (2,370) |
| Taxes and contributions | (1,805) | (1,224) | (1,494) |
| Equipment depreciation | (851) | (994) | (1,244) |
| Others | (1,154) | (1,263) | (1,283) |
| **Profit for the year and total comprehensive income** | **63,367** | **55,582** | **50,936** |

(1) Corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See note 14 to our Financial Statements.

(2) Consists of discounts issued by Quiport to airlines as part of an incentives program to increase passenger traffic.

(3) Consists of the accrued revenue relating to the contract liability from Quiport's right under the Concession Contract to operate the Old Airport until the Airport began operations, which is amortized over a straight line during the term of the Concession Period. See note 14 to our Financial Statements.

(4) Refers to the interest expense of the Intercompany Loans. See notes 19 and 21 to our Financial Statements.

(5) This line item corresponds to the Existing Loans, as defined herein. The Senior Secured Credit Agreement was assigned, in whole, to the Existing Lenders in an amount of U.S.$65,950,077.48 on December 20, 2018, following which the Senior Secured Credit Agreement (as defined herein) was amended and restated pursuant to the Existing Loans Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans."

| | At December 31, | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| | (in thousands of U.S. dollars) | | |
| **Statement of financial position:** | | | |
| **Assets** | | | |
| Current assets: | | | |
| Cash and banks[(1)] | 23,056 | 52,151 | 47,487 |
| Restricted cash[(2)] | 25,000 | 1,680 | 25,662 |
| Other financial assets | — | — | 13 |
| Trade and other receivables | 13,943 | 15,675 | 14,909 |
| Current tax assets[(3)] | 58 | 52 | 41 |
| Other assets[(4)] | 6,655 | 1,987 | 2,007 |
| Total current assets | 68,712 | 71,545 | 90,119 |
| Non-current assets: | | | |
| Property and equipment | 5,151 | 3,918 | 7,323 |
| Intangible asset[(5)] | 736,499 | 748,111 | 757,070 |
| Total non-current assets | 741,650 | 752,029 | 764,393 |
| **Total assets** | **810,362** | **823,574** | **854,512** |
| **Liabilities and Shareholders' Equity** | | | |
| Current liabilities: | | | |
| Borrowings | 66,092 | 108,997 | 39,269 |
| Trade and other payables | 11,215 | 11,867 | 17,774 |
| Accrued liabilities[(6)] | 11,307 | 9,917 | 9,223 |
| Current tax liabilities[(3)] | 1,172 | 481 | 515 |
| Contract liabilities[(7)] | 10,519 | 10,508 | 10,666 |
| Total current liabilities | 100,305 | 141,770 | 77,447 |
| Non-current liabilities: | | | |
| Trade and other payables | — | — | 41 |
| Contract liabilities[(7)] | 208,738 | 219,156 | 229,643 |
| Borrowings | 79,041 | 103,768 | 220,207 |
| Defined benefits | 205 | 174 | — |
| Total non-current liabilities | 287,984 | 323,098 | 449,891 |
| **Total liabilities** | **388,289** | **464,868** | **527,338** |
| Equity: | | | |
| Share capital | 66,000 | 66,000 | 66,000 |
| Legal reserve | 25,412 | 19,854 | 14,760 |
| Retained earnings | 330,661 | 272,852 | 246,414 |
| **Total equity** | **422,073** | **358,706** | **327,174** |
| **Total liabilities and shareholders' equity** | **810,362** | **823,574** | **854,512** |

(1) Includes (a) trust fund balances in the Onshore Regulated Fees Collection Account in which all regulated revenue is received until transferred to the Municipality by the Onshore Trustee and Quiport's own account, (b) trust fund balances in the Onshore Project Revenues Collection Account, which is managed by the Onshore Trustee, used to meet Quiport's contractual obligations, and (c) cash managed in offshore accounts. In accordance with the terms of the Existing Loans Agreement, we must maintain free and unencumbered cash (excluding, for the avoidance of doubt, any cash that is (i) subject to any liens, (ii) held for the benefit of any third party or (iii) held as cash reserves for the payment of future obligations) in our accounts in an amount not less than U.S.$25.0 million. Notwithstanding the foregoing, we may use any such unencumbered cash in connection with or related to any take-out financing substantially concurrently with the repayment of our obligations under the Existing Loans Agreement, or the assignment and the payment of all amounts payable in connection with such assignment of the Existing Loans Agreement. See note 5 to our Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans."

(2) Corresponds to Quiport's obligation under the original master security and accounts agreement, dated as of August 24, 2005, to maintain a debt service reserve account for the purpose of guaranteeing a debt service. For the year ended December 31, 2017, Quiport's reserve was covered by a letter of credit in the amount of U.S.$25.0 million. As of December 31, 2018, as a result of the assignment, in whole, of the Senior Secured Credit Agreement to the Existing Lenders on December 20, 2018, following which the Senior Secured Credit Agreement was amended and restated pursuant to the Existing Loans Agreement, Quiport is no longer required to maintain such debt service reserve account. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans" and notes 6 and 15 to our Financial Statements.

(3) Current tax liabilities consists of overseas remittance tax and withholdings at source and current tax liabilities consist of VAT and withholdings at source payable. In October 2005, Quiport was approved and qualified by CONAZOFRA as a free trade zone user of the new Airport and was thus granted the benefits provided under Resolution 2005-13, for 20 years. See note 13 to our Financial Statements.

(4) Consists principally of certain operational costs and prepaid insurance.

(5) Consists of the new Airport and other related expenses. Intangible asset is being amortized from February 20, 2013 using the straight-line method until the end of the Concession Period. See note 10 to our Financial Statements.

(6) Consists of employee profit-sharing and social benefits. In accordance with applicable law, workers are entitled to a 15% share in a company's profits applicable to accounting for liquid profits or book income. Pursuant to authorization from the Ministry of Labor (*Ministerio del Trabajo*), Quiport consolidated its employee profit-sharing with the profit-sharing generated by the Ecuador Operator since the two entities are part of the same economic group with complementary businesses. To calculate and pay for the employee profit-sharing, Quiport includes employees of SFM Facility Servicios Complementarios S.A. and Protección, Seguridad y Vigilancia S.A., which provide cleaning and security services for the airport facilities.

(7) Corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods.

| | Year ended December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **2016** |
| **Other operating data:** | | | |
| Total O&D passengers[(1)] | 5,228,072 | 4,875,166 | 4,852,530 |
| Total air traffic movements (departing and arriving aircraft)[(2)] | 57,397 | 52,227 | 55,122 |
| Total revenue per total departing O&D passenger (in U.S.$) | 32.8 | 32.3 | 32.4 |
| Tons of cargo exported (thousands) | 194.1 | 170.4 | 153.6 |
| Tons of cargo imported (thousands) | 37.9 | 33.6 | 27.2 |
| Non-regulated revenue[(3)] per departing O&D passenger (in U.S.$) | 16.7 | 16.0 | 15.6 |
| **Other data:** | | | |
| Adjusted EBITDA | | | |
| Profit for the year and total comprehensive income (in thousands of U.S.$) | 63,367 | 55,582 | 50,936 |
| *Plus* | | | |
| Amortization of intangible assets (in thousands of U.S.$) | 32,789 | 31,392 | 31,520 |
| Equipment depreciation (in thousands of U.S.$) | 851 | 994 | 1,244 |
| Financial costs (in thousands of U.S.$) | 14,050 | 18,450 | 23,381 |
| **Adjusted EBITDA[(4)]** (in thousands of U.S.$) | **111,057** | **106,418** | **107,081** |

(1) Passenger information for the year ended December 31, 2018 is based on preliminary data.

(2) Excludes military and other non-commercial flights.

(3) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 17 and 14 to our Financial Statements.

(4) We define Adjusted EBITDA as profit for the year and total comprehensive income, plus amortization of intangible assets, equipment depreciation and financial costs. Adjusted EBITDA is not a measurement of our financial performance under IFRS. We believe that Adjusted EBITDA is useful to investors as it provides a meaningful basis for reviewing the results of our operations by eliminating the effects of financing and investing decisions, as well as excluding the impact of activities not related to our ongoing operating business. Adjusted EBITDA is not defined under IFRS, should not be considered in isolation or as substitutes for measures of our performance prepared in accordance with IFRS and are not indicative of our profit for the year and total comprehensive income as determined under IFRS. Adjusted EBITDA has limitations as an analytical tool, and you should not consider such measures either in isolation or as a substitute for profit for the year and total comprehensive income, cash flow or other methods of analyzing our results as reported under IFRS. Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

We are an Ecuadorian stock corporation (*sociedad anónima*) that operates, maintains and develops the Airport. We are the largest airport in Ecuador and the only airport serving Quito, the capital of Ecuador, with services to 14 international destinations and nine domestic destinations, as of December 31, 2018, including Amsterdam, Atlanta, Buenos Aires, Bogotá, Houston, Lima, Madrid, Mexico City, Ft. Lauderdale, Miami, New York (this route was discontinued on January 31, 2019), Panama City, San Salvador, Sao Paulo Guayaquil and Galapagos, among other key destinations. The new Airport is a state-of-the-art facility with best-in-class service and the latest technologies. It features one of the longest runways for international airports in South America, as well as an international and domestic passenger terminal complex with eight contact gates, a small general aviation facility, an air cargo facility, a maintenance facility, an air traffic control tower, boarding gates equipped with automated announcement systems and biometric scanners, car parking lots, fuel storage and other assets. The technology and infrastructure in the new Airport have helped increase the efficiency of our operations, including an improved fuel system and better air and ground traffic monitoring, which reduces delays and increases in airport capacity.

The table below sets forth information on our traffic and revenue growth:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | **2018** | | **2017** | | **2016** | |
| **Passengers[1]:** | | | | | | |
| Departing international | 1,170,890 | 22% | 1,097,926 | 23% | 1,074,793 | 22% |
| Departing domestic | 1,431,739 | 27% | 1,329,762 | 27% | 1,369,207 | 28% |
| Arriving[2] | 2,625,443 | 51% | 2,447,478 | 50% | 2,408,530 | 50% |
| **Total[2]** | **5,228,072** | **100%** | **4,875,166** | **100%** | **4,852,530** | **100%** |
| **Tariffs[1]:** | | | | | | |
| Tariff per international departing passenger (in U.S.$) | 55.57 | | 54.53 | | 53.82 | |
| Tariff per domestic departing passenger (in U.S.$) | 15.35 | | 15.06 | | 14.87 | |
| **Revenue[1]:** | | | | | | |
| Regulated revenue per departing passenger (in U.S.$) | 46.5 | | 45.7 | | 44.4 | |
| Non-regulated revenue[3] per departing passenger (in U.S.$) | 16.7 | | 16.0 | | 15.6 | |

(1) Refers to O&D passengers information, which does not include transit passengers.
(2) Information for the year ended December 31, 2018 is based on preliminary data.
(3) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 17 and 14 to our Financial Statements.

### Factors Affecting our Results of Operations

#### *Macroeconomic Considerations*

Quiport's results of operations are affected by macroeconomic conditions in Ecuador. Following positive rates of growth in the four years from 2011 through 2014, the Ecuadorian economy grew by 0.1%, contracted by (1.6)% and grew by 3.0% in 2015, 2016 and 2017, respectively, in real terms, compared to a growth of 7.9%, 5.6%, 4.9% and 3.8% for 2011, 2012, 2013 and 2014, respectively. Slower growth in 2015 and the contraction in 2016 was mainly due to decreased revenues resulting from the decline in the price of oil. In 2017, real GDP was U.S.$70,956 million compared to U.S$69,314 million and

U.S.$70,175 million in 2016 and 2015, respectively. For 2018, the IMF estimates an increase in real GDP of 1.1%. Nominal GDP was U.S.$103,057 million in 2017, as compared to U.S.$98,614 million and U.S.$99,290 million in 2016 and 2015, respectively. In 2017, the economy in Ecuador experienced deflation of 0.2% as compared to inflation of 1.1% and 3.4% in 2016 and 2015, respectively. For the year ended December 31, 2018, inflation was 0.3%.

The following table sets forth, for the periods indicated, certain macroeconomic information for Ecuador.

| | Year ended December 31, | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| | | (*in percentages*) | |
| Ecuadorian inflation rate [(1)] | 0.3 | (0.2) | 1.1 |
| U.S. inflation rate [(2)] | 1.9 | 2.1 | 2.1 |
| Increase in Ecuadorian real GDP [(3)] | 1.1 | 3.0 | (1.6) |

(1) *Source:* Ecuadorian Central Bank (*Banco Central del Ecuador*).
(2) *Source:* U.S. Bureau of Labor Statistics.
(3) *Source:* Ecuadorian Central Bank (*Banco Central del Ecuador*) (based on preliminary data).

Effective January 1, 2012, the Ecuadorian government eliminated subsidies on airplane fuel, which caused an increase in prices for domestic flights in Ecuador. This increase impacting traffic has contributed to a reduction in passenger demand from approximately 1.8 million domestic departing O&D passengers for the Old Airport in 2012 to approximately 1.3 million domestic departing O&D passengers for the new Airport in 2017.

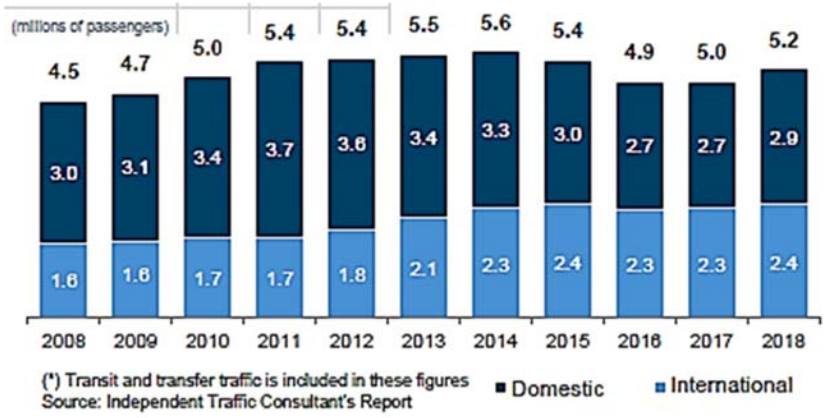
Another factor that impacted our traffic levels was the 7.8 magnitude earthquake that struck the northern coast of Ecuador on April 16, 2016 (the "Pedernales Earthquake"). The Pedernales Earthquake and its aftershocks caused severe damage to Ecuador's infrastructure in that region, including its roads and ports. An evaluation conducted by SENPLADES, INEC and various government ministries estimates that the cost of reconstructing the infrastructure damaged by the Pedernales Earthquake is approximately U.S.$3.3 billion (approximately 3.0% of Ecuador's nominal GDP), and that, without taking into account the cost of reconstruction, damage from the earthquake had an impact on the growth of Ecuador's GDP contracting 0.7% in 2016, and, as of December 31, 2016, a contraction of 9.8% on the growth of GDP in Manabí, the province in which 95% of the damage caused by the earthquake was concentrated.

### *Passenger Traffic Volume and Tourism*

According to the Independent Traffic Consultant's Report, the Airport has a fundamentally defensive profile as the sole practical long-distance entry point to Quito, supported by secular growth in population and the economy. As of December 31, 2018, the Airport serviced 14 international destinations, including Amsterdam, Atlanta, Buenos Aires, Bogotá, Ft. Lauderdale, Miami, Houston, Lima, Madrid, Mexico City, New York (this route was discontinued on January 31, 2019), Panama City, San Salvador and Sao Paulo, and nine domestic destinations, including Guayaquil, Galapagos, Cuenca, Loja, Santa Rosa, Francisco de Orellana (El Coca), Lago Agrio, Esmeraldas and Manta. According to the Independent Traffic Consultant's Report, the Airport represented 47% of air traffic in Ecuador in 2018, with Guayaquil representing 38.4%, and traffic between Quito and Guayaquil representing 54.4% (2.6 million seats) of the total Ecuadorian domestic market in terms of seat offer.

According to the Independent Traffic Consultant's Report, the Airport has a favorable traffic profile with 45% of the profile being international traffic and 55% being domestic traffic. According to the Independent Traffic Consultant's Report, in 2018, 99.4% of the Airport's traffic profile was O&D, with 32.4% being indirect O&D and 67.0% being direct O&D.

The following chart sets forth passenger traffic evolution for the periods indicated, according to the Independent Traffic Consultant's Report:




The following table presents a breakdown of the regulated revenues of the Airport, our non-regulated revenue and the total revenues of the Airport :

| | Regulated Revenues of the Airport[1] | Non-Regulated Revenue[2] | Total Revenues of the Airport[1] |
|---|---|---|---|
| | | (in thousands of U.S. dollars) | |
| **Revenue:** | | | |
| Year ended 2018 | 136,048 | 43,366 | 179,414 |
| Year ended 2017 | 124,541 | 38,918 | 163,459 |
| Year ended 2016 | 121,806 | 38,066 | 159,872 |

(1) Includes Municipality Economic Benefit Participation. Pursuant to the Strategic Alliance Agreement, Quiport receives 89% of all the regulated revenues generated by the Concession until 2035 and 88% from 2036 until the end of the Concession Period, with the Municipality receiving the remaining 11% and 12%, respectively. See "The Concession—Strategic Alliance Agreement" and "The Concession—Surcharge Collection Agreement."

(2) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 17 and 14 to our Financial Statements.

Although we do not consider our business to be subject to material seasonal fluctuations, international passenger traffic is subject to tourism-related seasonal trends. The Airport serves a diversified passenger mix, which presents different seasonality patterns in tourist destination airports compared to other airports in South America. Peak international traffic volume months are July and August, coinciding with the summer travel season, and December and January, during the winter tourist season with the arrival of tourists from the United States and Canada, which affects the travel demand of both resident and non-resident passengers. Between the years 2016 to 2018, approximately 35% of international traffic took place during the months of July and August and December and January, with approximately 48% of international passengers traveling for leisure.

## Components of Results of Operations

### *Revenues*

We derive our revenue from regulated and non-regulated sources. Regulated sources are regulated by the Ordinance No. 335 and the Concession Contract, while non-regulated sources (other than tariffs or fees on cargo) are not regulated by the framework of the Concession Contract. In addition, we recognize as income the fair value of the right to operate the Old Airport, which we record as deferred income amortized over a straight line during the remainder of the Concession Period, and certain commercial incentives which we began to record as income (loss) beginning in 2017 as part of our incentives programs to airlines designed to increase passenger traffic.

The following table sets forth a breakdown of our revenue by sources for the periods indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2017 | | 2016 | |
| | (in thousands of U.S. dollars, except percentages) | | | | | |
| Regulated revenue: | | | | | | |
| Passenger tariffs | 77,279 | 45.0% | 70,984 | 45.1% | 69,594 | 44.3% |
| Airport services tariffs | 43,804 | 25.5% | 39,858 | 25.3% | 38,813 | 24.7% |
| **Total regulated revenue** | **121,083** | 70.5% | **110,842** | 70.4% | **108,407** | 69.0% |
| Non-regulated revenue: | | | | | | |
| Non-regulated revenue | 43,366 | 25.3% | 38,918 | 24.7% | 38,066 | 24.2% |
| Recognition of concessionaire contract liabilities[1] | 955 | 0.6% | 914 | 0.6% | 1,252 | 0.8% |
| **Total non-regulated revenue** | **44,321** | 25.8% | **39,832** | 25.3% | **39,318** | 25.0% |
| Commercial incentives[2] | (3,438) | (2.0%) | (3,056) | (1.9%) | (315) | (0.2%) |
| Recognition of MSIA contract liabilities[2] | 9,746 | 5.7% | 9,746 | 6.2% | 9,746 | 6.2% |
| **Revenue** | **171,712** | 100% | **157,364** | 100% | **157,156** | 100% |

(1) Consists of the accrued revenue relating to the contract liability from Quiport's right under the Concession Contract to operate the Old Airport until the Airport began operations, which is amortized over a straight line during the term of the Concession Period. See note 14 to our Financial Statements. See notes 14 and 17 to our Financial Statements.

(2) Consists of discounts issued by Quiport to airlines as part of an incentives program to increase passenger traffic.

The components of our revenue are discussed below:

*Regulated revenue*

Regulated revenue consists of the aircraft landing fees, passenger departure fees, aircraft parking fees, lighting surcharge fees, boarding bridge fees, CFR Services (as defined herein) surcharge fees; and ATC Equipment surcharge fees, which are fixed by Ordinance No. 334, subject to inflation adjustment on an annual basis in accordance with the indices set out in the Concession Contract. For a detailed description of these fees see "The Concession—The Concession Contract—Airport Charges and Airport Revenues."

In accordance with the renegotiation process and as an outcome of the Strategic Alliance Agreement, we are entitled to receive the Quiport Participation (as defined herein), which consists of 89% of regulated revenue until 2035 and 88% from 2036 until the end of the Concession Period. The remaining 11% and 12%, respectively, accrues to the account of the Municipality as part of the Municipality Economic Benefit Participation. Our regulated revenue is collected and deposited, on a daily basis, into an onshore collection account (the "Onshore Regulated Fees Collection Account"), for the collection of the Regulated Fees, in the name of Fideicomiso Mercantil Quiport Onshore Borrower Trust (the "Onshore Borrower Trust"), and maintained and administered by Fiducia, S.A. ("Onshore Trustee") at Banco Produbanco in accordance with the Surcharge Trust Agreement. See "The Concession—Surcharge Trust Agreement." On each business day, we determine the Municipality Economic Benefit Participation and the Onshore Trustee transfers the portion of the Regulated Fees collected during the period commencing on the opening date of the Airport and ending on the last day of the Concession Period in respect of the Airport that corresponds to the Municipality Economic Benefit Participation (the "NQIA Surcharges") to the bank account (the "NQIA Trust Account") established with Banco del Pacífico S.A., acting as deposit bank (the "Surcharge Depositary Bank") in the name of the "Fideicomiso Mercantil de las Tasas," a trust established pursuant to the Surcharge Trust Agreement as an irrevocable administrative commercial trust (the "Surcharge Trust"), which amounts are subject to any deductions or withholdings with respect to indemnifications to Quiport. In addition, on the same date, we determine and transfer the Quiport Participation to the *Encargo Fiduciario Account* (as defined herein) in Produbanco, held under Quiport's name, for immediate transfer to the Offshore Collection Account held at Citibank, N.A. See "The Concession—Surcharge Collection Agreement."

The following table sets forth a breakdown of the Quiport Participation and the Municipality Economic Benefit Participation for the periods indicated:

| | | Participation | |
|---|---|---|---|
| | Total Regulated Revenue | Quiport (89%) | Municipality (11%) |
| | (in thousands of U.S. dollars) | | |
| **Regulated revenue:** | | | |
| Year ended 2018 | 136,048 | 121,083 | 14,965 |
| Year ended 2017 | 124,541 | 110,842 | 13,699 |
| Year ended 2016 | 121,806 | 108,407 | 13,399 |

*Non-regulated revenue*

We classify non-regulated revenue into aeronautical and non-aeronautical operations.

- *Aeronautical income*. Our revenue from non-regulated aeronautical services is mainly derived from a number of commercial activities, the most important of which are the following:

  - *Check-in counters*: We provide advanced technological infrastructure implemented based on aviation needs, including common-use terminal equipment ("CUTE"), flight information display systems ("FIDS"), baggage information display systems ("BIDS"), self-check-in kiosks, public address, computers, printers, boarding gates readers and baggage handling system, to airlines that operate in the Airport. The tariff for these systems is dependent on air service development ("ASD") and traffic increase and is U.S.$2.22 per international departing passenger and U.S.$1.12 per domestic departing passenger, as of December 31, 2018. This tariff is subject to increase on an annual basis based on inflation.

  - *Cargo*: We provide dry and cold cargo storage, stowage and warehouse services for international and domestic cargo. We have experienced a 17.6% increase in tonnage of cargo with the majority being attributed to export cargos for the period from 2012 to 2017. We plan to continue to develop our cargo business with a variety of dedicated cargo airlines, such as LATAM Cargo, Atlas, Avianca Cargo, KLM, UPS, Emirates, Cargolux, Qatar airways, Skylease, Cubana and LAS. LATAM Cargo, part of the LATAM Airlines Group, is the largest cargo operator at the Airport by tonnage levels, transporting approximately 22% of all cargo at the Airport. After LATAM Cargo, Atlas Air Inc. is the next highest carrier of cargo, and transports 18% of all cargo tonnage as of December 31, 2017. The standard cargo fee is U.S.$8.31 per international ton of cargo. This fee is subject to increase on an annual basis based on inflation.

  - *Aircraft handling*: We receive revenue from aircraft handling and GSE service, which we charge as fixed rents on land or buildings and in the form of an airport fee based on ATM's and aircraft type. Both fees are subject to increase on an annual basis based on the rate of inflation.

  - *Fuel services*: We receive fees for fueling and defueling services provided by Allied Aviation Holding Corporation ("Allied"). Currently, we receive a fee of U.S.$0.045 per gallon. The fee increases on a yearly basis based on inflation.

  - *Catering*: We charge fixed monthly fees and 10% of the amounts invoiced from food and beverage providers for items that are consumed onboard the aircraft that depart from the Airport. Catering services are provided by third parties for domestic and international flights. Currently, the providers of such services are Goddard Catering Group Uruguay S.A. ("Goddard") and Gate Gourmet Ecuador Cia. Ltda. ("Gate Gourmet").

- *Other aeronautical services*: Aeronautical services include ancillary services to aviation such as security, cleaning services, maintenance, passenger dispatch and other services. To the extent an airline does not provide these services itself, we have the opportunity to provide these services at a price equal to the greater of the fixed rental fee or 15% of the gross revenues of such service provider. This fee is subject to increase on an annual basis based on inflation.

- *Non-aeronautical income*. Our income from non-regulated non-aeronautical services is mainly derived from a number of commercial activities, the most important of which are the following:

  - *Duty free shops*: We receive the higher of (i) monthly fixed payments or (ii) a specific percentage of the gross amounts invoiced by each duty free shop, based on the type of products sold by the lessees in their stores, which percentage ranges between 6% to 30%, as provided in the individual contracts entered into with each duty free shop. The Airport has a departures and an arrivals duty free shop. Our duty free shops sell tax-exempt products and offer a variety of international brands and products such as clothing, watches, perfumes, electronics, cigarettes and cigars. Such services are provided by Attenza del Ecuador S.A. ("Attenza").

  - *Retail stores:* As of the date of these listing particulars, there are 23 commercial spaces operated in the Airport by 17 counterparties. With the expansion of the passenger terminal, we have more space available for retail stores in the commercial areas at the Airport in order to improve the product mix and brands offered. We charge rental fees, which consist of a fixed fee plus a variable fee equal to a specific percentage of the monthly sales recorded by each commercial operator ranging from 15% to 18%.

  - *VIP services*: We directly provide VIP passenger services in two VIP lounges located in the international and domestic departure area of the Airport. We also directly provide a fast-track service which provides passengers assistance with all Airport processes. Our VIP services include a dedicated desk at passport control, VIP check in, as well as a complementary selection of food and drinks, among others. We pay Panpe Alimentos Cia. Ltda. ("Panpe"), our supplier for the food and beverage services in the VIP lounge, a monthly fee per passenger that accesses the VIP lounge.

  - *Car parking*: We operate approximately 1,200 customer parking spaces and approximately 517 employee parking spaces at the parking lot adjacent to the Airport. The parking lot provides short-term, long-term and monthly parking. Cleaning and security services are provided by Grupo Hanaska and the parking lot is operated by Estacionamientos Urbanos Urbapark S.A. ("Urbapark"). We pay Urbapark a monthly fee based on KPIs and the income derived from the parking lots are directed to Quiport. The parking rates charged are based upon the length of stay. Each vehicle that parks for an initial period of up to 60 minutes is charged U.S.$2.00. Thereafter, the rate for up to one-hour of time is U.S.$1.50 per hour. The parking rates are capped at the maximum daily rate of U.S.$7.00.

  - *Advertising*: We directly manage our advertising business and we have developed a number of strategically located advertising spaces at the Airport, which include 260 internal billboards, 80 external billboards and over 3,300 square meters of advertising space. We collect fees from advertisers who utilize advertising space.

  - *Food and beverage services:* Through Meramexair, the sole food and beverage operator in the Airport, we provide high-quality food and beverage services and are exploring future expansion of our food and beverage services to offer a wider variety of cuisine options and services. Meramexair currently operates 14 food and beverage centers throughout the Airport, including international franchises and local options such as Johnny Rockets, Guacamole Grill, De Volada, Amazonia Cafe, Famiglia Pizzeria, Fly Chicken Fly, Outback and Tres

Trios, among others. Meramexair's rental fee, payable to us, is a variable fee between 10% to 12% of the monthly sales recorded by all the consumption centers.

To a lesser extent, we also receive revenue from providers of other commercial services including car rentals, communications (which includes telephone and internet services), financial services (including ATMs), transportation services and passenger services (which includes insurance, tourist information and hotel reservations).

The following table presents a breakdown of our non-regulated revenue for the periods indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2017 | | 2016 | |
| | Revenue | % | Revenue | % | Revenue | % |
| | (thousands of U.S. dollars, except percentages) | | | | | |
| **Non-regulated revenue[1]:** | | | | | | |
| **Aeronautical:** | | | | | | |
| Check-in counters | 4,164 | 20.9 | 3,889 | 21.3 | 3,832 | 22.0 |
| Aircraft handling GSE | 3,223 | 16.2 | 3,033 | 16.6 | 3,152 | 18.1 |
| Fuel levy | 2,667 | 13.4 | 2,323 | 12.8 | 1,984 | 11.4 |
| Cargo handling palletizers | 2,155 | 10.8 | 1,935 | 10.6 | 1,686 | 9.7 |
| Aeronautical services | 1,380 | 6.9 | 1,185 | 6.5 | 1,150 | 6.6 |
| Bussing (service) | 1,320 | 6.6 | 1,063 | 5.8 | 1,037 | 5.9 |
| Catering | 1,065 | 5.3 | 1,010 | 5.5 | 914 | 5.2 |
| Airlines offices rent | 758 | 3.8 | 720 | 4.0 | 764 | 4.4 |
| Cargo handling logistic | 699 | 3.5 | 626 | 3.4 | 529 | 3.0 |
| Cargo building logistic | 642 | 3.2 | 637 | 3.5 | 630 | 3.6 |
| Hangars | 614 | 3.1 | 613 | 3.4 | 574 | 3.3 |
| Incineration | 611 | 3.1 | 576 | 3.2 | 590 | 3.4 |
| General aviation | 486 | 2.4 | 461 | 2.5 | 472 | 2.7 |
| Cargo building domestic | 147 | 0.7 | 147 | 0.8 | 144 | 0.8 |
| Fire truck | – | – | 1 | 0.0 | – | – |
| **Total aeronautical revenue** | **19,930** | **46.0** | **18,218** | **47.0** | **17,457** | **46.0** |
| **Non-aeronautical**: | | | | | | |
| Duty free | 6,989 | 30.6 | 6,581 | 32.5 | 6,478 | 31.7 |
| VIP lounge | 6,112 | 26.7 | 4,264 | 21.0 | 4,031 | 19.8 |
| Car parking | 3,986 | 17.4 | 3,872 | 19.1 | 3,822 | 18.7 |
| Advertising | 2,301 | 10.1 | 2,243 | 11.1 | 2,485 | 12.2 |
| Retail | 1,138 | 5.0 | 1,228 | 6.1 | 1,113 | 5.5 |
| Food and beverage | 763 | 3.3 | 667 | 3.3 | 1,234 | 6.0 |
| Hotel | 307 | 1.3 | 134 | 0.7 | 99 | 0.5 |
| Car rental | 244 | 1.1 | 241 | 1.2 | 219 | 1.1 |
| Ground transportation taxi | 210 | 0.9 | 218 | 1.1 | 240 | 1.2 |
| Baggage wrap | 194 | 0.9 | 177 | 0.9 | 192 | 0.9 |
| Fuel station | 109 | 0.5 | 92 | 0.5 | – | 0.0 |
| Baggage carts | 94 | 0.4 | 93 | 0.5 | 92 | 0.4 |
| Banking and foreign exchange | 94 | 0.4 | 110 | 0.5 | 114 | 0.6 |
| Seminars, COV and licenses | 86 | 0.4 | 113 | 0.6 | 90 | 0.4 |
| Ground transportation bus | 80 | 0.4 | 99 | 0.5 | 127 | 0.6 |
| Admin building | 55 | 0.2 | 82 | 0.4 | – | 0.0 |
| Operation right | 36 | 0.2 | – | – | – | 0.0 |
| Travel insurance | 34 | 0.2 | 31 | 0.2 | 27 | 0.1 |
| Tour operator | 29 | 0.1 | 30 | 0.1 | 42 | 0.2 |
| **Total non-aeronautical revenue** | **22,861** | **53.0** | **20,275** | **52.0** | **20,405** | **54.0** |
| **Other revenues** | **575** | **1.3** | **424** | **1.1** | **205** | **0.5** |
| **Non-regulated revenue** | **43,366** | **100%** | **38,918** | **100.0%** | **38,066** | **100.0%** |

(1) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 14 and 17 to our Financial Statements.

Sources of non-regulated revenue are not subject to regulation by the Concession Contract. These fees are charged on a fixed-rate basis or are collected as a percentage of a subconcessionaire's revenues. We are entitled to receive 100% of income derived from non-regulated sources. Non-regulated revenue is collected on a daily basis and deposited into an onshore account (the "Onshore Project Revenues

Collection Account") (held in the name of the Onshore Trustee at Produbanco) used for operating expenses by transfer, on a monthly basis, (i) first, to the Onshore O&M Expense Account (as defined herein), (ii) second, to the Ecuador Operator Account (as defined herein), and (iii) all remaining amounts to the Offshore Collection Account, in accordance with the Onshore Borrower Trust Agreement. However, pursuant to the Master Accounts Agreement and the Standing Instruction (as defined herein), the Onshore Borrower Trustee (as defined herein) has been instructed to maintain in the Onshore Project Revenues Collection Account and not to transfer to the Offshore Collection Account the entire remaining balance of all such funds. Amounts following application of the first two transfers remain on deposit in the Onshore Project Revenues Collection Account and are used, on the next monthly transfer date, for funding of the Onshore O&M Expense Account and the Ecuador Operator Account for payment of O&M Expenses (as defined herein). This Standing Instruction may be waived by Quiport at any time and from time to time, in its sole discretion, and would be deemed to be automatically revoked pursuant to the Onshore Borrower Trust Agreement upon the occurrence of, and during the continuation of, a Blockage Event (as defined herein).

Our income from non-regulated sources is largely dependent on passenger traffic, passenger spending, terminal design, the mix of sub-concessionaires and fees charged to businesses operating in the commercial area. Since we began operating the Airport, we have undertaken various measures to increase our non-regulated revenue and we intend to continue to provide a wide range of commercial products and services in order to maximize our revenue. See "Strategy—Continuing to improve commercial offerings."

***Amortization of intangible assets***

We apply the Intangible Asset Model in accordance with IFRIC 12 "*Service Concession Arrangements*" and SIC 29 "*Disclosure – Service Concession Arrangements for the accounting of the Concession Contract.*" The amount recorded for the Concession relates to the cost of the asset, which includes the construction costs of the new Airport and subsequent improvements, such as the costs and expenses related to obtaining the Concession and the construction of the new Airport. Amortization of intangible assets is charged to profit and loss based on the straight-line method. We took the remaining Concession Period (i.e., until February 28, 2041) of the Airport as the useful life of the intangible asset. See note 2.7 to our Financial Statements.

***Employee benefits expenses***

Employee salaries and benefits includes remunerations of directors and key personnel. See note 18 to the Financial Statements.

***Employee profit-sharing***

In accordance with Law to Reform the Organic Law of Public Service and Labor Code (*Ley Orgánica Reformatoria a la Ley Orgánica de Servicio Público y al Código del Trabajo*) (the "Labor Code"), workers are entitled to a 15% share in a company's profits applicable to accounting for liquid profits or book income. Pursuant to authorization from the Ministry of Labor, we consolidated our employee profit-sharing with the profit-sharing generated by the Ecuador Operator since we are part of the same production chain. For the benefit's individual calculation and payment purposes, we include employees of SFM Facility Servicios Complementarios S.A. and Protección, Seguridad y Vigilancia S.A., which provide cleaning and security services for the Airport facilities. We recognize this as a liability and an expense for employee profit-sharing in the income statement of Quiport.

### *Financial costs*

Our financial costs consist of debt service costs related to the Senior Secured Credit Facilities and Intercompany Loans. See "—Liquidity and Capital Resources—Liabilities."

| | Year ended December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **% Change** |
| | (in thousands of U.S. dollars) | | |
| Senior Secured Credit Facilities | 8,508 | 12,594 | (32.4) |
| Related companies[(1)] | 5,273 | 5,275 | — |
| Existing Loans[(2)] | 142 | — | — |
| Others | 127 | 581 | (78.1) |
| **Total** | **14,050** | **18,450** | **(23.8)** |

(1) Refers to the interest expense of the Intercompany Loans. See notes 19 and 21 to our Financial Statements.

(2) The Senior Secured Credit Agreement was assigned, in whole, to the Existing Lenders in an amount of U.S.$65,950,077.48 on December 20, 2018, following which the Senior Secured Credit Agreement was amended and restated pursuant to the Existing Loans Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans." See note 15 to our Financial Statements.

### *Operation and maintenance fee*

The operation and maintenance fee corresponds to the payment to the Operator for the operation and maintenance of the Airport in accordance with the O&M Agreement. The operation and maintenance fee is equal to our Operating Revenue (as defined therein), *minus* operating expenses (excluding workers participation and before the operation and maintenance fee), *multiplied* by 5%. See "Business—Operations—O&M Agreement."

## Critical Accounting Policies

The preparation of our Financial Statements in accordance with IFRS requires us to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. We base our estimates and associated assumptions on historical experiences and other factors that are considered to be relevant. Those estimates form the basis for our judgments that affect the amounts reported in the Financial Statements. Actual results could differ from our estimates under different assumptions or conditions.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are uncertain at the time the estimate is made. We believe that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our Financial Statements. You should read the following descriptions of critical accounting policies and estimates in conjunction with our Financial Statements and other disclosures included in these listing particulars. See note 4 to our Financial Statements.

### *Asset impairment*

At the end of each period, Quiport determines whether there are any indicators of impairment of its assets by the examination of internal and external information. The recoverable amount of a cash generating unit is the higher of its fair value less costs of disposal and its value in use. This valuation process involves the use of methods such as discounted cash flows. Such estimated cash flows are based on significant management assumptions about key factors that may affect future business performance, such as a larger number of customers, tariff increases, investments, salary increases, capital structure, cost of capital, among other things. Actual results might differ from estimates, and therefore projected cash flows might be materially affected if any of the above mentioned factors is subject to changes in the near future.

As of December 31, 2018, 2017 and 2016, Quiport determined that there were no indicators of impairment of its assets and no impairment losses were recognized in each of the periods presented.

***Valuation of the business model***

Classification and measurement of financial assets depends on the results and the business model test as described in Note 4.1 of our Financial Statements. Quiport determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This valuation is based on all the relevant evidence, including how the performance of the assets is evaluated and measured, the risks that affect the performance of the assets and how they are managed, as well as how the asset managers are compensated. Quiport monitors financial assets measured at amortized cost to understand the reason for their disposal and whether the reasons are consistent with the business objective for which the asset was held. Monitoring forms part of the ongoing valuation that Quiport undertakes of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not considered appropriate, whether there has been a change in the business model and therefore a prospective change to the classification of those assets.

***Estimated useful lives of equipment, intangibles assets and deferred income***

The estimate of the useful lives and residual value is performed as set forth below for each of the following items:

- *Property and Equipment*: the cost of equipment is depreciated in accordance with the straight-line method over the estimated useful lives of 20 years for improvements to installations, 10 years for furniture and fixtures, five years for vehicles and other assets (usufruct) and three years for intangible assets.

- *Intangible Assets*: Quiport applies the Intangible Asset Model in accordance with IFRIC 12 Service Concession Arrangements and SIC 29 Disclosure – Service Concession Arrangements for the accounting of the Concession Contract and the corresponding disclosures in the Financial Statements. The amount recorded for the Concession relates to the cost of the asset received to be operated, which includes the construction costs of the Airport and subsequent improvements to the referred asset, such as the costs and expenses related to obtaining the Concession and the construction of the Airport. Amortization of intangible assets is charged to profit and loss based on the straight-line method. Quiport took the remaining Concession Period of the Airport as the useful life of the intangible asset, until February 28, 2041. The useful life of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights, but may be shorter depending on the period over which the entity expects to use the asset. In addition, the intangible assets originating from the right granted under the Concession Contract to use the cash flows from the operation of the Old Airport is included. The value of this right was calculated as the fair value of the forecasted net operating cash flows generated during the construction period. Such values were amortized during the Airport construction period.

- *Contract liabilities of the Old Airport*: Quiport recorded the concession right to revenues from the Old Airport granted by EPMSA as an intangible asset and as contract liabilities. See note 14 to our Financial Statements. The intangible asset was amortized as from the Effective Date until the opening date of the Airport. Contract liabilities are amortized over the operating period of the Airport as from the start of commercial operation of the new Airport through to the end of the Concession Period under the straight-line method.

  Deferred revenue is being recognized in profit or loss over the operating period of the Airport through the end of the Concession Period under the straight-line method, in accordance with IAS 20, as a government grant related to assets.

- *Concessionaire Contract Liabilities*: Concessionaire contract liabilities correspond to amounts paid by concessionaires for the right to use commercial premises within the Airport. These amounts are recorded as contract liabilities (in liabilities) at the time of payment. The revenues are subsequently recognized using the realization base over the effective contract period. Deferred revenues exceeding 12 months as of the statement of financial positions are classified as non-current liabilities.

See notes 2.6 and 2.7 to our Financial Statements.

**Recently Issued Accounting Standards**

The following new and revised IFRSs have been issued, to become effective for annual periods beginning on or after January 1, 2019, with earlier application permitted:

- IFRS 16 – Leases
- IFRS 23 – Uncertainty Over Income Tax Treatments
- Amendments to IAS 19 Employee Benefits – Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRS Standards 2015 – 2017 – Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

The following new and revised IFRSs have been issued, to become effective for annual periods beginning on or after January 1, 2020, with earlier application permitted:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 – Definition of Materiality

As of the date of our Financial Statements, we have not applied the new IFRS accounting pronouncements which are not yet effective. For more information on our estimates and evaluations of the impact that adopting the new IFRS accounting pronouncements will have on our financial statements or the effects thereof, see note 3.2 of our Financial Statements.

**Results of Operations**

***Year ended December 31, 2018 compared to the year ended December 31, 2017***

The following table presents our results of operations for the year ended December 31, 2018 and 2017:

| | Year ended December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **% Change** |
| | (in thousands of U.S. dollars) | | |
| **Statement of comprehensive income:** | | | |
| Revenue: | | | |
| Regulated revenue: | | | |
| Passenger tariffs | 77,279 | 70,984 | 8.9 |
| Airport services tariffs | 43,804 | 39,858 | 9.9 |
| **Total regulated revenue** | **121,083** | **110,842** | 9.2 |
| Non-regulated revenue: | | | |
| Non-regulated revenue | 43,366 | 38,918 | 11.3 |
| Recognition of concessionaire contract liabilities | 955 | 914 | 4.5 |
| **Total non-regulated revenue** | **44,321** | **39,832** | 11.3 |
| Commercial incentives | (3,438) | (3,056) | 12.5 |
| Recognition of MSIA contract liabilities | 9,746 | 9,746 | — |
| **Total revenue** | **171,712** | **157,364** | **9.1** |
| Interest revenue | 19 | 132 | (85.6) |
| Amortization of intangible assets | (32,789) | (31,392) | 4.5 |
| Employee benefit expenses | (12,418) | (10,856) | 14.4 |

| | | | |
|---|---|---|---|
| Employee profit-sharing | (11,183) | (9,809) | 14.0 |
| Financial costs: | | | |
| Senior Secured Credit Facilities | (8,508) | (12,594) | (32.4) |
| Intercompany Loans | (5,273) | (5,275) | — |
| Existing Loans | (142) | — | — |
| Others | (127) | (581) | (78.1) |
| Services and supplies | (9,114) | (8,129) | 12.1 |
| Operation and maintenance fee | (6,707) | (6,318) | 6.2 |
| Professional fees | (10,254) | (5,888) | 74.2 |
| Maintenance and repair expenses | (3,254) | (3,031) | 7.4 |
| Utilities | (2,505) | (2,311) | 8.4 |
| Insurance expenses | (2,280) | (2,249) | 1.4 |
| Taxes and contributions | (1,805) | (1,224) | 47.5 |
| Equipment depreciation | (851) | (994) | (14.4) |
| Others | (1,154) | (1,263) | (8.6) |
| **Profit for the year and total comprehensive income** | **63,367** | **55,582** | **14.0%** |

*Revenue*

Revenue increased by 9.1% from U.S.$157.4 million for the year ended December 31, 2017 to U.S.$171.7 million for the year ended December 31, 2018. The components of our revenues are discussed below.

*Regulated revenue*. Regulated revenue increased by 9.2% from U.S.$110.8 million for the year ended December 31, 2017 to U.S.$121.1 million for the year ended December 31, 2018, primarily as a result of (i) an increase in income from passenger tariffs of 8.9% from U.S.$71.0 million for the year ended December 31, 2017, to U.S.$77.3 million for the year ended December 31, 2018, and (ii) an increase in income from airport services tariffs of 9.9% from U.S.$39.9 million for the year ended December 31, 2017, to U.S.$43.8 million for the year ended December 31, 2018. These increases were primarily as a result of an increase in the number of total departing O&D passengers by 7.2% from 2,427,688 for the year ended December 31, 2017 to 2,602,629 for the year ended December 31, 2018, driven in part by the implementation of the air service development program, as well as a new incentives program and an increase in maximum take-off weight ("MTOWs") (particularly from international and cargo carriers) related to larger aircraft operations during the period. The main markets contributing to passenger traffic growth were the routes to Bogotá, Panama City, Lima and Madrid.

*Non-regulated revenue*. Non-regulated revenue increased by 11.3% from U.S.$38.9 million for the year ended December 31, 2017 to U.S.$43.4 million for the year ended December 31, 2018, primarily as a result of increased revenues from commercial business such as the VIP lounge, duty free services, retail and food and beverage services, among others, as a result of an increase in the number of total departing passengers and an increase in MTOWs described above.

*Amortization of intangible assets*. Amortization of intangible assets increased by 4.5% from U.S.$31.4 million for the year ended December 31, 2017 to U.S.$32.8 million for the year ended December 31, 2018, due to capital expenditures incurred during 2017 that were amortized in 2018, in connection with the removal of soil, the development of the cargo apron, the VIP lounge expansion and the e-boarding gates, among others.

*Emloyee profit-sharing*. Employee profit-sharing increased by 14.0% from U.S.$9.8 million for the year ended December 31, 2017 to U.S.$11.2 million for the year ended December 31, 2018, due to an increase in our profit.

*Financial costs.* Our financial costs decreased by 23.8% from U.S.$18.4 million for the year ended December 31, 2017 to U.S.$14.1 million for the year ended December 31, 2018, primarily due to a decrease of 32.5% of financial costs related to our Senior Secured Credit Facilities from U.S.$12.6 million for the year ended December 31, 2017 to U.S.$8.5 million for the year ended December 31, 2018, due to a prepayment of principal made in October 2017, which resulted in a lower

base for the interest calculation during 2018. The Senior Secured Credit Facilities were assigned, in whole, to the Existing Lenders on December 20, 2018. See "—Liquidity and Capital Resources—Liabilities—Existing Loans."

*Services and supplies*. Services and supplies increased by 12.1% from U.S.$8.1 million for the year ended December 31, 2017 to U.S.$9.1 million for the year ended December 31, 2018, primarily due to higher expenses of the VIP lounge operator due to increased usage of both lounges compared to the corresponding period in 2017.

*Operation and maintenance fee*. Operation and maintenance fee in connection with the O&M Agreement increased by 6.2% from U.S.$6.3 million for the year ended December 31, 2017 to U.S.$6.7 million for the year ended December 31, 2018, due to increased payments to the Operator as a result of higher revenues during the period. See "Business—Operations—O&M Agreement."

*Professional fees*. Professional fees increased by 74.2% from U.S.$5.8 million for the year ended December 31, 2017 to U.S.$10.3 million for the year ended December 31, 2018, primarily due to increased expenses related to operations, business integration and expenses related to Quiport's senior management as compared to 2017.

*Employee benefit expenses*. Employee salaries and benefits increased by 14.4% from U.S.$10.8 million for the year ended December 31, 2017, to U.S.$12.4 million for the year ended December 31, 2018, primarily due to adjustments to compensation of our directors.

*Profit for the year and total comprehensive income*

As a result of the foregoing factors, our profit for the year and total comprehensive income increased by 14.0% from U.S.$55.6 million for the year ended December 31, 2017 to U.S.$63.4 million for the corresponding period in 2018.

***Year ended December 31, 2017 compared to year ended December 31, 2016***

The following table presents our results of operations for the years ended December 31, 2017 and 2016:

| | Year ended December 31, | | |
|---|---|---|---|
| | **2017** | **2016** | **% Change** |
| | (in thousands of U.S. dollars) | | |
| **Statement of comprehensive income:** | | | |
| Revenue: | | | |
| Regulated revenue: | | | |
| Passenger tariffs | 70,984 | 69,594 | 2.0 |
| Airport services tariffs | 39,858 | 38,813 | 2.7 |
| **Total regulated revenue** | **110,842** | **108,407** | 2.3 |
| Non-regulated revenue: | | | |
| Non-regulated revenue | 38,918 | 38,066 | 2.2 |
| Recognition of concessionaire contract liabilities | 914 | 1,252 | (27.0) |
| **Total non-regulated revenue** | **39,832** | **39,318** | 1.3 |
| Commercial incentives | (3,056) | (315) | (870.0) |
| Recognition of MSIA contract liabilities | 9,746 | 9,746 | - |
| **Total revenue** | **157,364** | **157,156** | 0.1 |
| Interest revenue | 132 | 95 | 38.9 |
| Amortization of intangible assets | (31,392) | (31,520) | (0.4) |
| Employee benefit expenses | (10,856) | (10,495) | 3.4 |
| Employee profit-sharing | (9,809) | (8,989) | 9.1 |
| Financial costs: | | | |
| Senior Secured Credit Facilities | (12,594) | (17,479) | (27.9) |
| Intercompany Loans | (5,275) | (5,290) | (0.3) |
| Others | (581) | (612) | (5.1) |
| Services and supplies | (8,129) | (7,362) | (10.4) |
| Operation and maintenance fee | (6,318) | (6,296) | 0.4 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | % Change |
| | (in thousands of U.S. dollars) | | |
| Professional fees | (5,888) | (6,375) | (7.6) |
| Maintenance and repair expenses | (3,031) | (2,903) | 4.0 |
| Insurance expenses | (2,311) | (2,603) | (11.2) |
| Utilities | (2,249) | (2,370) | (5.1) |
| Taxes and contributions | (1,224) | (1,494) | (16.7) |
| Equipment depreciation | (994) | (1,244) | (20.1) |
| Others | (1,263) | (1,283) | (1.6) |
| **Profit for the year and total comprehensive income** | **55,582** | **50,936** | 9.1 |

*Revenue*

Total revenue remained relatively consistent at U.S.$157.3 million and U.S.$157.2 million for the years ended December 31, 2017 and 2016, respectively. The components of our revenues are discussed below.

*Regulated revenue*. Regulated revenue increased by 2.3% from U.S.$108.4 million for the year ended December 31, 2016 to U.S.$110.8 million for the year ended December 31, 2017, primarily as a result of (i) an increase in income from passenger tariffs of 2.0% from U.S.$69.6 million for the year ended December 31, 2016, to U.S.$71.0 million for the year ended December 31, 2017, and (ii) an increase in income from airport services tariffs of 2.7% from U.S.$38.8 million for the year ended December 31, 2016, to U.S.$39.9 million in 2017. These increases were primarily a result of an increase in cargo MTOWs related to higher frequency flights.

*Non-regulated revenue*. Non-regulated revenue increased by 2.2% from U.S.$38.1 million for the year ended December 31, 2016 to U.S.$38.9 million for the year ended December 31, 2017, mainly due to increased revenues from commercial business such as the VIP lounge (primarily as a result of an increase in the volume of O&D passengers using the VIP lounge, following the execution of certain agreements with credit card companies for use of the VIP lounge due to the expansion of the international VIP lounge), duty free services (primarily as a result of the increased income derived from new stores in the departures terminal that began operations in September 2016), fuel levy (primarily due to an increase in the number of gallons dispatched by the Operator related to the new operations of Iberia in April 2017, the recovery of TAME's route to New York and increased cargo operations), and cargo revenues (primarily as a result of a 10.0% increase in cargo exports), among others, which was partially offset by a decrease in revenues from food and beverage, advertising and ground service equipment.

*Amortization of intangible assets*. Amortization was relatively stable at U.S.$31.4 million and U.S.$31.5 million for the years ended December 31, 2017 and 2016, respectively.

*Employee benefit expenses*. Employee salaries and benefits expenses increased by 3.4% from U.S.$10.4 million for the year ended December 31, 2016, to U.S.$10.8 million for the year ended December 31, 2017.

*Employee profit-sharing*. Employee profit-sharing increased by 9.1% from U.S.$9.0 million for the year ended December 31, 2016, to U.S.$9.8 million for the year ended December 31, 2017, primarily due to an increase in our profit for the relevant periods.

*Financial costs*. Our financial costs decreased by 21.1% from U.S.$23.3 million for the year ended December 31, 2016 to U.S.$18.4 million for the year ended December 31, 2017, primarily due to a decrease of 27.9% of our Senior Secured Credit Facilities from U.S.$17.4 million for the year ended December 31, 2016 to U.S.$12.6 million for the year ended December 31, 2017, due to a reduction in the outstanding principal amount of the Senior Secured Credit Facilities as a result of scheduled debt service payment and certain voluntary prepayments in 2017. The Senior Secured Credit Facilities were assigned,

in whole, to the Existing Lenders on December 20, 2018. See "—Liquidity and Capital Resources—Liabilities—Existing Loans."

*Services and Supplies*. Supplies expenses increased by 10.4% from U.S.$7.3 million for the year ended December 31, 2016 to U.S.$8.1 million for the year ended December 31, 2017.

*Operation and maintenance fee*. Operation and maintenance fees in connection with the O&M Agreement remained relatively stable at U.S.$6.3 million for the years ended December 31, 2017 and 2016.

*Professional fees*. Professional fees decreased by 7.6% from U.S.$6.3 million for the year ended December 31, 2016 to U.S.$5.8 million for the year ended December 31, 2017.

*Profit for the year and total comprehensive income*

As a result of the foregoing factors, our profit for the year and total comprehensive income increased by 9.1% from U.S.$50.9 million for the year ended December 31, 2016, to U.S.$55.6 million for the corresponding period in 2017.

**Liquidity and Capital Resources**

Our financial condition and liquidity has been, and we expect will continue to be, influenced by a variety of factors, including:

- our ability to generate cash flows from our operating activities;
- the level of our outstanding indebtedness and the interest that we are obligated to pay on our indebtedness, which affect our net financial expenses;
- prevailing domestic and international interest rates at the time we incur indebtedness, which affect our debt services requirements; and
- capital expenditures.

Our principal cash requirements consist of the following:

- operating and working capital requirements;
- the servicing of our indebtedness; and
- capital expenditures.

Since we commenced operations, our principal sources of liquidity have been cash flows from operations and our long-term debt facilities, including the Senior Secured Credit Facilities, which was assigned, in whole, to the Existing Lenders on December 20, 2018. See "—Liabilities—Existing Loans." The primary use of our liquidity has been to complete the design and construction of the new Airport, fund cost of service and administrative expenses, to service our indebtedness and to make necessary capital expenditures to accommodate increases in total passengers and air traffic movements. As of December 31, 2018, we had a negative working capital balance of U.S.$31,594. We believe that the liquidity risk exposure is temporary based on cash flows we have been generating from our operating activities, which are supported by our profits. See notes 1.2 and 20.1.3 to our Financial Statements.

### *Cash flows*

The following table shows a summary of our cash flows for the years presented.

| | Year ended December 31, | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| | (in thousands of U.S. dollars) | | |
| Cash, beginning | 52,151 | 47,487 | 58,890 |
| Net cash (used in) provided by: | | | |
| Operating activities | 98,579 | 89,263 | 91,731 |
| Investing activities | (46,095) | 4,031 | (11,082) |
| Financing activities | (81,579) | (88,630) | (92,052) |
| **Cash, ending** | **23,056** | **52,151** | **47,487** |

*Cash flows provided by operating activities*

Cash flow from operating activities increased by U.S.$9.3 million from U.S.$89.3 million for the year ended December 31, 2017 to U.S.$98.6 million for the year ended December 31, 2018. This increase was primarily due to (i) an increase in revenues as a result of improved traffic performance, which was partially offset by higher overall expenses related to business operations, business integration and certain usufruct matters. See "The Concession—O&M Agreement—Fees."

Cash flow from operating activities decreased by U.S.$2.4 million from U.S.$91.7 million for the year ended December 31, 2016 to U.S.$89.3 million for the year ended December 31, 2017. This decrease was primarily due to (i) an increase in our commercial incentives program and (ii) the payment of the fee under the O&M Agreement corresponding to the six-month periods ended (a) December 31, 2015, which was made in March 2017, (b) June 30, 2016, which was made in in March 2017, (c) December 31, 2016, which was made in August 2017, and (d) June 30, 2017, which was made in December 2017. See "The Concession—O&M Agreement—Fees."

*Cash flows used in investing activities*

Cash flow from investing activities decreased by U.S.$50.1 million from U.S.$4.0 million in cash flows from investing activities for the year ended December 31, 2017 to U.S.$(46.1) million investing activities for the year ended December 31, 2018. This decrease was primarily due to (i) the assignment of the Senior Secured Credit Agreement to the Existing Lenders on December 20, 2018, and certain obligations under the Existing Loans Agreement to maintain free and unencumbered cash in our accounts in an amount not less than U.S.$25.0 million, which obligation was satisfied in 2018 by a letter of credit in such amount, compared to an increase in cash flows derived from the release of U.S.$25.0 million in restricted cash under the Senior Secured Credit Agreement in 2017, and (ii) increased capital expenditures of U.S.$21.1 million relating to our intangible asset under the Concession and equipment for (a) the removal of soil, (b) the expansion of the cargo apron, (c) the internal remodeling of the passenger terminal building, (d) the restructuring of offices, (e) the automated boarding gates, (f) the replacement of cameras, doors and push bars for the security system, (g) the sidewalk and pedestrian circulation and (h) the GSE cargo area, among other things, the sum of which was offset by a decrease in other financial assets associated with cash movements in the Onshore Borrower Trust related to the collection of regulated revenue.

Cash flow from investing activities increased by U.S.$15.1 million from U.S.$(11.1) million used in investing activities for the year ended December 31, 2016 to U.S.$4.0 million in cash flows provided by investing activities for the year ended December 31, 2017. This increase was primarily due to a release of restricted cash of U.S.$25 million related to the replacement of a debt service reserve account made during 2017, as described above, which was partially offset by increased capital expenditures of U.S.$9.1 million during the period for the removal of soil, implementation of the Airport master plan, the domestic baggage claim, the passenger terminal building LED system, improvements to the passenger

terminal building, visual landing aids, software for commercial revenues, the closed-circuit cameras (CCTV) airside, the rubber removal truck, and the restructuring of offices, among other things.

*Cash flows used in financing activities*

Cash flow used in financing activities decreased by U.S.$7.0 million from U.S.$88.6 million for the year ended December 31, 2017 to U.S.$81.6 million for the year ended December 31, 2018, primarily due to a payment under the Intercompany Loans in an amount of U.S.$30.0 million in 2018 and a payment under the Senior Secured Credit Facilities in the amount of U.S.$51.6 million during 2018, compared to a payment in the amount of U.S.$64.6 million under the Senior Secured Credit Facilities in 2017, as well as for a dividend payment made in September 2017 in the amount of U.S.$24.1 million which was not made in 2018. See "—Liabilities—Existing Loans."

Cash flow used in financing activities decreased by U.S.$3.4 million from U.S.$92.0 million for the year ended December 31, 2016 to U.S.$88.6 million for the year ended December 31, 2017, primarily due to lower payments of U.S.$14.4 million under the Senior Secured Credit Facilities in 2017, compared to higher payments of the Senior Secured Credit Facilities in 2016 (mainly related to prepayment of Senior Secured Credit Facilities), which was offset by a higher dividend payment in the amount of U.S.$11 million in 2017 compared to a dividend payment on paid in December 2016.

***Liabilities***

As of December 31, 2018, our total borrowings were U.S.$145.1 million, of which U.S.$66.1 million were current borrowings and U.S.$79.0 million were non-current borrowings.

The following table sets out our current and non-current borrowings as of the dates indicated:

| | At December 31, | | |
|---|---|---|---|
| | **2018** | **2017** | **2016** |
| | (in thousands of U.S. dollars) | | |
| Current borrowings: | | | |
| Senior Secured Credit Facilities | — | 108,997 | 39,269 |
| Bridge loans[(1)] | 66,092 | — | — |
| Non-current borrowings: | | | |
| Senior Secured Credit Facilities | — | — | 121,714 |
| Related companies[(2)] | 79,041 | 103,768 | 98,493 |
| **Total borrowings** | **145,133** | **212,765** | **259,476** |

(1) This line item corresponds to the the Existing Loans as defined herein. The Senior Secured Credit Agreement was assigned, in whole, to the Existing Lenders in an amount of U.S.$65,950,077.48 on December 20, 2018, following which the Senior Secured Credit Agreement was amended and restated pursuant to the Existing Loans Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans." See note 15 to our Financial Statements.

(2) This line item corresponds to the Intercompany Loans, as defined herein. See note 15 to our Financial Statements.

A description of our material outstanding indebtedness as of December 31, 2018 is set out below.

*Existing Loans*

On May 23, 2006, we entered into the First Amended and Restated Common Terms Agreement (as amended, supplemented and/or modified to date, the "Senior Secured Credit Agreement"), among Quiport, as borrower; the Export Development Canada ("EDC"), the Export-Import Bank of the United States ("Ex-Im Bank"), the Inter-American Development Bank ("IDB"), and the Overseas Private Investment Corporation ("OPIC," and together with EDC, Ex-Im Bank and IDB, the "Original Senior Lenders"), as lenders, and the agents party thereto, and related agreements (together, the "Senior Secured Credit Facilities"), for the financing of the development, construction and operation of the Airport and the related works under the Concession Contract, among other uses, for an amount of approximately U.S.$376 million and with a maturity in 2020. On December 20, 2018, the Original Senior Lenders

assigned the Senior Secured Credit Facilities, in whole, to the Existing Lenders in an amount of U.S.$65,950,077.48. Immediately following the assignment, we and the Existing Lenders amended and restated the Senior Secured Credit Agreement pursuant to an omnibus amendment and restatement under the Existing Loans Agreement.

The Existing Loans Agreement contains standard representations and warranties, covenants and events of default customary for refinancing facilities of this type, as well as negative covenants restricting Quiport's ability to incur indebtedness, among others. As of the date of these listing particulars, the outstanding balance under the Existing Loans was U.S.$65,950,077.48. The Issuer will use the net proceeds of the Notes to irrevocably purchase and assume all of the Existing Lenders' rights and obligations under the Existing Loans Agreement pursuant to an irrevocable assignment of the Existing Loans and the Existing Loans Agreement will be amended and restated in connection therewith. See "Use of Proceeds" and "The Loans Agreement and the Loans."

*Intercompany Loans*

We have also entered into the Intercompany Loans with related companies including Green Coral Investments Inc., Alba Concessions (formerly AG Concessions Inc.) ("Alba"), Icaros Development Corporation S.A. ("Icaros") and Black Coral. As of December 31, 2018, the total amount of these loans was U.S.$79.0 million. These loans mature between 2037 and 2040 and bear annual interest rates fluctuating between 3.25% and 9.36%. Principal on the Intercompany Loans is due on (i) January 30, 2037, in an amount of U.S.$79.0 million, plus interest and (ii) 12 months thereafter, the balance of the aggregate principal amount of the Intercompany Loans then outstanding, together with all accrued interest, charges, fees, costs and expenses due thereunder.

We intend to use a portion of the proceeds from the Loans to prepay on or around the Issue Date the Intercompany Loans in full. See "Use of Proceeds." Any future intercompany loans will be required to be subordinated to the Loans in accordance with the Subordinated Lender Security Agreement. See "Description of Notes Security Documents—Subordinated Lender Security Agreement."

**Capital Expenditures**

Under the Concession Contract, we are required to comply with our master plan and make certain investments in accordance with our master plan. See "Business—Master Plan."

**Off-balance Sheet Arrangements**

We are not party to any off-balance sheet arrangements.

**Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risks arising from our normal business activities. Market risk represents the risk of loss that may affect our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of counterparty risk, liquidity risk and risk associated with our capital structure as well as inflation, to a lesser extent.

***Credit Risk Management***

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to us. As a means of mitigating the risk of financial loss from defaults, we started a process of obtaining reasonable guarantees, where appropriate, from new commercial clients operating and/or leasing facilities at the airport. Because we inherited most of the current counterparties, we are undergoing a review of these entities to ascertain whether they satisfy solvency and good credit standing

through bank and trade referrals. Our management diligently monitors potential events that could affect counterparty risk.

***Interest Rate Risk***

As all of our debt, including the Notes offered hereby, are maintained at fixed rates, we are not exposed to interest rate risks.

***Liquidity Risk***

Our management is responsible for managing our liquidity risk and has developed a liquidity risk management framework for the management of short, medium and long-term funding and liquidity requirements by maintaining adequate reserves and reserve borrowing facilities, continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

***Capital Risk Management***

The greater part of our capital structure comprises loans granted by overseas investment entities, capital paid in by our Shareholders. Overseas investment entities financing the project have set up a series of trusts to ensure recovery of amounts invested and to guarantee the appropriate management of resources and, consequently, payment of obligations. See "—Liquidity and Capital Resources—Indebtedness."

***Inflation Risk***

Due to the relatively low prevailing rate of inflation in Ecuador in recent years, inflation has not had a material impact on our revenues or results of operations. However, there can be no assurance that our financial condition or results of operations will not be affected by inflation in the future.

# Business

## Overview

We are an Ecuadorian stock corporation (*sociedad anónima*) that operates, maintains and develops the Airport, a state-of-the-art, award-winning, world-class airport, operating 24 hours a day, seven days a week, 365 days per year. We are the largest airport in Ecuador in terms of passenger traffic, providing an essential service to the capital as well as the country as a whole. We play a vital role in supporting economic growth in Ecuador and its connectivity to global cities around the world.

We have been serving as the exclusive provider of airport services to the city of Quito since 2006 when we were granted a 35-year concession to operate the Old Airport and to construct, develop, operate, administer, manage, improve and maintain the Airport and the Airport Developments on the Airport site, for the Concession Period. On February 19, 2013, we permanently closed the Old Airport, starting operations at the Airport on the following day. We designed and built the Airport to deliver a best-in-class experience for both global and domestic travelers, and strategically addressed constraints of the Old Airport to drive a new phase of growth for the city of Quito and Ecuador. The ongoing success of our strategy over the past six years is reflected in the addition of longer range passenger and cargo destinations, larger and heavier aircraft being able to access Quito and growth in per passenger spend rates due to enhanced duty-free, commercial offerings and VIP lounge experiences. See "Competitive Strengths."

The industry has recognized our success and operational expertise with numerous accolades, including the World Travel Award for "South America's Leading Airport" in 2014, 2015, 2016, 2017 and 2018 and Skytrax's awards for "Best Regional Airport of South America" and "4 Star Airport" in each of 2016, 2017 and 2018 and for "Best Airport Staff in South America" in 2017 and 2018. Additionally, in 2018, as reported by Bloomberg, the Airport was ranked in Airhelp's top 10 airports and was awarded a Level III Optimization Certification of the Airport Carbon Accreditation by Airports Council International. Furthermore, in 2005, the Senior Secured Credit Facilities, assumed for the construction of the Airport and related works under the Concession Contract, were elected as the International Project Financing of the year by International Finance Legal Review and, in 2006, as the Transport Deal of the Year of South America by Project Finance Magazine.

In 2018, our Chief Executive Officer was unanimously elected President of the ACI-LAC, reflecting the value-added that our expertise and experiences bring to the airport industry more broadly. During his term in such position, our Chief Executive Officer will lead an organization that represents 270 airports in the region and that transports 584 million passengers per year and 5.1 million metric tons of cargo. This position provides our Chief Executive Officer with valuable first-hand knowledge of the needs of the members of ACI-LAC in order to more efficiently address their needs, and grow their presence by generating initiatives that will lead to improvements in the airports in the region, while maintaining the levels of operational safety, conservation of the environment and training that the ACI-LAC considers are fundamental to airport operations.

### *Traffic and Revenue Profile*

Ecuador has 22 civil airports, of which we are the largest in terms of passenger traffic, managing 47% of the country's air traffic for the year ended December 31, 2018, according to the Independent Traffic Consultant's Report. We are primarily an O&D facility and we are the international and domestic gateway to key business, governmental, supranational, and tourist destinations in Quito and across Ecuador. For the year ended December 31, 2018, approximately 99% of our passengers were O&D, with 45% international and 55% domestic passengers to and from 23 international and domestic destinations, seven of which were added after the opening of the Airport. We are also the main entry and exit point for air cargo in Ecuador, supporting 81% of the country's volume. According to the Independent Traffic

Consultant's Report, our role as the exclusive provider of these essential services to the capital and globally unique destinations gives us a fundamentally defensive business profile.

The mountainous geography of the region also creates natural limitations to alternative means of transportation, centralizing most of the domestic transportation through the Airport. We also benefit from a symbiotic relationship with Quito's sister-city in Ecuador, Guayaquil, with high-density shuttle-traffic similar to other city pairs, such as Madrid-Barcelona, São Paulo-Rio de Janeiro, Bogotá-Medellín and San Francisco-Los Angeles. These factors, combined with the enhancement of the Airport's technical infrastructure as compared to the Old Airport, has allowed for an increase in connectivity into Quito and Ecuador. For the years ended December 31, 2018, 2017 and 2016, the Airport had annual O&D passenger traffic of approximately 5.2 million (based on preliminary data), 4.9 million and 4.9 million O&D passengers, respectively.

We proactively evaluate and pursue opportunities to expand our network per our ASD, which includes plans to add new routes and increase frequencies and seat capacities to target routes in North America, Latin America, and Europe. For more information on our ASD, see "Business—Improvements and Expansion—Air Service Development Strategy."

Our revenues consist primarily of regulated and non-regulated revenues, representing 71% and 25%, respectively, of our total revenues for the year ended December 31, 2018. The remaining portion of our revenues derives from commercial incentives and recognition of MSIA contract liabilities. Regulated revenues consist primarily of passenger and airline charges which are regulated by our Concession Contract and are annually adjusted for the U.S. and Ecuador Consumer Price Index, in accordance with the indices set forth in the Concession Contract. Non-regulated revenues generally consist of commercial, duty free, VIP lounge, food and beverage lease and sales commission income, and cargo revenues. Pursuant to the Strategic Alliance Agreement, Quiport receives 89% of all the regulated revenues generated by the Concession until 2035 and 88% from 2036 until the end of the Concession Period, with the Municipality receiving the remaining 11% and 12%, respectively. For more information on the Strategic Alliance Agreement and the participation framework see "The Concession—Strategic Alliance Agreement." We believe that one of the notable aspects of our growth story has been the Airport's enhanced commercial layout and passenger experience, which we believe has supported the increase in per departing O&D passenger revenues from U.S.$6.07 in 2012 to U.S.$16.66 in 2018.

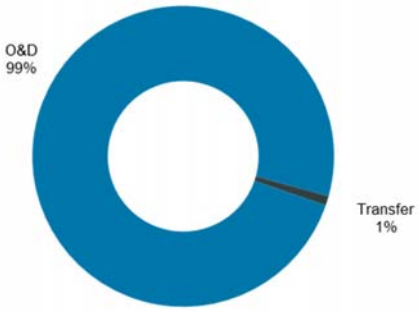
The table below sets forth information on our traffic and revenue growth:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2017 | | 2016 | |
| **Passengers[1]:** | | | | | | |
| Departing international | 1,170,890 | 22% | 1,097,926 | 23% | 1,074,793 | 22% |
| Departing domestic | 1,431,739 | 27% | 1,329,762 | 27% | 1,369,207 | 28% |
| Arriving[2] | 2,625,443 | 51% | 2,447,478 | 50% | 2,408,530 | 50% |
| **Total[2]** | **5,228,072** | **100%** | **4,875,166** | **100%** | **4,852,530** | **100%** |
| **Tariffs[1]:** | | | | | | |
| Tariff per international passenger (in U.S.$) | 55.57 | | 54.53 | | 53.82 | |
| Tariff per domestic passenger (in U.S.$) | 15.35 | | 15.06 | | 14.87 | |
| **Revenue[1]:** | | | | | | |
| Regulated revenue per departing passenger (in U.S.$) | 46.5 | | 45.7 | | 44.4 | |
| Non-regulated revenue[3] per departing passenger (in U.S.$) | 16.7 | | 16.0 | | 15.6 | |

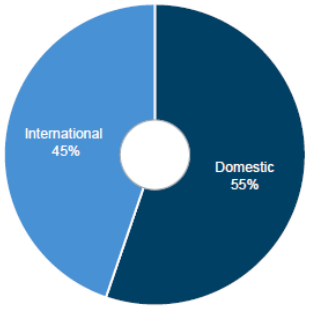
(1) Refers to O&D passengers information, which does not include transit passengers.
(2) Information for the year ended December 31, 2018 is based on preliminary data.
(3) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 17 and 14 to our Financial Statements.

The charts below set forth information on our passenger type:

**Passenger Type**




**International v. Domestic**




***The Airport and the Old Airport***

Between 2006 and 2013, we operated the Old Airport while simultaneously constructing the Airport. The operation of the Old Airport presented a variety of difficulties: proximity to residential areas, a small

runway of approximately 3.1 km and surrounding mountains, combined with a high altitude of approximately 2,811 meters above sea level that created high-wind and fog conditions making landings complex and limited the capacity of planes that could takeoff. This restricted the operation of the airport as larger and heavier planes that could travel longer distances were not able to operate.

The construction cost of the Airport was U.S.$796.0 million, which we financed with the Senior Secured Credit Facilities, assumed for the development, construction and operation of the Airport and related works under the Concession Contract, among other uses, in an amount of approximately U.S.$376.0 million and with maturity in 2020, and the remaining required investment through a combination of equity contributions, subordinated debt from our Shareholders and excess cash from operations at the Old Airport. See note 10 to our Financial Statements.

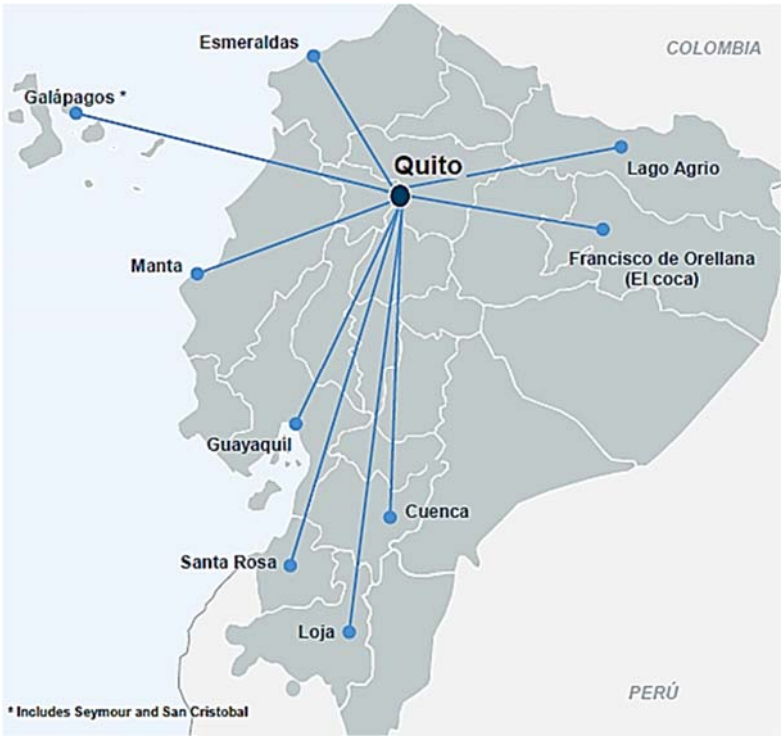
The Old Airport was permanently closed on February 19, 2013, and, on February 20, 2013, we began operating at the new Airport. Compared to the Old Airport, the new Airport is located at a lower altitude, approximately 2,411 meters above sea level and is approximately 35 km from downtown Quito. Additionally, the new Airport features a 4.1 km runway, one of the longest in South America, which allows for the operation of larger and heavier planes, such as the Boeing 777-300, 747-400 and the Airbus A340-600. The ability of the Airport to adequately meet the needs of these types of larger and heavier planes allows us to have an extended range of operations, which is reflected in the seven new routes that we added since the start of operations of the new Airport, and also allows us to service new potential destinations, including prospective destinations as far as Madrid. The new Airport has allowed us to increase passenger and cargo traffic and has given us the capacity for longer flights and access to new routes that were not possible in the Old Airport.

The new Airport is a state-of-the-art facility with best-in-class service and the latest technology. It features an international and domestic passenger terminal complex with eight contact gates, a general aviation facility, an air cargo facility, a maintenance facility, an air traffic control tower, boarding gates equipped with automated announcement systems and biometric scanners, vehicle parking lots, fuel storage and other assets. We have taken into account the needs of our passengers in creating a custom-designed commercial layout and building a diverse mix of domestic and international brands to provide an improved passenger experience, evidenced by the opening of a 160-square-meter retail space specializing in high-end local artisanal products and the remodeling and expansion of the international VIP lounge. The Airport has a total of 51 commercial spaces, 20 of which are dedicated to retail services, six to car rental services, 14 to food and beverage services, eight to duty free services and three to currency exchange services. The technology and infrastructure in the new Airport have helped increase the efficiency of our operations, including an improved fuel system and better air and ground traffic monitoring, which reduces delays and increases the number of flights. The Airport is compliant with the regulations of the TSA and certified by the ICAO.

We continue to develop, design and construct new facilities in our Airport to improve efficiency and increase capacity. In 2015, we expanded the passenger terminal for domestic flights, constructed new jet bridges and expanded the shopping areas. By 2020, we expect to have completed additional expansions of the passenger terminal by adding boarding gates and new expansions of the cargo and apron parking area for the GSE. These expansions are expected to result in an increase in the processing area for passengers and cargo. In addition, our geographical location, away from the city-center and on 1,500 hectares of dedicated land, allows for the addition of a second runway in the future. However, our current traffic projections will not require this addition during the remaining term of the Concession.

The following map sets forth our international network as of December 31, 2018:


The following map sets forth our domestic network as of December 31, 2018:



***Ecuador and Quito attract a diverse range of travelers, including for business and tourism purposes, as well as travel for governmental and supranational organizations***

Ecuador and Quito, in particular, are a destination for a wide mix of travel purposes, including business, tourism and travel for governmental and supranational organizations. Ecuador's tourism industry has grown steadily from 1.27 million tourists in 2012 to 1.47 million tourists in 2018, according to INEC.

Quito hosts more than 50 museums with a large collection of archeological artifacts and artwork, and in 1978 it was declared a UNESCO World Heritage Site. In addition to cultural attractions, multiple international organizations including the Union of South American Nations, an intergovernmental regional organization comprising twelve South American countries, the United Nations System, the Inter-American Development Bank, the Court of Justice of the Andean Community, the Andean Development Corporation and the International Organization for Migration, among others, are headquartered or have regional or country offices in Quito. This strong base of supranational organizations draws a robust international passenger base and brings in foreign currencies to Ecuador.

Additionally, Ecuador is a popular destination for tourism, and is particularly popular with tourists for its biodiversity. The Galapagos Islands are a popular tourist destination that is serviced exclusively by domestic airports. In 2018, 1,472,469 tourists visited Ecuador, 652,931 of which came to Quito. As such, the tourism industry is another driver of passenger traffic to the Airport.

Quito is investing in infrastructure projects that are aimed at helping to prepare it for increased tourism in the future, including, among other projects, hotels, roadways, and the Quito Metro Line One Project, that, according to the World Bank, will carry approximately 400,000 people daily and create more than 5,000 direct jobs and 15,000 indirect jobs. This growth in tourist infrastructure also benefits the ever growing local population. Quito hosts Ecuador's flower export trade convention and internationally recognized companies have offices in Quito, including Schlumberger, General Motors, Nestlé, Emirates, OTECEL, DirecTV, Arco Continental (Coca-Cola), Omnibus bb and Tampa Cargo, among others. These unique characteristics have positioned Quito as a key tourist and business destination in South America.

**Our Concession and Revenues**

We were incorporated to act as the sole Concessionaire for the Concession related to the Project, pursuant to the Concession Contract. See "The Concession—The Concession Contract."

The term of the Concession is for an initial period of 35 years from January 27, 2006 (the "Effective Date"), and expires on January 27, 2041 (the "Concession Period"). At the end of the Concession Period, the Concession to operate and maintain the Airport will be returned to the Municipality. For more information on the Concession and the Concession Contract, see "The Concession—The Concession Contract."

The Concession Contract has been amended, restated, novated, assigned, modified and supplemented on various occasions. In particular, the Concession Contract was amended by the Strategic Alliance Agreement, dated August 9, 2010 (as supplemented by the Implementation Agreement, dated August 9, 2010 (the "Implementation Agreement"), among the Municipality, the Management Unit and Quiport, the "Strategic Alliance Agreement"), among Quiport, the Municipality and Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regímenes Especiales (the "Management Unit"), in its capacity as the operative entity of the Municipality, which sets forth the participation framework of the income derived from regulated sources, pursuant to which we receive the Quiport Participation (or 89% of regulated revenue until 2035 and 88% from 2036 until the end of the Concession Period) with the Municipality receiving the Municipality Economic Benefit Participation (or the remaining 11% and 12%, respectively of the regulated revenues). Non-regulated sources are not affected by the Strategic Alliance Agreement and we are entitled to receive 100% of all income derived

from these sources. For more information on the Strategic Alliance Agreement and the participation framework see "The Concession—Strategic Alliance Agreement."

Furthermore, our Concession is subject to the terms of various agreements entered into in connection with the Project, including, among others, a certain investment contract, dated June 24, 2003 (as amended, clarified or supplemented and in effect from time to time, including, without limitation, by (i) the Affirmation and Amendment to the Investment Contract dated August 30, 2010, among Aecon Construction Group Inc., ADC Management Ltd. ("ADC Management"), Quiport Holdings S.A. ("Quiport HoldCo"), Icaros, Aecon Investment Corp. ("Aecon Investment"), Alba and Black Coral Investments Inc. ("Black Coral," and together with Quiport HoldCo, Icaros, Aecon Investment and Alba, the "Investors") and (ii) the Affirmation of the Republic Consent dated August 9, 2010, among us, the Investors and the Republic of Ecuador acting through the Ministry of Foreign Relations, Commerce and Integration (*Ministerio de Relaciones Exteriores, Comercio e Integración*) (the "Investment Contract"). Pursuant to the Investment Contract, Ecuador protects Quiport and the Investors against changes to the legal framework in effect on the date of the Investment Contract relating to Ecuadorian law, taxes, remittances and repatriation of capital, profits and other payments abroad, exports and imports, discrimination and expropriation. The benefits of the tax stability under the Investment Contract terminate on June 24, 2023. For more information on the Investment Contract see "The Concession—Investment Contract" and "Business—Regulation."

We derive our revenue from regulated and non-regulated sources. Regulated sources are subject to the Strategic Alliance Agreement pursuant to which the Municipality receives 11% directly and are regulated by the Ordinance No. 335 and consist of:

- *Aircraft landing fees*: fees collected by Quiport on all eligible flight operations based on the maximum take-off weight of the aircraft in question.
- *Passenger departure fees*: fees collected by Quiport on all domestic departure passengers and all international departure passengers embarking on an eligible flight operation.
- *Aircraft parking fees:* fees collected by Quiport on all eligible flight operations for the right to park the aircraft on the civil apron.
- *Lighting surcharge fees*: fees collected by Quiport on all aircraft operations during the period when lighting of the runway is required, as determined by the operator in accordance with the Standards (as defined herein).
- *Boarding bridge fees*: fees collected by Quiport on all aircraft operations requiring embarkation or disembarkation using a boarding bridge.
- *CFR Services Surcharge Fees:* fees collected by Quiport on all domestic departure passengers and all international departure passengers embarking on an eligible flight operation to defray costs incurred in connection with the provision by Quiport of the CFR Services. CFR Services consists of the provision of crash, fire-fighting, fire-rescue, search and rescue, emergency medical and paramedic services ("CFR Services").
- *ATC Equipment Surcharge Fees:* fees collected by Quiport on all domestic departure passengers and all international departure passengers embarking on an eligible flight operation to defray costs incurred in connection with the supply, installation and system integration of the ATC Equipment at the Airport.

Eligible flight operations includes all aircraft operations and general aviation flights.

Non-regulated sources are not regulated by the Ordinance No. 335 and consist of:

- fees, rents, duties and other charges collected from third parties engaged in commercial or airline activities in the Airport, including airside retail and food and beverage;
- office, hangar and warehouse rentals;
- cargo;
- passenger services such as VIP lounges and in-flight catering;
- ground transportation such as parking and car rental;
- landside retail;
- common use terminal equipment; and
- other commercial services.

For the year ended December 31, 2018, we derived 71% of our revenue from regulated sources and 25% from non-regulated sources. For the year ended December 31, 2017, we derived 70% of our total revenue from regulated sources and 25% from non-regulated sources.

The remainder of our revenues derives from commercial incentives and recognition of MSIA contract liabilities. See note 14 to our Financial Statements.

The following table sets forth a breakdown of our revenue by sources for the periods indicated:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2018 | | 2017 | | 2016 | |
| | (in thousands of U.S. dollars, except percentages) | | | | | |
| Regulated revenue: | | | | | | |
| Passenger tariffs | 77,279 | 45.0% | 70,984 | 45.1% | 69,594 | 44.3% |
| Airport services tariffs | 43,804 | 25.5% | 39,858 | 25.3% | 38,813 | 24.7% |
| **Total regulated revenue** | **121,083** | **70.5%** | **110,842** | **70.4%** | **108,407** | **69.0%** |
| Non-regulated revenue: | | | | | | |
| Non-regulated revenue | 43,366 | 25.3% | 38,918 | 24.7% | 38,066 | 24.2% |
| Recognition of concessionaire contract liabilities | 955 | 0.6% | 914 | 0.6% | 1,252 | 0.8% |
| **Total non-regulated revenue** | **44,321** | **25.8%** | **39,832** | **25.3%** | **39,318** | **25.0%** |
| Commercial incentives[(1)] | (3,438) | (2.0%) | (3,056) | (1.9%) | (315) | (0.2%) |
| Recognition of MSIA contract liabilities[(2)] | 9,746 | 5.7% | 9,746 | 6.2% | 9,746 | 6.2% |
| **Revenue** | **171,712** | **100%** | **157,364** | **100%** | **157,156** | **100%** |

(1) Consists of discounts issued by Quiport to airlines as part of an incentives program to increase passenger traffic.

(2) Consists of the accrued revenue relating to the contract liability from Quiport's right under the Concession Contract to operate the Old Airport until the Airport began operations, which is amortized over a straight line during the term of the Concession Period. See note 14 to our Financial Statements. See notes 14 and 17 to our Financial Statements.

The following table presents a breakdown of the regulated revenues of the Airport, our non-regulated revenue and the total revenues of the Airport :

| | Regulated Revenues of the Airport[1] | Non-Regulated Revenue [2] | Total Revenues of the Airport[1] |
|---|---|---|---|
| | | (in thousands of U.S. dollars) | |
| **Revenue:** | | | |
| Year ended 2018 | 136,048 | 43,366 | 179,414 |
| Year ended 2017 | 124,541 | 38,918 | 163,459 |
| Year ended 2016 | 121,806 | 38,066 | 159,872 |

(1) Includes Municipality Economic Benefit Participation. Pursuant to the Strategic Alliance Agreement, Quiport receives 89% of all the regulated revenues generated by the Concession until 2035 and 88% from 2036 until the end of the Concession Period, with the Municipality receiving the remaining 11% and 12%, respectively. See "The Concession—Strategic Alliance Agreement" and "The Concession—Surcharge Collection Agreement."

(2) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 14 and 17 to our Financial Statements.

## Competitive Strengths

We believe our competitive strengths include the following:

- essential national asset: only airport serving Quito, the capital of Ecuador;
- state-of-the-art facility with best-in-class service and latest technology;
- attractive traffic profile with positive outlook;
- sponsor, operator and management team with solid operating track record and experience;
- supportive contractual framework, including automatic annual rate increases and political stability guarantees and strategic alignment with the Granting Authority;
- demonstrated track record of improving non-regulated revenue per passenger with further room for growth; and
- success story of foreign investment and public-private partnership in Ecuador.

### *Essential national asset: only airport serving Quito, the capital of Ecuador*

We are the largest airport in Ecuador in terms of passenger traffic and the only airport serving Quito, the capital of Ecuador, the largest city in Ecuador by economic output and the second largest by population with approximately 15% of the country's population.

The Airport enjoys exclusive rights for airport development and operations in the metropolitan area of Quito. Because of this, the Airport is a critical national infrastructure project and a gateway to domestic and international travel for Ecuador. For the year ending December 31, 2018, the Airport accounted for 47% of Ecuador's air traffic, according to the Independent Traffic Consultant's Report. In addition, the Airport's advanced technical infrastructure has allowed for an increase in connectivity for Quito and Ecuador. For the year ended December 31, 2018, the Airport traffic was approximately 5.2 million O&D passengers, 238,138 tons of cargo and 59,821 ATMs. In addition, for the year ended December 31, 2018, we had our highest ever level of exports of cargo in Ecuador for the Airport, reaching 194,098 tons. As of December 31, 2018, on average, more than 14,000 passengers use the Airport on a daily basis, to and from 23 destinations.

Alternative forms of transportation are limited throughout the region due to the mountainous terrain, which creates natural incentives for centralizing most of the domestic commercial and tourist

transportation through the Airport. In addition, we benefit from a symbiotic relationship with Quito's sister-city in Ecuador, Guayaquil, with high-density shuttle-traffic similar to other city pairs, such as Madrid-Barcelona, São Paulo-Rio de Janeiro, Bogotá-Medellín and San Francisco-Los Angeles.

Because of this, the Airport is an essential national asset and plays a vital role in supporting further growth in economic activity, trade and travel through connectivity to the global cities around the world. It represents a critical infrastructure asset for Ecuadorian business, tourism and commerce. The operation of the Airport is closely aligned with the objectives of the government of Ecuador, which includes the support of the country's economic and infrastructure development and encouraging the growth of domestic and international travel.

***State-of-the-art facility with best-in-class service and latest technology***

We were incorporated on July 11, 2002, for the sole purpose of acting as Concessionaire under the Concession charged with the management, improvement and maintenance of the Old Airport, and the construction, management and maintenance of the Airport. In 2006, we took over the operations of the Old Airport, while we began construction of the new Airport. At that time, operations at the Old Airport were hampered by a variety of factors, including dense urbanization around the Old Airport, high altitude and changing aviation, all of which reduced operating performance. The Airport was the first greenfield airport built the Latin American and Caribbean Region in over a decade.

Studies conducted by meteorology specialists developed high-quality modeling for wind and atmospheric conditions at the site. Using Sonic Detection And Ranging (SODAR) technology, their models used a full year of upper air measurements reaching to 13,123 (4,000 meters) above the surface. This analysis facilitated insight into the airport site and surroundings, and together with other studies, contributed to an understanding of the Airport's environmental impact and led the United Nations to recognize the Airport's environmental and sustainability efforts with several awards, including the Global Sustainability Award (2009), Best Practices in Environmental Sustainability in the Americas (2009), and a Social Responsibility Award (2011) and contributed to an environment in which Airport operations could thrive.

The city of Quito supported the Airport with the construction of a new 4.2 km road and a water pipeline to the area where the new terminal building is situated. The Airport opened with a single 4.1 km runway supported by an air traffic control tower that is approximately 41.5 meters tall with nearly 929 square meters of operational space and an initial cargo capacity of 250,000 tons a year. Currently, our cargo facilities area is 80,055 square meters, of which 2,055 square meters are used for import handling, and which includes a logistics cargo center (composed of the import cargo building which is 36,493 square meters and the consolidation building which is 27,691 square meters), the export cargo building (which is 2,441 square meters) and the export cargo building (of which 9,375 square meters are used for the operative area and 2,441 square meters are used for administrative offices).

Additionally, the Airport features modern passenger and baggage handling solutions comprising the HI-SCAN EdtS automated x-ray screening equipment supplied by Smiths Detection.

The Airport continues to upgrade its technology to ensure that it is providing the safest and best experience for airlines and passengers alike. It was the first airport in South America to convert all the apron lighting to LED technology. To ensure passenger comfort, the Airport offers complimentary Wi-Fi, charging stations and a playground for children. The successful development and operation of the Airport has improved Quito's and Ecuador's overall business climate and its capacity to attract additional private investment.

***Attractive traffic profile with positive outlook***

The Airport benefits from a diversified passenger base from various markets, including Latin America, North America and Europe. Furthermore, this geographic diversity is complemented by a diverse mix of travel purposes, including business, tourism and travel for governmental and supranational organizations.

For the year ended December 31, 2018, approximately 99% of our passengers were O&D, with the remaining 1% being transfer passengers. We believe that the O&D nature of our passenger traffic coupled with being the only airport serving Quito gives us a defensive traveler profile that is relatively inelastic to our Regulated Fees.

As of December 31, 2018, the Airport had a total of 23 destinations, of which nine were domestic, seven were to other countries in Latin America, five to North America and two were to Europe. For the year ended December 31, 2018, international traffic represented 45%, while domestic traffic represented 55%, and 66% of all international trips originated from the Mexico, Bogotá, Lima, Miami and Panama routes and 55% of passengers arriving on these routes originally departed from other original destinations, providing the Airport with a diversified catchment area. Our international and domestic departing traffic grew at average rates of 4.6% and 2.5% from 2006 through 2017, respectively, despite global economic volatility and local natural disasters. With a diversified passenger base our revenues are more resilient to the effects of seasonality and economic cycles inherent to predominantly tourism traffic.

Since the start of operations of the new Airport in 2013, we have added seven new routes to the following destinations: Bogotá, Buenos Aires, Dallas (this route was discontinued in August 2018), Fort-Lauderdale, Madrid, Mexico and New York (this route was discontinued on January 31, 2019). Additionally, we increased the number of flights to key destinations and international hubs, such as Amsterdam, Panama, Madrid, Bogota and Houston.

We have increased international traffic from 684,442 international O&D passengers (departures) and 138,899 tons of cargo (exports and imports) in 2006 to 1,170,890 international O&D passengers (departures) and 238,138 tons of cargo (exports and imports) in 2018, representing an increase of 71.0% and 71.4%, respectively. The average annual growth rate for international departing O&D passengers was 4.3% from 2006 to 2012 at the Old Airport and 5.0% from 2013 to 2018 at the Airport. For the year ended December 31, 2017, the Airport had 55,778 ATMs.

Travelers to Quito have a diverse range of travelling reasons. We believe the centralized nature of Ecuador's population and economy supports robust air travel to Quito and Quito offers unique draws for tourists, business travelers, and government/supranational organization-related travel.

*Tourist Travelers*

In 2018, 1,472,469 tourists visited Ecuador, 652,931 of which came to Quito. Ecuador has a wide range of geographic areas and climates, including the Pacific coastal plains, the Sierra (consisting of the Andean highland region), the Oriente (characterized by the Amazonian tropical rain forest) and the Galapagos Islands region, a UNESCO heritage site since 1978. The Galapagos Islands region, located approximately 600 miles from Ecuador's Pacific coast, is only serviced by domestic airports due to applicable environmental laws and regulations. Ecuador's tourism industry has steadily grown from 1.27 million tourists in 2012 to 1.47 million tourists in 2018, according to INEC.

Quito lies 13 km south of the Equator and sits over 9,000 feet above sea level. These unique characteristics contribute to its status as a city with exceptional biodiversity, which is a tourist attraction. Ecuador, as a whole, has a wide range of sites that appeal to the environmentally-minded tourist, such as the hot springs flowing from volcanic soils fed by the twelve volcanoes in the area, eucalyptus forests and the Andean back-country.

In addition to being a destination due to its natural attractions, Quito also has a wide range of cultural attractions. Quito was among the first cities to be declared a World Heritage site in 1970 and has one of the largest historic city centers in the Americas at over 800 acres. Quito's colonial city center is also world-famous for its Baroque design. Moreover, it hosts more than 50 museums with a large collection of archeological artifacts and artwork, and in 1978, it was declared a UNESCO World Heritage Site. It was also selected by the American Capital of Culture Organization as the American Capital of Culture for the year 2011.

*International Business Travel*

Quito's increased economic strength has incentivized a number of internationally recognized companies to have offices in Quito, including Schlumberger, General Motors, Nestlé, Emirates, OTECEL, DirecTV, Arco Continental (Coca-Cola), Omnibus bb and Tampa Cargo, among others.

Additionally, in order to capitalize on its unique resources, Quito has become a global hub for the floricultural industry. The equatorial location of Ecuadorian flower plantations allow them to benefit from warm days, cool nights and 12 hours of daily sunlight throughout the year. This makes the region around Quito a hub for the burgeoning international floriculture business. Ecuador produces over 300 varieties of roses within an hour's drive of Quito. Today, Ecuador is the world's third largest flower exporter and Quito currently hosts Ecuador's flagship flower export trade convention, which draws floricultural business travelers from around the world.

*National/Supranational Governmental Travelers*

Multiple international organizations including the Union of South American Nations, an intergovernmental regional organization comprising twelve South American countries, the United Nations System, the Inter-American Development Bank, the Court of Justice of the Andean Community, the Andean Development Corporation and Cultural Heritage and the International Organization for Migration, among others, are headquartered or have regional or country offices in Quito. As a result, Quito benefits from a steady stream of regional and international travelers for supranational, multilateral and other inter-regional purposes.

***Sponsor, operator and management team with solid operating track record and experience***

CCR S.A., Odinsa S.A and HASDC are our sponsors and indirect Shareholders. They are experienced strategic developers and operators of concession-based transportation infrastructure assets in Latin America and the United States. See "—General Corporate Information—Our Shareholders" and "Principal Shareholders." Odinsa is part of Grupo Argos, a Colombian conglomerate with investments particularly in the cement and energy industries, and has a diverse portfolio of transportation concessions, including the International Airport of Bogotá. HASDC is a US-based international airport development and management company and is affiliated with the Houston airports system (Bush, Hobby and Ellington airports) and participates in other airport privatizations in San José and Liberia (Costa Rica). CCR is a Brazilian-based infrastructure company focused on airport, toll roads and mass transit infrastructure projects, with a portfolio of international airports, including Belo Horizonte (Brazil), Curaçao and San José (Costa Rica), as well as an airport services company headquartered in Texas. We believe we benefited and will continue to leverage their experience and expertise to offer best-in-class service to our clients. For the year ended December 31, 2017, the airports operated by our Shareholders collectively served approximately 105 million passengers and approximately 1.5 million metric tons of cargo.

The Airport is operated by the Operators pursuant to the O&M Agreement, between us and the Operator. The Operators have successfully maintained and operated both the Airport since its construction and the Old Airport since 2006 in compliance with the requirements of the Concession Contract.

Our management team is composed of experienced professionals with extensive knowledge of airport safety and operations, finance and business development and infrastructure projects in airport related assets. Moreover, in 2018, our Chief Executive Officer was unanimously elected President of the ACI-LAC. We believe our management team's capabilities and core understanding of our business enables us to operate efficiently and manage risk effectively.

***Supportive contractual framework, including automatic annual rate increases and political stability guarantees and strategic alignment with the Granting Authority***

Together with our counterparts in the Government we have developed a supportive contractual framework around the operation of the Airport and our investment in Ecuador. Among other things, this framework consists of our (1) Concession Contract, (2) Strategic Alliance Agreement, and (3) Investment Contract. We have formalized our strategic alliance with the Granting Authority by entering into contracts together, keeping an open dialogue, working collaboratively, sharing revenue with an amount of U.S.$42.1 million contributed to the Municipality as its share of regulated revenue under the Strategic Alliance Agreement for the period from 2016 to 2018) and becoming a highly visible success story of international investment in Ecuador.

Our Concession Contract provides a clear operating framework and grants us a number of rights, including automatic annual inflationary regulated rate increases, which have occurred within our expectations every year since the start of the Concession. See "The Concession—The Concession Contract—Airport Charges and Airport Revenues." The Strategic Alliance Agreement creates strategic alignment by defining a revenue sharing framework with the Granting Authority, and likewise includes various substantive and procedural protections, such as the provisions for indemnification and set-off procedures (including a set-off against the payment of the Municipality Economic Benefit Participation) for Political Events (as defined herein), among other things. See "The Concession—Strategic Alliance Agreement." Lastly, through the Investment Contract, Ecuador has given us, certain of our investors, and the Project multiple guarantees and protections, including, without limitation, specific legal and tax stability with respect to the legal framework in effect on June 24, 2003, protection from nationalization and protection from discrimination. See "The Concession—Investment Contract." The benefits of the tax stability under the Investment Contract terminate on June 24, 2023.

Notwithstanding our strategic alignment, in the event of any disputes that may arise from time to time, the Concession Contract, Strategic Alliance Agreement and the Investment Contract also grant us recourse to international dispute resolution mechanisms, including access to the Court of Arbitration of the International Chamber of Commerce (ICC), United Nations (UNCITRAL) and the World Bank (ICSID).

In addition to strong relationships with local and national governmental agencies, we have engaged with surrounding communities by providing approximately 38,000 jobs in 2016 (according to an economic impact study conducted in 2017 by Económica CIC – Centro de Investigación e Información Cuantitativa). These jobs were created through economic stimulus via local procurement initiatives and supporting the community through training and education programs. See "Business—Operations." We also coordinate closely with Quito's tourism office on the development of new routes and attracting new travelers to the city and the opening of the convention center. The city has begun to revitalize the 11.4 acres once used for the Old Airport and transformed the space into the Conventions and Events Complex in Bicentennial Park. This is Quito's largest urban development project in recent years and includes the new convention center, hotels and other related commercial businesses. See "Business—Operations."

***Demonstrated track record of improving non-regulated revenue per passenger with further room for growth***

The average non-regulated revenue per departing O&D passenger increased from U.S.$15.58 in 2016 to U.S.$16.66 in 2018. We expect our non-regulated revenue per passenger to grow in future years as the management team is continuously looking to increase the amenities offered to passengers, as well as to improve and increase the commercial spaces available to make them more attractive to retailers. In connection therewith, 2018 saw the benefits of an expanded VIP lounge with over 1,115 square meters of amenities, which offers Wi-Fi, sleeping areas, bathrooms with showers, business areas, outdoor terrace, bar and dining areas to accommodate the nearly 12,000 passengers it serves a month. On the retail front, a former 67-square-meter food and beverage retail space was reconfigured to accommodate a 160-square-meter retail space specializing in high-end local artisanal products, delivering higher rent and commissions for the Airport.

***Success story of foreign investment and public-private partnership in Ecuador***

We are frequently referred to by the Ecuadorian national government and the Quito municipal governmental officials as a success story of foreign investment and public-private partnerships in Ecuador. On June 6, 2018, Quito's Secretary of Development and Competition (*Secretaría de Desarrollo Productivo y Competividad*) cited Quiport as a successful example of public-private partnerships and attracting capital to Ecuador, a template they would like to continue following. On October 26, 2017, Quiport was recognized as an honorary ambassador of Quito by the Secretary of Development and Competition and the General Manager of Quito Turismo for its contributions to the tourism industry of Quito and the increased connectivity of the Airport. In addition, Quito Turismo reaffirmed the role of Quiport as a strategic partner of the city. The benefits of Quiport's public-private partnership were cited as the key to the enhanced quality of service at the Airport and its recognition as being amongst the most prestigious airports in Latin America. The Ecuadorian national government has also referred to the importance of its partnership with Quiport. In 2013, the Minister of Industry and Productivity (*Ministerio de Industrias y Productividad*) stated that the Airport, in addition to contributing to the efficient transportation of passengers and cargo, has permitted the optimization of industrial, production and export activities, benefiting from the airport logistics and increasing the competitiveness of Ecuador. Furthermore, on September 26, 2018, as part of the expansion and improvements plan approved by the Municipality, which we expect will exceed our contractual requirements and increase our service levels, the Undersecretary of Air Transportation for Ecuador stated that the Airport has been one of the main catalysts of development in Ecuador, generating employment, tourism, trade and enriching the passenger experience.

**Strategy**

We seek to increase our income and improve efficiencies at the Airport through the following key measures:

***Increasing airline and passenger traffic and enhancing the experience of passengers***

Increased airline and passenger traffic could assist us in growing our revenues. Therefore, we are committed to developing new air service into the Airport, improving the passenger experience and expanding our passenger base through the following strategies:

- maintaining our position as one of the leading airports in South America and continuing to be recognized as "South America's Leading Airport," "Best Regional Airport of South America" and as having the "Best Airport Staff in South America" by Skytrax. We believe that these awards improve our strategic position and our attractiveness as a destination;

- promoting the Airport in key cities in Latin America and facilitate the development of additional routes in order to increase passenger traffic and revenue;
- continuing to improve the experience of our passengers, through excellent customer service, efficient processing times for passengers, reduced waiting times and technologically advanced facilities;
- continuing to develop Ecuador's growing tourism industry abroad;
- increasing our efforts to attract new airlines, particularly low-cost carriers and to foster the opening of new routes by offering marketing support to airlines to promote growth; and
- executing our master plan for the Airport, which includes additional expansions of the passenger terminal adding boarding gates and new expansions of the cargo and apron parking area for the GSE.

***Continuing to improve commercial offerings***

Since we began operating the new Airport, we have undertaken various measures to increase our non-regulated revenue. We directly operate and manage certain sources of our non-regulated revenue, including the VIP lounges, parking and advertising businesses at the Airport. As a result, we continue to develop strategies to use our personnel and resources to grow our non-regulated revenue. We believe we can continue to improve non-regulated revenue per passenger by maintaining and developing symbiotic relationships with our commercial counterparties.

We intend to continue to provide a wide range of commercial products and services in order to maximize our revenue. The actions we have previously taken and intend to undertake in the future include:

- create new commercial spaces to attend to our passengers' needs, such as opening more affordable shopping options;
- create new cultural spaces to enhance passengers' travel experience in the terminals, such as displaying collections of local artists;
- diversify the commercial operation and products to maximize sales by entering into agreements with new convenience stores in the Airport terminal that will help bring a more diversified product base to our customers; and
- introduce world-known brands to commercial operations by opening individual stores in the Airport for specific brands, such as the Samsung Experience, which store opened in October 2016 and sells a range of electronic products including tablets, cell phones and auxiliary products.

We believe that these actions have increased, and will continue to increase, the sales revenue of our commercial subconcessionaires, thereby increasing our non-regulated revenue.

***Further enhance operational efficiencies***

In an effort to optimize the operating efficiency of the Airport, we have implemented several initiatives designed to manage costs while maintaining the quality of the airport experience. We intend to continue exploring and implementing similar initiatives in the future in order to improve its operational efficiencies, which we believe are already among the best in the industry.

In 2015, we expanded the passenger terminal for domestic flights, constructed new jet bridges and expanded the shopping areas. In accordance with our master plan, we expect to continue to expand the

passenger terminal with the addition of new boarding gates and apron areas, as well as to expand the cargo and apron parking area for the GSE and undertaking taxiway improvements. We expect these expansions to increase terminal passenger capacity by facilitating the movement of passengers and improving the efficiency in the processing area for passengers and cargo. We also implement and expect to continue implementing advanced technological infrastructure upgrades for security and airport and administration processes, to increase the efficiency of traffic flow and level of service provided. See "Business—Improvements and Expansion."

***Opportunities to increase number of low-cost carriers and direct routes***

Increased penetration of low-cost carriers in various countries in Latin America in recent years has expanded the market opportunity for access to air services at more competitive ticket prices compared to legacy carriers and has stimulated air traffic as more passengers seek to travel with the lower or more convenient fares provided by low-cost carriers. Given price-sensitivities in the Ecuadorian market, the low-cost model provides opportunities for growth and to increase the number of frequency of flights taken by passengers who prefer the more convenient or lower fares.

Currently, the low-cost carrier penetration in Ecuador is low, with no low-cost carriers operating domestically in Ecuador, while those operating internationally represent only 4% of the total Ecuadorian air traffic, according to the Independent Traffic Consultant's Report. This presents a potential opportunity to increase low-cost penetration in Ecuador, which could generate substantial passenger traffic in the future, according to the Independent Traffic Consultant's Report. There is also opportunity for the creation of new direct international, low-cost routes from the Airport, considering the current demand for travel to cities in to North America, not yet serviced by the Airport and routed via other hubs in Latin America.

**General Corporate Information**

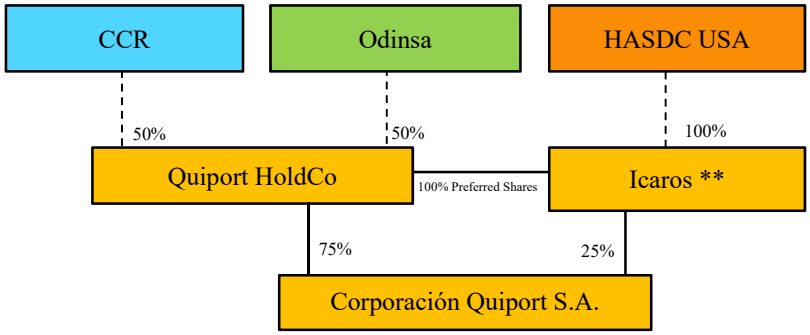
***History***

We were incorporated as a stock corporation (*sociedad anónima*) in Ecuador on July 11, 2002. On the date of execution of the original Concession Contract, our shareholders were Aecon, AGC and ADC Management. Following our incorporation, the Original Shareholders invited HASDC to become a 25% shareholder in Quiport, in accordance with the HASDC Investment Agreement, in order to satisfy certain requirements of the Original Senior Lenders. See "Principal Shareholders—HASDC Investment Agreement." During 2012, AGC transferred its participation to CCR and on December 11, 2015, Aecon transferred its shareholding to Odinsa, including all interests in relevant agreements related to the Project.

As of the date of these listing particulars, we are owned directly by Quiport HoldCo (75.0%) and Icaros (25.0%). CCR and Odinsa, each, owns, indirectly, 50.0% of Quiport HoldCo, which owns all of the preferred shares of Icaros. HASDC owns, indirectly, all of the common shares of Icaros. See "Principal Shareholders" for a more detailed description of our shareholding structure and agreements of our Shareholders. Our shareholding structure is expected to undergo a corporate reorganization in 2019 to create efficiencies. Pursuant to the reorganization plan, it is expected that, following completion of the corporate reorganization, CCR, Odinsa and HASDC will own, directly or indirectly, 46.5%, 46.5% and 7 %, respectively, of Quiport.

***Organizational Structure***

The following diagram sets forth a simplified version of our current organizational structure:




- - - - - - - Held indirectly
——— Held directly

** Total capital stock of Icaros consists of 54,441,306 preferred shares held directly by Quiport HoldCo and 23,835 common shares held indirectly by HASDC. The preferred shares represent 99.956% of the total shares of Icaros and the common shares represent 0.0437% of the total shares of Icaros.

** Represents 100% of common shares and 0.045763% of economic interest.

**Airport Facilities**

The Airport is located approximately 35 kilometers from downtown Quito and occupies an area of approximately 1,500 hectares. The Airport is located at an altitude of approximately 2,411 meters above sea level and features a single, 4,100 meter-long runway, being the longest runway of any international airport in South America.

The following map illustrates the current Airport facilities:


***Terminal Facilities***

The Airport's passenger terminal complex occupies approximately 2.5 hectares, and primarily consists of a passenger terminal building, 20 boarding gates, the cargo and apron parking area for the GSE, commercial aircraft parking, administrative offices, shopping areas and the ground transportation system. All boarding activities are based at the gates and an average of 15 aircrafts can board/disembark at the

same time, excluding general aviation. The facilities of the Airport also include an international and domestic passenger terminal complex with eight contact gates, a small general aviation facility, car parking lots, fuel storage and other assets.

The passenger terminal building is approximately 52,430 square meters with four levels. Passenger services and Airport offices are located on the first, second and third levels. Baggage sorting, baggage claim, immigration, customs and rental car counters are located on the first level. Airline ticket counters and offices, security screening, concessions, and passenger hold areas are located on the second level. The food and shopping services are located on the first and second levels.

Approximately 19.8 hectares of apron are available for aircraft maneuvering and parking at the passenger terminal. The apron is currently configured to accommodate aircraft ranging from regional jets to Boeing 747-800F aircraft in cargo and the A340-600 that services non-stop flights to Madrid, Spain. Currently, there are 30 parking positions in the passenger terminal area plus five cargo terminal parking positions.

***Parking***

The main passenger parking lot is located at the west side of the terminal building and provides approximately 1,200 customer parking spaces and approximately 517 employee parking spaces. Our parking lot is operated by Urbapark for a monthly economic incentive for their operation services based on KPIs. Rental car facilities are located at the southwest of the terminal building.

***Other Aeronautical-Related Facilities***

An air cargo facility is located at the south side of the terminal building and is accessed by cargo vehicles via a cargo road. Approximately 78,472 square meters of apron space is provided adjacent to the cargo facility.

Our control tower is the largest in South America. Our air traffic control tower is located at the south side of the terminal building and is managed and operated by DGAC. As of the date of these listing particulars, we have not experienced any issues with the control tower's administration by DGAC. Our airport maintenance and support facilities are located in the airside of the Airport, and our aircraft maintenance facilities are located at the south side of the terminal building.

The Airport fuel station is equipped with safety equipment, including automatic sprinklers systems installed in administrative buildings, an inventory of 46 portable fire extinguishers of different capacities available throughout the Airport, two fixed foam fire-extinguishing systems for each main building (i.e., administrative and control room), three emergency spill kits available in the fuel farm's external platforms, SCADA system to monitor and control the plant and equipment (i.e., valves and pumps), emergency stop buttons to manually stop the fuel flow in emergency cases, smoke detectors in administrative, maintenance and storage warehouse buildings, among others. Fire safety training is carried out twice per year and the emergency plan is carried out once per year. The fuel station is located at the north side of the terminal building.

**Operations**

Pursuant to the Concession Contract, we began operation of the Old Airport and, in parallel, construction of the new Airport in 2006. The Old Airport was permanently closed for air traffic on February 19, 2013, and, on February 20, 2013, we began operation of the new Airport. We operate 24 hours a day, seven days a week, 365 days per year, including shops and retail.

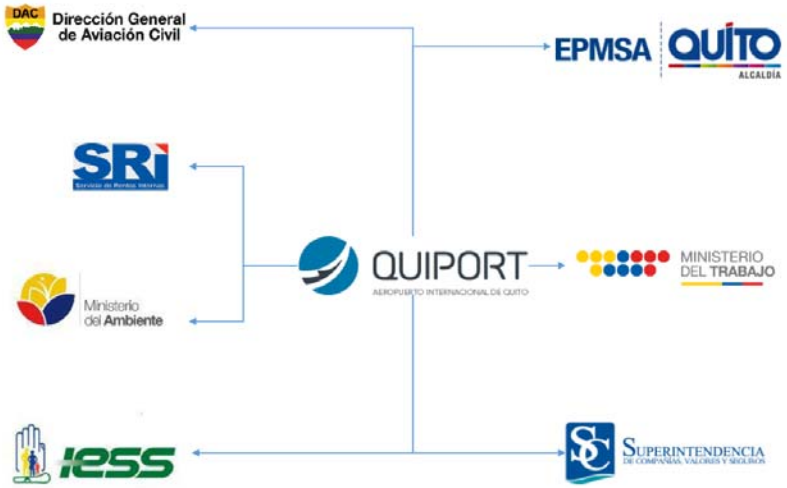
Since 2013, we have had four non-scheduled airport closures, three of which occurred due to earthquakes (one of which was the Pedernales Earthquake) and lasted an average of 1.5 hours and one of which occurred due to an air force aircraft incident which lasted 1.8 hours. The Airport did not register any

infrastructure damage during these earthquakes. In addition, we had eight scheduled airport closures, five of which were related to the rapid exit taxiway project, each of which lasted approximately 10 hours, two were related to the visit of the Pope to Ecuador and one was related for the reparation of runway pavement, which lasted 5 hours. See "Risk Factors—Risks Related to Our Business—Natural disasters could adversely affect our business."

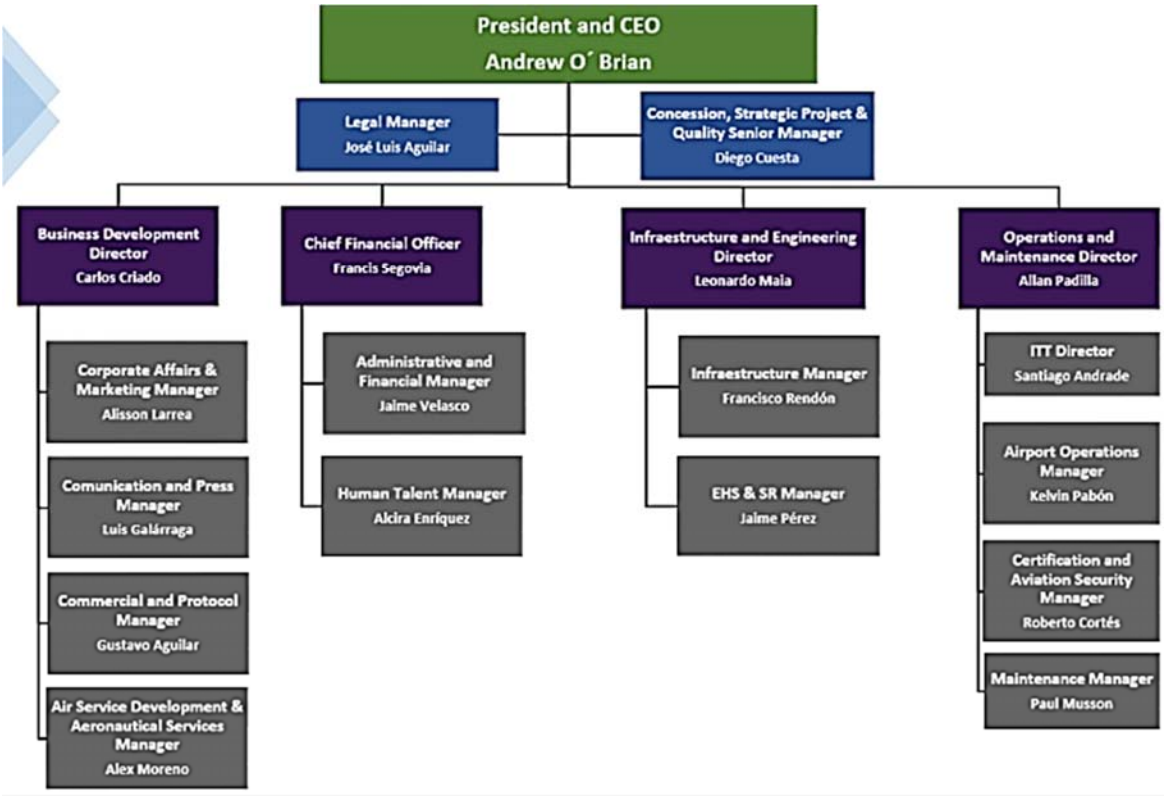
Since we began operation of the Airport, we have received several industry accolades, including the World Travel Award for "South America's Leading Airport" in 2014, 2015, 2016, 2017 and 2018 and Skytrax's awards for "Best Regional Airport of South America" and "4 Star Airport" in each of 2016, 2017 and 2018 and for "Best Airport Staff in South America" in 2017 and 2018. We have undertaken a leadership role in the industry in our region and worldwide by seeking to provide the best service to our passengers while supporting and growing our communities and protecting our environment.

In addition to providing high quality and essential passenger and cargo transport services to the Quito, we have engaged with surrounding communities by providing approximately 38,000 jobs in 2016 (according to an economic impact study conducted in 2017 by Económica CIC – Centro de Investigación e Información Cuantitativa) through economic stimulus via local procurement initiatives and supporting the community through training and education programs. According to the Airport World Magazine, as of June 2018, over 35% of the 8,300-person staff at the Airport is formed of residents from the surrounding communities. We expect to open a new staff-training facility in the future, as well as a new recycling center in 2019, which we expect to be staffed and operated by local residents. We also work with 16 local farmers and their families through our program Our Garden (*Nuestra Huerta*) to sell their products at the Airport. In addition, during the Pedernales Earthquake, the Guayaquil radar failed. We temporarily suspended operations for 1.85 hours to offer support services and air traffic control communication services to the Guayaquil Airport until service was restored. In addition, we sent a team of experts to assist in the restoration of the airport in Manta, Ecuador, one of the areas most heavily affected by the earthquake and whose airport had been destroyed. We were able to set up a provisional passenger terminal within three days and managed operation of the temporary airport in Manta for the first day after the earthquake. Furthermore, between April 17 and May 19, 2016, we completed 419 operations with humanitarian cargo to those areas affected by the earthquake.

The following diagram sets out the parties that are key to our operation:



The following chart sets forth our organization structure as of the date of these listing particulars.




***O&M Agreement***

Pursuant to the O&M Agreement the Operator will provide (or cause subcontractors to provide) all Operator Services on an exclusive basis for Quiport. See "The Concession—O&M Agreement—Operator Services." The Operator is responsible for operating the Airport and must use commercially reasonable efforts to cause the Granting Authority, each Relevant Authority and each airline to operate each airline system for which such person has primary responsibility and control to achieve a target minimum of 95% availability of required capacity during peak hours, unless a higher percentage of availability is set in certain applicable standards or the Operation and Maintenance Manual. During off-peak hours, such availability may be reduced so long as standards of service continue to meet such standards. The Operator must perform any planned maintenance and other work during off-peak hours and low season periods so that any reduction in such availability does not affect standards of service. The Operator will use commercially reasonable efforts to perform the Operator Services in a manner reasonably calculated to facilitate: (a) the overall economic optimization of the Airport by optimizing the availability, capacity and efficiency of the Airport, including, without limitation, as regards the flow of passengers and the allocation of spaces at and within the Airport; and (b) the optimization of the costs and expenditures required to manage, maintain and operate the Airport. See "The Concession—O&M Agreement."

***Governmental Services***

The Municipality, DGAC and the appropriate Relevant Authorities will have control over and be responsible for the performance of the Security Services, the Air Traffic Services and the Other Governmental Services, respectively, at the Airport. The Operator will coordinate, together with Quiport, the performance by the Municipality, DGAC and such Relevant Authorities of such Services and cooperate with them in the performance of such Services to ensure efficient operations at the Airport. See "The Concession—O&M Agreement."

***Key Service Providers***

We have strong, long-term commercial relationships with key service providers that provide a wide range of services including operation and maintenance of the Airport, ground-handling services, duty free shops, catering, car parking, cleaning and security services, among others.

Our key service providers include (i) the Operator, which provides operation and maintenance services for the Airport pursuant to the O&M Agreement, (ii) EMSA Airport Services CEM ("Swissport"), which provides certain ground services, (iii) Talma Ecuador Servicios Aeroportuarios S.A. ("Talma"), which provides certain ground services, (iv) Allied, which provides fuel facilities services, (v) Gate Gourmet, which engages in the commercial operation of the catering services, (vi) Goddard, which engages in the commercial operation of the catering services, (vii) TAME, which engages in the commercial operation of maintenance of the hangar, (viii) Avianca, which engages in the commercial operation of maintenance of the hangar and certain ground services, (iv) Attenza, which engages in commercial operation of duty free shops, (x) SFM Facility Servicios Complementarios S.A., which provides certain cleaning services to the Airport facilities, (xi) Hanaska, which provides cleaning supplies, (xii) Urbapark, which is responsible for the operation and maintenance of the public parking lot, (xiii) Johnson Controls Colombia Ltda. ("JCI"), which provides support and maintenance to the security systems on level two of the Airport, (xiv) Electronica y Tecnologia Elyte Cia. Ltda. ("Elyte"), which provides support to the security systems on level one at the Airport, and (xv) Advanced Technologies S.A. ("Advanced"), which provides support and maintenance to filters of the security systems at the Airport.

Our agreements with suppliers are entered into in accordance with the terms of the Concession Contract and contain termination provisions that conform to the requirements of the Concession Contract. For more details on our agreements with our sub-concessionaires, see "Customers—Sub-Concessionaires."

*Advertisement*

We have entered into various advertisement agreements to advertise companies in the airport by printed and/or digital media, including with Aekia S.A. ("Aekia") (a KIA car dealership), Aeroservicios del Ecuador MB&F S.A. ("Aeroservicios"), Artic Publicidad S.A. (for Movistar), Creamedios (for Banco del Austro, Banco Diners Club Del Ecuador S.A. ("Diners"), Saludsa Sistema de Medicina Prepagada del Ecuador S.A. ("Salud"), Uribe & Schwarzkopf, XPERTA, Samsung and Emihana CÍA. Ltda. ("Emihana"). In general, we are responsible for annual printings costs and each company is responsible for a fixed payment. The terms of the advertisement agreements are generally for one year.

*Palletizing Services*

We entered into an agreement with Aronem Air Cargo S.A. ("Aronem") on May 11, 2012, for the period of ten years as from the opening of the Airport, which may be renewed upon agreement between the parties and satisfaction of certain conditions, pursuant to which Aronem provides processing and storage of export cargo, including perishable or non-perishable goods, processing of cargo with respect to security inspections with x-ray, palletizing of export cargo and related services. We received an upfront fee from Aronem of U.S.$125,000 and Aronem pays us a monthly office space fee of U.S.$12.00 per square meter,

automatically adjusted annually for the Ecuadorian consumer price index, a monthly operational space fee of U.S.$2.10 per square meter, and a monthly handling fee of U.S.$8.13 per ton of cargo processed each month. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The term of the agreement expires on 2023.

We also entered into agreements with Servipalet S.A. ("Servipalet") on May 23, 2012, Novacargo S.A. ("Novacargo") on May 24, 2012 and Pertraly S.A. ("Pertraly") on May 23, 2012, pursuant to which each of Servipalet, Novacargo and Pertraly have a subconcession to use the space in the international cargo building in the Airport and provides palletizing services for the period of 10 years from the Airport opening date, which may be renewed upon agreement between the parties and satisfaction of certain conditions, including processing and storage of export cargo, processing cargo related to x-ray security inspections, weighing cargo, palletization of export cargo and transporting export cargo to the ramp services provider. We received upfront fees from each of Serivpalet, Novacargo and Pertraly of U.S.$125,000 and each pays us a monthly office space fee of U.S.$12.00 per square meter and a monthly operational space fee of U.S.$2.10 per square meter, as well as a monthly handling fee of U.S.$8.13 per ton of cargo processed each month. Each fee is automatically adjusted annually for the Ecuadorian consumer price index. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The term of the agreements expires on 2023.

*VIP Lounges*

We have entered into an agreement with Diners for the commercial operation of our VIP lounge in the international flights terminal. Pursuant to this agreement, Diners has the right to operate the lounge for five years as from the date of the start of its activities. The parties may extend the term of the agreement upon the execution of an amendment thereto. Our revenues under the agreement are divided as follows: (i) a fixed amount of U.S.$9,750 paid monthly, plus VAT and proportional utilities cost and (ii) a variable payment based on payments made by users of the domestic and international VIP lounge, as authorized by Diners. Diners guarantees the entrance of at least 14,000 passengers per year in the international VIP lounge and at least 10,000 passengers to the domestic VIP lounge. We charge Diners the price paid by users of the lounges, with the following discounts: (i) 36% discount for international VIP lounge (and 46% if more than 16,000 passengers use the lounge in the year); and (ii) 30% discount for domestic VIP lounge. We grant a 15% discount to visits to VIP lounges by clients of Diners.

*Aircraft Handling GSE and Ground Service*

We entered into an agreement with Swissport dated as of May 11, 2012, for the use of the ground services building and the provision of ground services. Pursuant to the agreement with Swissport, Swissport has the right to use a facility site at the Airport to provide ground support equipment and services to the airline carriers, including the provision of security measures for entry and exit goods, equipment, vehicle and people, baggage and check-in, aircraft marshalling, towing and air cargo handling, among others. The agreement is valid for 10 years from the Airport opening date and may be renewed upon agreement between the parties and satisfaction of certain conditions. The agreements terminate in 2023. Swissport paid us an upfront fee in the amount of U.S.$1 million and pays us monthly fee and a monthly flight fee based on the number of flights served by Swissport during the preceding month. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. On October 10, 2014, we also entered into an agreement with Swissport, pursuant to which we grant a right of use of an area in the passenger terminal to Swissport as storage space for services to passengers and as customer services to passengers of Fast Colombia S.A.S. The space used by Fast Colombia was returned on June 30, 2016.

On March 14, 2012, we entered into an agreement with Talma (formerly H.G.A. Rampas del Ecuador S.A. Andes) for the construction and operation of a ground service building and parking lots at the Airport. The term of the agreement with Talma is for 20 years from the Airport opening date and may be renewed upon agreement between the parties and satisfaction of certain conditions. Pursuant to such agreement, Talma has the right to use the facility to provide the following services, among others: aircraft marshalling, towing with pushback tractors, lavatory drainage, luggage handling (including get-checked luggage), air cargo handling, ground power, passenger stairs and hydraulic mules, among others. We are entitled to a monthly payment of U.S.$4,000 and a monthly flight fee per flight serviced by Talma varying between U.S.$81.00 to U.S.$144.90 per flight, based on the maximum take-off weight of the aircraft on each flight. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The term of the agreement expires on 2033.

*Catering*

We entered into agreements with Gate Gourmet on August 6, 2012, and Goddard on October 4, 2012, our catering service providers, pursuant to which we grant a right to use space at the Airport for an upfront fee and monthly fixed or variable fee of 10% of their gross revenue, whichever is greater, respectively. The term of each of the agreements with Gate Gourmet is for 15 years from the Airport opening date and may be renewed for an additional period of ten years upon agreement between the parties and satisfaction of certain conditions.

We provide a facility site to each of Gate Gourmet and Goddard and each provides (i) catering and laundry services to airlines, their respective affiliates or parties that enter into agreements with the airlines for the provision of such services; (ii) commissary and related services to their current or future customers; (iii) industrial and event catering; (iv) vending machines at each facility and (v) catering services at the Airport. As long as each of Gate Gourmet and Goddard is not in breach of its obligations and subject to mutual agreement of the parties, each of Gate Gourmet and Goddard may continue to provide the services for an additional period of ten years. Each of Gate Gourmet and Goddard is responsible for the maintenance and repair of its relevant facility. We received upfront fees from each of Gate Gourmet and Goddard and each pays us the greater of a monthly airport fee or a fee equivalent to 10% of their relevant monthly gross revenues (cash receipts) within the scope of the services at the Airport.

In addition to the same services provided by Gate Gourmet, Goddard also uses the facility of the catering building at the Airport to provide food and beverage for delivery and consumption outside the Airport. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The agreements terminate in 2028.

***Seasonality***

Although we do not consider our business to be subject to material seasonal fluctuations, international passenger traffic is subject to tourism-related seasonal trends. The Airport serves a diversified passenger mix which presents different seasonality patterns in tourist destination airports compared to other airports in South America. Peak international traffic volume months are July and August, coinciding with the summer travel season, and December and January, during the winter tourist season with the arrival of tourists from the United States and Canada, which affects the travel demand of both resident and non-resident passengers.

## Passengers and Aircraft Movement

As of December 31, 2018, the Airport serviced 14 international destinations, including Amsterdam, Atlanta, Buenos Aires, Bogotá, Ft. Lauderdale, Miami, Houston, Lima, Madrid, Mexico City, New York (this route was discontinued on January 31, 2019), Panama City, San Salvador and Sao Paulo, and nine domestic destinations, including Guayaquil, Galapagos, Cuenca, Loja, Santa Rosa, Francisco de Orellana (El Coca), Lago Agrio, Esmeraldas and Manta.

The following table sets forth O&D passenger information for the periods indicated:

| | Year ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** |
| Departing international passengers | 1,086,001 | 1,142,076 | 1,074,793 | 1,097,926 | 1,170,890 |
| Departing domestic passenger | 1,670,610 | 1,540,545 | 1,369,762 | 1,329,762 | 1,431,739 |
| Total departing passengers | 2,756,611 | 2,682,530 | 2,444,000 | 2,427,688 | 2,602,629 |
| Arriving passengers[2] | 2,817,408 | 2,694,014 | 2,408,530 | 2,447,478 | 2,625,443 |
| **Total passengers[1][2]** | **5,574,019** | **5,376,544** | **4,852,530** | **4,875,166** | **5,228,072** |

(1) Refers to O&D passengers information, which does not include transit passengers.
(2) Information for the year ended December 31, 2018 is based on preliminary data.

The following table sets forth the number of aircraft movements for the periods indicated:

| | Year ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2014** | **2015** | **2016** | **2017** | **2018** |
| | | | (*in thousands*) | | |
| International aircraft movements | 21,488 | 21,370 | 19,577 | 17,725 | 18.368 |
| Domestic aircraft movements | 36,566 | 33,075 | 30,409 | 28,830 | 32.674 |
| Cargo aircraft movements | 5,134 | 5,341 | 5,136 | 5,672 | 6.355 |
| **Total aircraft movements** | **63,188** | **59,786** | **55,122** | **52,227** | **57.397** |

## Customers

### *Principal Airline Customers*

We serve a diverse base of international carriers, with our largest airline Avianca, representing 21% of the seat offers in the Airport in 2018, but which has limited traffic share relative to other carriers, such as Copa Airlines and American Airlines, which represented 16% and 11%, respectively, of the seat offers by airline of the Airport for the year ended December 31, 2018. As of December 31, 2018, the Airport serviced 14 international airlines and three domestic airlines including: Avianca, Copa Airlines, American Airlines, Iberia, TAME, LATAM, Delta, Aeromexico, Jetblue, KLM, United Airlines, Aerorepublica/Wingo, Air Europe and GOL.

The tables below set forth our principal airline customers and principal passenger markets for the years ended December 31, 2018 and 2017, based on the number of international departing O&D passengers for the periods indicated:

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | **2018** | | **2017** | |
| **Principal international airline customers** | **Passengers[1]** | **%** | **Passengers[1]** | **%** |
| Avianca | 246,408 | 21% | 230,294 | 21% |
| Copa Airlines | 182,745 | 16 % | 176,175 | 16% |
| American Airlines | 128,880 | 11% | 131,166 | 12% |
| TAME | 106,677 | 9% | 99,398 | 9% |
| Iberia | 103,601 | 9% | 89,423 | 8% |
| LATAM | 85,182 | 7% | 88,813 | 8% |
| Delta | 65,127 | 6% | 65,964 | 6% |

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2018 | | 2017 | |
| **Principal international airline customers** | **Passengers[1]** | **%** | **Passengers[1]** | **%** |
| Aeromexico | 67,623 | 6% | 44,292 | 4% |
| Jetblue | 50,373 | 4% | 49,105 | 4% |
| KLM | 48,239 | 4% | 47,840 | 4% |
| United | 42,769 | 4% | 43,509 | 4% |
| Wingo | 18,853 | 2% | 13,812 | 1% |
| General aviation/charters | 11,245 | 1% | 11,187 | 1% |
| Air Europa | 12,981 | 1% | – | – |
| Viva Colombia | – | – | 6,861 | 1% |
| Inselair | – | – | 87 | – |
| Gol | 187 | 0.02 | | |
| **Total** | **1,170,890** | **100%** | **1,097,926** | **100%** |

(1) Refers to O&D passengers information, which does not include transit passengers.

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2018 | | 2017 | |
| **Principal international passenger markets** | **Passengers[1]** | **%** | **Passengers[1]** | **%** |
| United States | 352,049 | 30% | 355,982 | 32% |
| Colombia | 206,795 | 18% | 199,346 | 18% |
| Panama | 182,745 | 16% | 176,175 | 16% |
| Peru | 150,454 | 13% | 143,117 | 13% |
| Spain | 116,582 | 10% | 89,423 | 8% |
| Mexico | 67,623 | 6% | 44,292 | 4% |
| Netherlands | 48,239 | 4% | 47,840 | 4% |
| El Salvador | 34,971 | 3% | 29,231 | 3% |
| Others | 11,245 | 1% | 11,187 | 1 |
| Cuba | – | – | 1,246 | – |
| Sao Paulo | 187 | – | – | – |
| Aruba | – | – | 87 | – |
| **Total** | **1,170,890** | **100%** | **1,097,926** | **100%** |

(1) Refers to O&D passengers information, which does not include transit passengers.

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2018 | | 2017 | |
| **Principal domestic airline customers** | **Passengers[1]** | **%** | **Passengers[1]** | **%** |
| TAME | 523,577 | 37% | 535,879 | 40% |
| LATAM | 538,845 | 38% | 460,753 | 35% |
| Avianca | 319,320 | 22% | 297,611 | 22% |
| Others[2] | 49,997 | 3% | 35,519 | 3% |
| **Total** | **1,431,739** | **100%** | **1,329,762** | **100%** |

(1) Refers to O&D passenger information, which does not include transit passengers.
(2) Includes non-commercial airlines, general aviation and charter flights.

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2018 | | 2017 | |
| **Principal domestic passenger markets** | **Passengers[1]** | **%** | **Passengers[1]** | **%** |
| Guayaquil | 583,635 | 41% | 543,627 | 41% |
| Galapagos[2] | 355,132 | 25% | 321,422 | 24% |
| Cuenca | 180,481 | 13% | 149,560 | 11% |
| Manta | 84,035 | 6% | 89,183 | 7% |

| | Year ended December 31, | | | |
|---|---|---|---|---|
| | 2018 | | 2017 | |
| **Principal domestic passenger markets** | **Passengers[1]** | **%** | **Passengers[1]** | **%** |
| Francisco de Orellana (El Coca) | 57,573 | 4% | 63,292 | 5% |
| Loja | 53,992 | 4% | 52,882 | 4% |
| Lago Agrio | 23,322 | 2% | 25,929 | 2% |
| Esmeralda | 23,046 | 2% | 20,972 | 2% |
| Santa Rosa | 19,388 | 1% | 24,750 | 2% |
| Salinas[3] | 1,138 | – | 2,626 | – |
| Others[4] | 49,997 | 3% | 35,519 | 3% |
| **Total** | **1,431,739** | **100%** | **1,329,762** | **100%** |

(1) Refers to O&D passengers information, which does not include transit passengers.
(2) Includes passengers to San Cristobal and Seymour
(3) The route from Quito to Salinas was discontinued in November 2018.
(4) Includes non-commercial airlines, general aviation and charter flights.

The table below sets forth information about the domestic, international and total regulated revenues of the Airport by airline for the year ended December 31, 2017:

| | Year ended December 31, 2017 | | |
|---|---|---|---|
| | **Domestic** | **International** | **Total** |
| **Regulated revenues of the Airport by airline[1]** | (in thousands of U.S. dollars) | | |
| Avianca | 5,534 | 17,220 | 22,754 |
| TAME | 9,812 | 8,903 | 18,715 |
| LATAM | 8,259 | 6,445 | 14,704 |
| Copa Airlines | – | 13,479 | 13,479 |
| American Airlines | – | 10,184 | 10,184 |
| Iberia | – | 7,671 | 7,671 |
| Delta | – | 4,689 | 4,689 |
| KLM | – | 4,606 | 4,606 |
| Jetblue | – | 3,433 | 3,433 |
| United | – | 3,096 | 3,095 |
| Aeromexico | – | 3,078 | 3,078 |
| Others | 590,820 | 548,218 | 1,139 |

(1) Includes Municipality Economic Benefit Participation. Pursuant to the Strategic Alliance Agreement, Quiport receives 89% of all the regulated revenues generated by the Concession until 2035 and 88% from 2036 until the end of the Concession Period, with the Municipality receiving the remaining 11% and 12%, respectively. See "The Concession—Strategic Alliance Agreement" and "The Concession—Surcharge Collection Agreement."

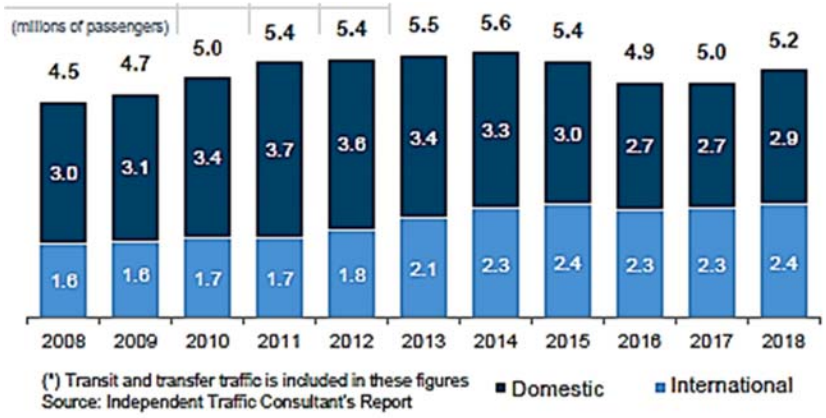
*Airline Services*

As of December, 31, 2018, approximately 25 daily departing flights provided at the Airport were bound for international destinations. Approximately 25% of these were operated by Avianca, accounting for 21% of all departing seats at the Airport, of which approximately 99% were O&D passengers, while approximately 1% were transit/transfer passengers, according to the Independent Traffic Consultant's Report.

Additionally, eight cargo airlines provided regular service at the Airport in 2017.

*Traffic Performance*

The following chart sets forth passenger traffic evolution for the periods indicated, according to the Independent Traffic Consultant's Report:




The following table presents a breakdown of the regulated revenues of the Airport, our non-regulated revenue and the total revenues of the Airport:

| | Regulated Revenues of the Airport[1] | Non-Regulated Revenue[2] | Total Revenues of the Airport[1] |
|---|---|---|---|
| | | (in thousands of U.S. dollars) | |
| **Revenue:** | | | |
| Year ended 2018 | 136,048 | 43,366 | 179,414 |
| Year ended 2017 | 124,541 | 38,918 | 163,459 |
| Year ended 2016 | 121,806 | 38,066 | 159,872 |

(1) Includes Municipality Economic Benefit Participation. Pursuant to the Strategic Alliance Agreement, Quiport receives 89% of all the regulated revenues generated by the Concession until 2035 and 88% from 2036 until the end of the Concession Period, with the Municipality receiving the remaining 11% and 12%, respectively. See "The Concession—Strategic Alliance Agreement" and "The Concession—Surcharge Collection Agreement."

(2) Does not include income from the recognition of concessionaire contract liabilities, which corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight line method over the contract periods. See notes 14 and 17 to our Financial Statements.

Domestic air travel has decreased from approximately 1.8 million domestic departing passengers for the Old Airport in 2012 to approximately 1.4 million domestic departing passengers for the new Airport in 2018. This decrease was primarily driven by the change in government policy with respect to the airplane fuel subsidy, which had maintained domestic air travel prices low. Effective January 1, 2012, the Ecuadorian government eliminated subsidies on airplane fuel, which caused an increase in prices for domestic flights in Ecuador, which in turn, resulted in a decrease in domestic passenger demand. In addition, the Pedernales Earthquake struck on April 16, 2016, striking the northern coast of Ecuador and causing severe damage to Ecuador's infrastructure in that region, including its roads and ports. An evaluation conducted by SENPLADES, INEC and various government ministries estimates that the cost of reconstructing the infrastructure damaged by the Pedernales Earthquake is approximately U.S.$3.3 billion (approximately 2-3% of Ecuador's GDP), and that, without taking into account the cost of reconstruction, damage from the earthquake had an impact of (0.7)% on the growth of Ecuador's GDP in 2016, and, as of December 2016, an impact of (9.8)% on the growth of GDP in Manabí, the province in which 95% of the damage caused by the earthquake is concentrated. Furthermore, the Ecuadorian economy has been adversely affected by the reduced oil prices internationally, which has reduced one of its key economic drivers. For these reasons, domestic flights have decreased in Ecuador over the last five years.

This reduction in domestic flights has been partially offset by an increase in international flights.

***Cargo Airline Services***

Our revenues derived from total cargo services accounted for 8.4% and 8.6% of our total non-regulated revenue in the years ended December 31, 2018 and 2017, respectively. Approximately 95% of the export cargo consists of flower exports. Therefore, this service is highly dependent on the flower industry in Ecuador. The flower export industry in Ecuador has been stable in recent years and is expected to grow in the future in order to meet greater demands in important markets in North American and Europe and penetrate into new markets, particularly in Asia.

***Sub-Concessionaires***

We sublease space in the Airport to subconcessionaires for purposes of providing food and beverage, office space, retail, car parking, storage and warehousing. Under the Concession Contract, the rents that we charge to our subconcessionaires are not regulated, and we are free to set our own rents. For instance, we receive monthly rental fees from leasing our GSE buildings to each of EMSA Swissport and Talma, as well as from our two catering providers, Gate Gourmet and Goddard), among others. In addition, we have entered into sub-concession agreements with third-parties to provide certain services at the Airport. These services include duty free services, parking lot, advertising, retail and food and beverage services. In general, sub-concessionaires pay us monthly fees for space used in connection with the services provided and a percentage of sales ranging between 1% to 30%. See "Operations—Key Service Providers."

*Duty Free Shops.* On July 30, 2012, we entered into an agreement with Attenza pursuant to which we granted Attenza the right to sell certain categories of duty-free merchandise, including perfume, cosmetics, liquor and tobacco products and luxury accessories, for a period of 12 years from the date of the opening of the Airport and may be renewed upon agreement between the parties and satisfaction of certain conditions. Attenza made an initial payment of U.S.$2,500,000 for the right to operate the duty free space in the international flights terminal building, plus U.S.$8,000,000 as an advance payment of the monthly fee (plus VAT paid monthly) for the first 24 months of operation. Attenza also pays us the greater of a monthly fee and a monthly fee based on the gross income of Attenza. Finally, Attenza pays a monthly fee in the amount corresponding to (a) for the Adidas store, the greater of U.S.$8,000 (for the first four years of operations), U.S.$9,000 (as of the fifth year of operation) or 15% of the gross income with respect to the Adidas store; (b) for the Samsung store, the greater of U.S.$2,000 or 6% of the gross income with respect to the Samsung store; (c) for the Bijoux Terner store, the greater of U.S.$2,500 or 16% of the gross income with respect to the Bijoux Terner store; and (d) for the Espacio Tienda Electronica Attenza, the greater of U.S.$4,000 or 6% of the gross income with respect to the revenues of such store. Pursuant to our agreement with Attenza, we have the right to charge up to twice per year an amount not exceeding 25% of the total fixed rents paid with respect to the Adidas, Samsung, Bijoux Terner and Tienda Electronica Attenza stores for the advertisement of the airport brand. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The agreement terminates in 2025.

The following table sets forth certain information on the commercial stores in the Airport.

| Commercial Spaces | Square Meters |
|---|---|
| Attenza Departures | 886 |
| Attenza Arrivals | 266 |
| Diageo | 47 |
| Adidas | 121 |
| MAC | 39 |
| Samsung | 39 |
| Bijoux Terner | 32 |
| Attenza Tech | 30 |
| **Total** | **1,460** |

*Car Parking.* We have entered into contracts with Urbapark on November 21, 2012 and December 16, 2013, which make Urbapark the operator of public and Airport employee parking spaces. Public parking is operated by Urbapark for a period of 11 years from the Airport opening date and the term may be extended for additional two-year period as mutually agreed between the parties and upon satisfaction of certain conditions. We pay Urbapark a monthly base fee initially set at U.S.$31,666, plus service fees equivalent to 0% or 3% pursuant to the terms of each agreement. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The agreement terminates in 2024.

*Retail.* As of the date of these listing particulars, there are 23 commercial spaces operated by 17 counterparties. We have entered into various agreements for the use of spaces with stores located at the Airport. As consideration for the use of the space, we are entitled to an initial fee, plus monthly payments equal to a percentage of the total gross income of the stores (with a guaranteed minimum amount per month), plus proportional utilities payments. In addition, we charge most of our retailers an advertisement fee twice a year, up to an amount equal to 25% of the minimum guaranteed amount. Most agreements have a term between three to five years from the opening of the new Airport, with the opportunity to extend the term upon the mutual agreement of the parties, as long as the stores are in compliance with their obligations. Pursuant to most of these agreements entered into as of January 2018, the commercial retailers have the right to terminate the agreement upon 30 days' advance notice, *provided* that such commercial retailer pays an amount equal to three times the minimum guaranteed amount. We also grant rights for use of spaces for ATMs of certain banks with local presence, including Banco del Pacifico, under subconcession agreements setting forth an initial and a monthly fee. On October 31, 2012 we engaged QuitoTelcenter S.A. ("QuitoTelcenter") to develop and operate (including by leasing space to the commercial counterparties) a facility building for commercial spaces to be used for retail businesses, food and beverages as well as office space. QuitoTelcenter engaged a constructor to build the area, subject to our approval. The agreement expires on January 26, 2041. Under such agreement, we are entitled to a gross income fee as well as an advertisement gross income fee. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct.

The following table sets out certain information on the retail spaces in the Airport.

| Retail | Square Meters |
|---|---|
| Camaron a Bordo | 12 |
| Carsa | 17 |
| Flor de Liz | 25 |
| Fly Massage | 34 |
| Bag Parking | 26 |
| Artapaso | 38 |
| Confitexport (main store) | 41 |
| Confitexport | 12 |
| Ecumilflores | 79 |

| Retail | Square Meters |
|---|---|
| Equitrade | 18 |
| Via Venetto | 85 |
| Ecuador Travel Stores (public hall) | 20 |
| Ecuador Travel Stores (international pre-boarding) | 24 |
| Ecuador Travel Stores (domestic pre-boarding) | 249 |
| Smartphone Solutions | 14 |
| Wifitogo (departures) | 4 |
| Wifitogo (arrivals) | 4 |
| Assistecviajes | 14 |
| Secure Wrap | 8 |
| Aerogerpsa | 60 |
| Globalexchange (arrivals) | 4 |
| Globalexchange (departures) | 4 |
| Globalexchange (arrivals public hall) | 4 |
| **Total** | **796** |

*Food and Beverages.* On July 16, 2012, we entered into an agreement with Meramexair pursuant to which we granted Meramexair the right to operate food and beverage centers, for a period of 9 years from the date of the opening of the Airport and may be renewed upon agreement between the parties and satisfaction of certain conditions. Meramexair is our only food and beverage operator and currently operates 14 food and beverage centers, located throughout the Airport, which include international franchises and other concepts created specifically for us that create exclusivity of service to our users. Meramexair has the right to use the food court area in the Airport that includes Johnny Rockets, Famiglia Pizzeria, Guacamole Grill, Amazonia Café, De Volada, Grab N Go and Fly Chicken Fly. Pursuant to the agreement with Meramex, we are entitled to the greater of 10% to 12% of the monthly gross revenues of Meramex. Each party will indemnify for losses by reason of injury or death or any damage or destruction of any property or rights to third parties, except to the extent such losses are caused by or are attributable to any gross negligence or willful misconduct. The agreement expires on February 20, 2022.

The following table sets out certain information on the food and beverage stores in the Airport.

| Food and Beverage | Square Meters |
|---|---|
| Amazonia Cafe (arrivals) | 132 |
| De Volada | 68 |
| Amazonia Cafe (departures) | 21 |
| Outback | 90 |
| Johnny Rockets (food court) | 31 |
| Johnny Rockets (departures) | 143 |
| Fly Chicken Fly (food court) | 26 |
| Amazonia Cafe (food court) | 21 |
| Famiglia (food court) | 59 |
| Grab-N-Go (A10 and A11) | 17 |
| Guacamole Grill | 406 |
| Tres Trio | 37 |
| Amazonia Cafe (domestic) | 32 |
| Grab-N-Go (A5-A7) | 17 |
| **Total** | **1,100** |

## Improvements and Expansion

### *Master Plan*

Pursuant to the Concession Contract, the Airport master plan establishes the Airport infrastructure and sets out the general guidelines by which we expect to continue to develop the Airport in order to reach our maximum potential in infrastructure, operations and air navigation and minimize our environmental impact. The master plan is based on a variety of assumptions, including projected traffic growth, service

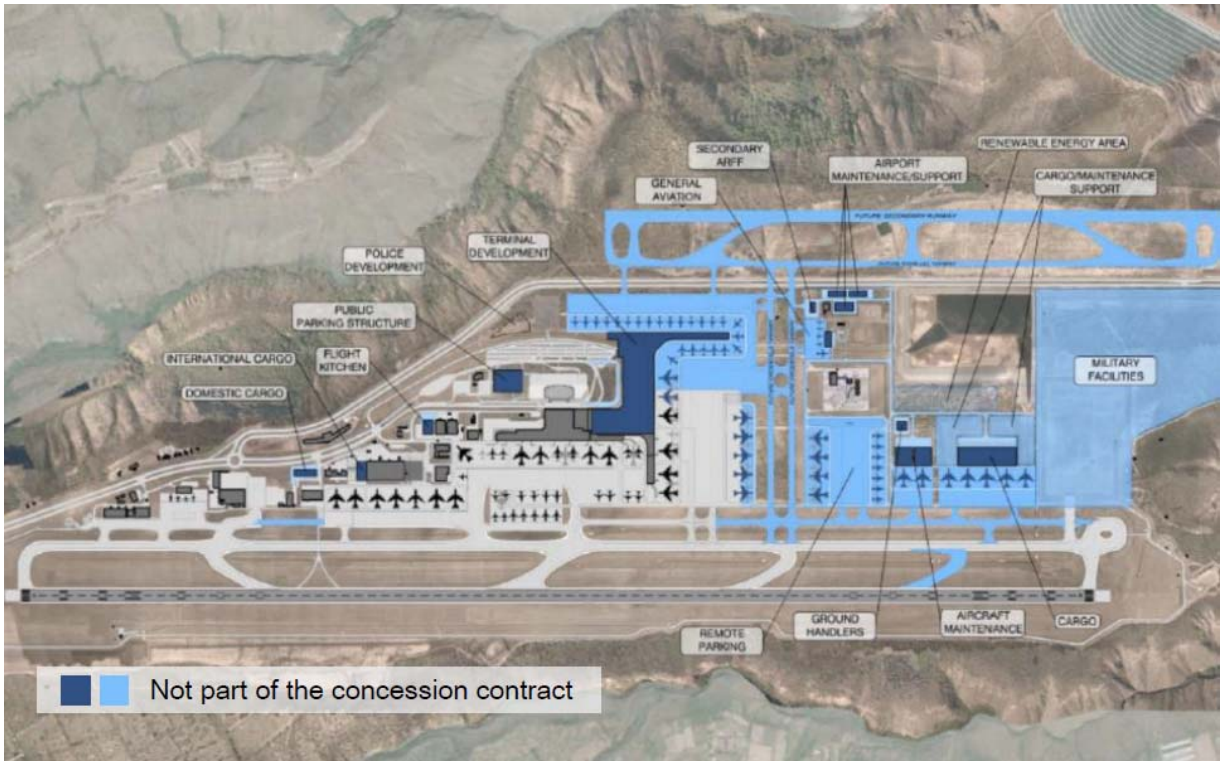
levels and peak hour flights, among others. The master plan is reviewed and approved by EPMSA every five years, but may be subject to adjustments based on mutual agreement during the period:

- Phase I, which consisted of the construction of the new Airport and was completed in 2013 with the opening of the new Airport; and
- Phases II and III, which consisted of the expansion of the Airport facilities to account for increased passenger and cargo traffic.

However, in 2015, in light of the changes in traffic flow, we revised our assumptions for our master plan, and divided each of our remaining phases as follows:

- Phase II-B: This includes additional expansions of the passenger terminal by adding boarding gates and expanding the processor and hold room areas, expansion of the commercial apron with the addition of a contact stand and a remote stand, new expansions of the cargo and apron parking area for the GSE, as well as a reconfiguration of the aviation apron and construction of a connector between the cargo apron and the taxiway. As of the date of these listing particulars, the terminal building expansion designer, Stantec Inc. ("Stantec"), has been selected and we expect approvals of government entities to be obtained by the end of 2018. We expect to begin construction of the expansion of the passenger terminal building by the end of 2018 and for construction to be completed by the end of 2025.
- Phase III-A: This includes additional expansions of the terminal concourse, apron, cargo building, surface parking lot and addition of a taxiway meeting the requirements of ICAO Code E ("Code E") to the apron. These expansions are expected to result in an increase in the processing area for passengers and cargo. This portion of the master plan is scheduled to be completed by the end of 2025. This portion of the master plan is expected to result in an increase in the capacity of the passenger terminal building, the commercial apron and the cargo apron.
- Phase III-B: This currently contemplates the additional expansion of the passenger terminal processor, apron, Code E taxiway to apron, cargo apron, parking lot and adding two boarding bridges and one additional landside lane. The passenger terminal building currently has the capacity to meet the passenger traffic as set forth in the Concession Contract. In addition, we have implemented a set of systems in the processor and concourse areas of the passenger terminal building for efficient processing. The processor area of the passenger terminal building encompasses the operational process for check-ins, security, customs and migration services while the concourse area encompasses commercial areas, duty free shops, VIP lounges and hold rooms. These expansions are expected to result in an increase in the capacity of the passenger terminal building, the commercial apron and the cargo building. This portion of the master plan is scheduled to be completed by the end of 2035.

The image below illustrates the planned expansions and the ultimate development plan:




In connection with these expansions, we have contracted Asphaltvias Cía. Ltda. ("Asphaltvias") for the completion of the cargo apron expansion and GSE storage area expansion project, are currently in negotiations for the engagement of the contractor for the new area for oversized cargo, and we are currently in contract with Tractorepuestos Cia. Ltda. ("Tractorepuestos") for the soil filling portion associated with the expansion of the commercial apron. We expect to select the contractor for the pavement structure and filling of the concrete portion of the commercial apron expansion by the first quarter of 2020 and we expect to select the contractors for the construction of the expansion building by the second quarter of 2019.

As of the date of these listing particulars, the status of Phase II-B is as follows:

- the soil removal for the expansion of the commercial apron by Tractorepuestos was completed on August 30, 2018;
- bidding for the extension of the connecting taxiway from the loading platform to taxiway A began in May 2018 and is expected to be completed by the second quarter of 2019;
- the detailed design packages associated with phases II-B by Stantec began in June 2018 and are expected to be completed by August 2019; and
- we are in the process of selecting a contractor for the construction of the terminal building expansion, which is expected to begin in January 2019 and to be completed by December 2020.

No assurance can be given that we will able to complete the various phases of our master plan on the dates specified above or at all. As the master plan is subject to review every five years, the phases set out above are subject to changes, amendments, modifications or deletions at any time. For additional information see, "Risk Factors—Risks Related to Our Business—We may need to expand certain Airport

facilities, which may expose us to increased construction, operational, financial and counterparty risks" and "Risk Factors—Risks Related to Our Business—Quiport is in discussions with the Municipality and the Management Unit that may result in amendments to the Concession Contract."

***Air Service Development Strategy***

Through our ASD, we are committed to developing and providing new air services that we expect will help us increase flight capacity and frequency to and from strategic destinations, connect to important hubs and gateways and access new markets with low-cost carriers. Originally implemented in 2013, our ASD strategy includes plans for airline and target routes, participation in specialized route events and visits to headquarters of target airlines. We believe that these efforts will facilitate the development of additional routes and further increase passenger traffic and revenue.

As part of our ASD strategy, by 2020 we plan to increase seat capacity on flights to the United States, Mexico, Colombia, Chile and Argentina and increase the number of flights to Madrid. We also expect to increase the number of direct flights to major markets such as Houston, Los Angeles, New York City, and Sao Paulo, as well as to important hubs and gateways such as Sao Paulo, Houston and other airports in Europe. We aim to restore services to Cali, Medellín and Sao Paulo, which have been discontinued due to airline strategy. We expect to begin operating a new service to Sao Paulo beginning in December 2018.

Currently, there are no low-cost carriers operating domestically in Ecuador and those operating internationally represent only 3% of the total Ecuadorian air traffic, according to the Independent Traffic Consultant's Report. The current low cost carrier penetration rate is low in Ecuador and in other countries in the region, with domestic and international penetration rates of 18% and 9%, respectively, in Colombia, 1% and 5%, respectively, in Peru, and 25% and 9%, respectively, in Chile, thus presenting a potential opportunity to increase low-cost penetration in Ecuador, which could generate substantial passenger traffic in the future, according to the Independent Traffic Consultant's Report. There is also opportunity for the creation of new direct international, low-cost routes from the Airport, considering the current demand for travel to cities in to North America, not yet serviced by the Airport and routed via other hubs in Latin America.

**Competition**

We are the busiest airport in Ecuador providing domestic and international services. The second busiest airport in Ecuador is in Guayaquil, Quito's sister-city in Ecuador, with which we benefit from a symbiotic relationship, having high-density shuttle-traffic similar to other city pairs, such as Madrid-Barcelona, São Paulo-Rio de Janeiro, Bogotá-Medellín and San Francisco-Los Angeles. As our passengers are O&D, we do not face significant competition from other airports in the region, such as airports in other tourist destinations in South America, including Colombia, Panama and Peru, among other destinations. Furthermore, due to our status as an O&D airport we are not dependent on traffic from any one airline and our passenger base is diversified, which has contributed to traffic at the Airport being more resilient to the effects of seasonality and economic cycles inherent to tourism traffic. For the year ended December 31, 2018, approximately 99% of our passengers were O&D.

**IT Services and Security**

Sensitive company information, including enterprise resource planning ("ERP"), the Airport operational database ("AODB"), human resources information, legal and contracts information, is stored in our technical infrastructure, which is protected through security and access policies, including infrastructure hardening (e.g., perimeter firewalls, VLAN segmentation, internal anti-malware systems, and others), per-user and per-system access (e.g., AD hardening and role policies, DB and applications role-based access controls) and audit modules in critical applications and systems.

In the past, we have responded to inquiries and requests for information from the SRI with respect to management practices for our IT infrastructure and, as of the date of these listing particulars, we have not received any significant observations.

We continue to improve IT and securities services at the Airport, which have increased the efficiency of passenger processing. We have implemented security upgrades, such as updating the Airport's services platforms, enabling TLS (transport layer security) as the standard protocol, implementation of checkpoint and TrendMicro security tools for perimeter and internal security and centralization of monitoring tools. In 2018 we completed a vulnerability analysis test of our technological systems that was performed by an external and independent company. As a result, we have implemented certain updates to our cybersecurity system that were carried out by a company specialized in such matters.

We have also updated our Airport and administration processes by implementing ERP SAP (systems, applications and products), business intelligence tools, automatic boarding gates, automation and standardization of boarding announcements, upgrading from the self-services platform and updating the passenger queuing management systems. In addition, we are developing a project to implement biometrics for passenger processing and a new Wi-Fi model for the passenger terminal building as a service to improve customer experience.

**Property and Insurance**

***Real and Personal Property***

Under to the Concession Contract, we retain usufruct over the real property and ownership on all movable property purchased by us and used in connection with the Airport (other than assets held by the Management Unit and the Municipality) for the Concession Period and usufruct rights on all movable property owned by the Municipality that is necessary for the provision of the Airport Services for a period of 30 years as from the Effective Date. At the end of the Concession Period, all property will be transferred back to the Municipality. All fixtures and equipment necessary for the operation of the Airport are property of the Municipality upon installation.

Our balance sheets reflect the value of improvements to real property as well as the value of certain equipment that will revert to the Municipality at the end of the Concession Period.

***Intellectual Property***

As of the date of these listing particulars, we own the trademarks "QUIPORT" (including our logo), "Nuestro Huerto" (including our logo), and "MALL DEL CIELO," as well as the respective designs used in our operations, which are duly registered with the Ecuadorian Institute of Intellectual Property (*Instituto Ecuatoriano de la Propiedad Intelectual*).

***Insurance***

We maintain the following insurance policies, each provided by AIG Cía. de Seguros y Reaseguros S.A.:

- terrorism, including first layer in an amount of U.S.$500 million and second layer in an amount of U.S.$167 million ;
- crime (e.g., fraud, robberies, etc.) by employees in an amount of U.S.$10 million;
- general aviation liability in an amount of U.S.$1,000 million;
- directors' and officers' liability in an amount of U.S.$10 million;
- property insurance for material losses in an amount of U.S.$667 million;

- general liability in an amount of U.S.$25 million; and
- general liability (vehicles) in an amount of U.S.$1 million.

The Municipality is named as co-beneficiary in all insurance policies in accordance with the Concession Contract. See "Risk Factors—Risks Related to Our Business—We are exposed to risks inherent to the operation of airports," "Risks Related to Our Business—Our insurance policies may not provide sufficient coverage against all liabilities," and "The Concession—Concession Contract—Obligations under the Concession Contract—Insurance."

**Regulation**

We are subject to numerous regulations issued by the Ecuadorian congress, the executive branch, the DGAC and the Municipality of Quito that govern our Concession and the business and the operation of the Airport. Our main regulator, the DGAC, has experience in managing concession-based airports, including the Airport and the José Joaquín de Olmedo International Airport in Guayaquil, as well as other governmental airports operated directly by our regulator.

The key regulations that govern the Concession and the Airport are:

- the Aeronautical Code (*Código Aeronáutico*), codified on January 11, 2007 (the "Aeronautical Code"), as amended, set forth the basic framework for the regulation of airports in Ecuador. The Aeronautical Code also provides for the creation of both international and national airports and establishes concepts such as public and private airports;
- the Civil Aviation Law (*Ley de Aviación Civil*), codified on June 11, 2017 (the "Civil Aviation Law"), as amended, provides that the Ecuadorian airport system is regulated by the DGAC, with respect to matters generally involving management, maintenance, airport safety and air travel;
- the Organic Law on Human Mobility (*Ley de Mobilidad Humana*), published in the Official Gazette on February 6, 2017, which sets forth the basic framework for the migration from or to Ecuador; and
- the Organic Code of the Production (*Código Orgánico de la Producción, Comercio e Inversiones*), published in the Official Gazette on December 29, 2010, which sets forth the basic framework for the customs operations and for the operation of cargo.

In addition, we are subject to various Ecuadorian laws, including the 2008 Constitution, the Environmental Organic Code of 2018 (*Código Orgánico del Ambiente*), the Labor Code codified on 2005 (*Código del Trabajo*) as amended and supplemented from time to time, the Organic Law of Internal Tax Regime Law codified on 2004, as amended and supplemented from time to time, the Reformatory Law for Tax Equity of 2008, as amended and supplemented from time to time, and the Civil Code of the Republic of Ecuador, codified on 2005, as amended and supplemented from time to time.

Furthermore, Quiport is subject to certain rules that have been amended, partially modified, or fully repealed since the Concession Contract, but that remain valid and in place in respect to Quiport, the Project and the Project documents as of the date of the Concession Contract because of the Investment Contract and the application of the non-retroactivity general principle, such as: (i) the 1998 Constitution; (ii) the Law of Promotion and Guarantee of Investments published in Official Register No 219 dated December 19, 1997, and its amendments, under which the Investment Contract was executed; (iii) the Free Trade Zone Law, pursuant to which Quiport was approved by the Granting Authority and qualified by CONAZOFRA as a free trade zone user of the new Airport and was thus granted the benefits provided under this law for 20 years; (iv) the Law for the Promotion of Investment and Citizens' Participation, published in Official Gazette No. 144 of August 18, 2000, which, through the reforms introduced to the

Civil Aviation Law, delegates to the private sector the operation, maintenance, expansion and construction of airports and the Law of Modernization of the State, Privatizations and Delivery of Public Services by the Private Sector, Law No. 50 of December 31, 1993, (*Ley de Modernización del Estado, Privatizaciones y Prestación de Servicios Públicos por Iniciativa Privada*), published in Official Gazette No. 349 of December 31, 1993, (*Ley de Modernización del Estado*), as amended, under which the Ecuadorian government, municipalities and public entities were allowed to grant concessions to use, operate and manage some or all of the public infrastructure (including airports) in Ecuador subsequent to a public selection process opened to both national and international entities; (v) Executive Decree No. 885, under which the then-President of the Republic authorized the Municipality to construct, manage and maintain the new Airport, including the access roads and complementary works, and to manage, improve and maintain the Old Airport; (vi) Resolution C 114, which was approved by Decree 200541 and created the Granting Authority and Ordinances No. 289 and No. 309, pursuant to which the Granting Authority was created and succeeded to, and assumed all rights and obligations relevant to it in all respects; (vii) Municipal Ordinance No. 309, pursuant to which the Management Unit was created and, in accordance with the first transitional provision of the Organic Law on Public Enterprises, succeeded to, and assumed all of, the rights and obligations of its predecessor in all respects, including its obligations under the Project documents; and (viii) Ordinance No. 335, pursuant to which the Municipality reassumed all of the competencies it previously delegated to the Management Unit in connection with the Project.

***Role of DGAC***

DGAC is the Ecuadorian aviation authority. DGAC was created by Supreme Decree 1693-B on August 9, 1946. The goal of DGAC is to implement civil aviation policies in Ecuador, according to the current international standards and recommendations, thus continuously monitoring the operational security and directing and controlling civil aviation activities. DGAC is also in charge of the safety, regularity and efficiency of the aeronautical operations and with providing services in accordance with international regulations and requirements in Ecuador. DGAC's powers include the following: (i) execute the national aeronautics policies according to current regulations and directives; (ii) direct, coordinate, monitor and evaluate the activities assigned to other departments; (iii) advise, in compliance to current legal standards, in all matters related to civil aviation; (iv) issue, in its capacity as national aeronautical authority, certain certificates (*certificados de explotador aéreo*) to airline companies that must comply with the requirements established in the regulations of the Ecuadorian Aeronautical Code (*Código Aeronáutico del Ecuador*) and the Civil Aviation Law (*Ley de Aviación Civil)*; (v) issue instructions (*instructivos*) to define policies to be developed in the areas of its competence, in order to control compliance with all civil aviation activity; (vi) to issue rules (*circulares*) regarding security and operations. Notwithstanding the foregoing, DGAC is competent in all issues related to civil aviation and aeronautics, according to national and international provisions.

In addition, DGAC provides certain services to the Airport, including services in respect of air traffic control pursuant to the DGAC Services Agreement and all security services and the procurement and maintenance of all equipment necessary for the provision of such security services pursuant to the DGAC Equipment Agreement. See "The Concession—The Concession Contract—Obligations under the Concession Contract—General Obligations of Quiport."

***The Municipality***

Pursuant to Executive Decree No. 885, on June 29, 2006, the Municipality was authorized to undertake the Project, which included the management, maintenance and operation of the Old Airport and the engineering, construction, management, maintenance and operation of a new Airport, including access roads and complementary works. For this purpose, the Municipality created the Management Unit, as Granting Authority. On September 16, 2002, the Granting Authority and CCC, acting as the concessionaire, entered into the Original Concession Contract. Pursuant to Ordinance No. 381, enacted

on April 16, 2010, EPMSA was appointed as the new Management Unit. Pursuant to Ordinance No. 335, the Municipality reassumed all of the competencies it previously delegated to the Management Unit in connection with the Project, including without limitation the competencies to act as the Granting Authority of the concession rights for all purposes of the Project and the Project documents. Additionally, pursuant to the Master Municipality Agreements dated February 3, 2011, the Management Unit assigned its rights and obligations under the Concession Contract and each assigned document entered into in connection with the Project to the Municipality, and the Municipality assumed such rights and obligations.

***General Comptroller***

According to the Comptroller Law (*Ley Orgánica de la Contraloría General del Estado*), published in the Supplement of the Official Registry No. 595 of June 12, 2002 (the "Comptroller Law"), the GCE is an independent governmental institution, created by the Comptroller Law, whose mission is to oversee and regulate the management and disposition of the funds and assets of public entities and, among others, of public resources managed by concessionaire corporations, including us, as well as to examine the accounts related thereto.

The CGE has oversight responsibilities related to state contracts in Ecuador. Beginning in May 2015, the CGE undertook an audit of the Concession Contract, the Strategic Alliance Agreement and their related agreements. As a result of this review, the CGE issued its Final Report setting forth certain recommendations to the Mayor of Quito, the Council and the General Manager of the Management Unit with respect to the Project, including a proposal to explore a consensual agreement with Quiport, as well as certain predeterminations. For more information on the predeterminations, see "—Legal Proceedings—Comptroller Resolutions." Quiport, the Municipality and the Management Unit have engaged in consultations with respect to the Final Report and other issues related to the Airport and for the negotiation of certain amendments to the Concession Contract in line with the recommendations made in the Final Report.

***Executive Branch***

The Ministry of Environment (*Ministerio de Ambiente*) grants environmental licenses to projects that, by their nature, may affect the environment. Airports in Ecuador must be covered by the relevant environmental license in order to operate. The applicable law is the Organic Environmental Law (*Código Orgánico del Ambiente*) published in the Supplement of the Official Registry No. 983 of April 12, 2017.

The Directorate General of Immigration (*Dirección General de Migración*), acting through its officials, is in charge of the inspection and control of the entry and exit of passengers and crew of aircrafts.

***Role of EPMSA***

The capacity to manage the Airport was granted to the Municipality of Quito in 2000. EPMSA was created in 2010 by the Municipality pursuant to the Municipal Ordinance 0309, dated April 16, 2010, published in the Official Gazette on May 5, 2010, and is the responsible body for monitoring compliance of the rights and obligations set forth in the Concession Contract related to the operation, maintenance, administration and development of the Airport, on behalf of the Municipality. We have daily communications with EPMSA and they inspect the Airport regularly. The master plan is reviewed and approved by EPMSA every five years. See "—Improvements and Expansion—Master Plan."

***Role of SCSI***

We are a stock corporation (*sociedad anónima*) formed under the laws of Ecuador and are therefore subject to the Companies Law and regulations of the SCSI, which supervises all Ecuadorian corporations.

The SCSI controls the annual presentation of financial statements, audit reports, administration reports, internal examiner reports and information pertaining to a corporation's foreign shareholders.

**Employees**

As of December 31, 2018, we had 358 employees, of which 182 work in airport operations roles. Of the 358 employees, 101 were employees of Quiport and 257 were employees of the Operator. As of December 31, 2018, 34 of the Operator's employees, were members of the ADC & HAS Labor Union; 46 were members of the Aeronautical Firefighter ADC & HAS Association; and 220 were members of the Quiama Ecuador Employees Association. There currently are no collective bargaining agreements.

**Legal Proceedings**

In the ordinary course of our business, we are sometimes subject to litigation, lawsuits and other legal proceedings. Other than as set forth below, management believes that there are no other material legal, arbitration, judicial or governmental proceedings pending or threatened against us that, if adversely determined, would have a significant impact on our business or financial condition, other than as disclosed in these listing particulars.

***Comptroller Resolutions***

The CGE has oversight responsibilities related to state contracts in Ecuador and, beginning in May 2015, the CGE undertook an audit of the Concession Contract, the Strategic Alliance Agreement and their related agreements. On August 5, 2016, the CGE issued Notices for Predetermination of Civil Liability Nos. 1371, 1372, and 1378 (*Glosas*) (collectively, the "Predeterminations"), finding Quiport liable for an aggregate amount of U.S.$138,882,709.11. Each of the Predeterminations conclude as follows:

- *Predetermination 1371*: US$4,557,580 is owed by Quiport as a result of alleged inconsistencies with respect to fees for passenger and airport services surcharges at the Airport.
- *Predetermination 1372*: US$134,124,972 is owed by Quiport due to alleged excess contributions by the Municipality and Quiport supposedly having submitted unsubstantiated expenses.
- *Predetermination 1378*: US$200,157.11 is owed by Quiport as a result of supposed inconsistencies in the reporting of collection amounts at the Old Airport.

Quiport commented on the Predeterminations to the CGE on October 13, 2016, and submitted arguments supported by supporting evidence and independent legal and financial expert reports, confirming that the Predeterminations contained errors of fact and law, were untimely, and were outside the competence of the CGE. Notwithstanding Quiport's comments, on May 16, 2017, the CGE issued Resolutions Nos. 10376, 10377, 10378 and 10379 (collectively, the "Resolutions") confirming the Predeterminations.

In response to the Resolutions, Quiport filed a Request for Reconsideration with the CGE on July 14, 2017. As the CGE failed to respond to the Request for Reconsideration within the period provided by law, the Request for Reconsideration was deemed rejected as a matter of Ecuadorian Law. In addition, on August 21, 2017, the CGE issued Writs Nos. 0667, 0670, 0675, and 0677 (collectively, the "Writs"), which expressly rejected the Request for Reconsideration and confirmed the Resolutions.

On September 20, 2017, Quiport commenced four lawsuits against the CGE and the Attorney General of Ecuador before the Administrative Contentious Court of Ecuador requesting that each of the Resolutions be declared null and void on the basis of the CGE's lack of competence to issue them, or, alternatively, that they be declared to have no effect. The lawsuits are ongoing. A preliminary hearing for Resolution No. 10379 is scheduled for October 29, 2019. Merits hearings with respect to Resolutions Nos. 10377 and 10376 are scheduled for March 25 and May 23, 2019, respectively. With respect to Resolution

No. 10378, a judgment hearing has been scheduled for June 21, 2019. In the event of an unfavorable decision, Quiport has the right to appeal to the National Court of Ecuador.

Quiport is not the only corporation in Ecuador involved in legal proceedings arising from findings of liability by the CGE. In addition to rights and remedies existing under Ecuadorian law, Quiport has various substantive and procedural rights under various agreements, including, without limitation, the Concession Contract, the Strategic Alliance Agreement and the Investment Contract. On September 13, 2017, by means of a letter dated September 12, 2017, Quiport provided notice to the Municipality and the Management Unit that the CGE's failure to reconsider the Resolutions and issuance of the Writs constitute a Political Event under the Concession Contract and Strategic Alliance Agreement. In addition, on September 13, 2017, Quiport separately notified Ecuador of the existence of a Dispute under the Investment Contract. In accordance with the Investment Contract, Quiport has the right to commence international arbitration proceedings any time.

We can give no assurance that these matters will be resolved in our favor or in a timely manner. As of the date of these listing particulars, no reserves have been established for these proceedings.

***Tax Exemption Dispute***

The Free Trade Zone Law enacted on February 19, 1991, provides that FTZ Users shall enjoy a 100% exemption from income tax. Chapter XII of the Tax Regime pertaining to Free Trade Zones establishes the following:

- management companies and users of free trade zones benefit, in all their deeds and contracts undertaken in the free trade zone, from exemption from all income tax or any substitute tax thereof, as well as from value added tax, and payment of provincial, municipal and any other taxes created, even if express exoneration is required;

- free trade zone users benefit from total exoneration of all taxes imposed on patents and all current taxes applicable to production, use of patents and trademarks, technology transfers and the repatriation of earnings;

- management companies and users of free trade zones benefit from the exemptions indicated in Chapter XII of the Tax Regime for a period of 20 years as from the referred resolution; and

- payments made by users for occasional services received from overseas technicians are income tax exempt and do not give rise to withholdings at source.

Pursuant to the Investment Contract, Ecuador has agreed to provide Quiport specific legal and tax stability with respect to the legal framework in effect on June 24, 2003. The benefits of the tax stability under the Investment Contract terminate on June 24, 2023. Furthermore, in October 2005, Quiport was approved as a FTZ User of the new Airport and were thus granted the benefits provided under Resolution 2005-13 for 20 years. These rights were reaffirmed on August 9, 2010, when Quiport, the Municipality and the Management Unit entered into the Strategic Alliance Agreement, whereby the Municipality recognized the existence of the Free Trade Zone Tax Exemption and agreed to indemnify Quiport for any tax incurred arising from its loss.

On December 29, 2007, Ecuador introduced changes with respect to income tax and its determination pursuant to the introduction of the Reformatory Law for Tax Equity, through Official Gazette N. 242, effective as of January 1, 2008. In addition, in 2010 the Production Code, published on December 29, 2010 in the Official Gazette, eliminated the free trade zone regime, but grandfathered all the rights and obligations established for previously registered FTZ Users. The Ministry of Coordination for Production,

Employment and Competitiveness extended the FTZ User qualification to the new Airport to October 2025 on February 23, 2012.

Nevertheless, on February 20, 2018, Quiport received from the SRI the SRI Final Determination No. 17201824900154057, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately U.S.$7.6 million in respect of revenues received for fiscal year 2013. On September 10, 2018, the SRI confirmed Final Determination No. 17201824900154057 and rejected an administrative challenge filed by Quiport on March 19, 2018. On December 5, 2018, Quiport filed a lawsuit challenging the SRI's tax determination for fiscal year 2013 before the Ecuadorian tax courts in accordance with Quiport's right to bring lawsuits against the SRI before the Ecuadorian tax courts. On February 13, 2019, Quiport posted a litigation bond in the amount of U.S.$1.12 million (or 10% of the tax liability in controversy) in order to proceed with local litigation.

In addition, on November 26, 2018, Quiport received from the SRI the SRI Final Determination No. 17201824901288349, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately U.S.$10 million of tax payments in respect of revenues received for fiscal year 2014. On December 21, 2018, Quiport filed an administrative challenge before the SRI.

Furthermore, on January 16, 2019, Quiport received from the SRI the SRI Final Determination No. 17201924900048637, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately U.S.$17.0 million in respect of revenues received for fiscal year 2015. On February 11, 2019, Quiport filed an administrative challenge before the SRI.

We expect to receive the tax assessments for the fiscal years 2016 and 2017 later this year. For more information see note 13 to or Financial Statements.

Quiport is not the only corporation in Ecuador involved in legal proceedings arising from a refusal by the SRI to recognize the tax exemptions to which it is entitled by virtue of its status as a FTZ User. Ecuador currently faces claims in local proceedings and international arbitrations in this regard. In addition to rights and remedies existing under Ecuadorian law, Quiport has various substantive and procedural rights under various agreements, including, without limitation, the Concession Contract, the Strategic Alliance Agreement and the Investment Contract. On March 22, 2018, December 26, 2018 and February 14, 2019, in accordance with the Concession Contract, Quiport provided notice to the Municipality and the Management Unit that the SRI's Determinations constitute a Political Event under the Concession Contract.

In addition, on April 12, 2018, Quiport separately notified Ecuador of the existence of a Dispute under the Investment Contract. In accordance with the Investment Contract, Quiport has the right to commence arbitration proceedings any time.

We can give no assurance that these matters will be resolved in our favor or in a timely manner. As of the date of these listing particulars, no reserves have been established for these proceedings.

## The Concession

*The following is a description of the material provisions of certain documents related to the Concession and the operation of the Airport. The following information does not purport to be a complete description of such documents and is subject to, and qualified in its entirety by reference to, the applicable document (copies of which will be made available to prospective purchasers until the Issue Date and upon request to us, subject in certain instances to confidentiality restrictions).*

We are the sole concessionaire for the Airport pursuant to the Concession Contract. The operation of the Airport and our Concession is subject to the terms of various agreements, a description of which is contained in this section. The Concession Contract and the Investment Contract were entered into with the original granting authority to operate the Airport. Subsequently, as a result of the adoption of the 2008 Constitution and a Constitutional Court ruling (as described herein), the Concession Contract had to be supplemented in order to adapt it to the new legal framework, and the Strategic Alliance Agreement and the Master Municipality Agreements were entered into. In particular, a description of the following contracts is included:

| No. | Contract | Counterparty | Purpose | Governing Law |
|---|---|---|---|---|
| 1 | Concession Contract | Granting Authority (currently, the Municipality) | According to the terms of this agreement, Quiport acts as the sole Concessionaire for the Concession related to the management, improvement and maintenance of the Old Airport and the construction, management and maintenance of the new Airport, including certain access roads and complementary works. | Ecuador |
| 2 | Strategic Alliance Agreement | Municipality and Management Unit | This agreement sets forth the participation framework of the income derived from regulated sources of the Concession, pursuant to which Quiport receives 89% of regulated revenue until 2035 and 88% from 2036 until the end of the Concession Period, with the Municipality receiving the remaining 11% and 12%, respectively. | Ecuador |
| 3 | Investment Contract | Republic of Ecuador | Pursuant to this agreement, the Republic of Ecuador provides certain general and specific guarantees and protections for the Investors and Quiport in relation to the Project Agreements (as defined herein) and the transfers of capital and economic resources destined to develop and execute the Project. In particular, the Investment Contract provides protection that the execution of the Project will enjoy legal stability in accordance with the Legal Framework in Effect (as defined herein). | Ecuador |
| 4 | Implementation Agreement | Municipality and Management Unit | This agreement sets out certain procedures for, among other things, the implementation of the Strategic Alliance Agreement and the discontinuation of the arbitration process in effect at the time. It also clarified that the Regulated Fees were to be established at their maximum levels as of the Airport opening date and thereafter be adjusted for inflation in accordance with the terms of the Concession Contract. | Ecuador |
| 5 | Master Municipality Agreements | Municipality and Management Unit | Pursuant to these agreements: (i) the rights and obligations under the agreements entered into in connection with the Project were assigned by the original granting authority to the Municipality, including under the Concession Contract; (ii) certain procedures for the implementation of the Strategic Alliance Agreement were executed; and (iii) certain other amendments, terminations and clarifications were made, including with respect to the arbitration process and maximum levels for Regulated Fees. | Master Municipality Agreement (Ecuadorian Documents) and the Master Municipality Agreement (Government |

| No. | Contract | Counterparty | Purpose | Governing Law |
|---|---|---|---|---|
| | | | | Services Agreements) Ecuador.<br><br>Master Municipality Agreement (New York Documents) New York. |
| 6 | Onshore Borrower Trust Agreement | Granting Authority and Onshore Trustee | Administers the revenues collected by Quiport derived from the operation of the Airport, and provides for the direction of funds for the satisfaction of the obligations of Quiport under the Senior Secured Credit Agreement, which was assigned, in whole, to the Existing Lenders on December 20, 2018, and which is expected to be assigned to the Issuer, as Lender, following the offering of the Notes. | Ecuador |
| 7 | Surcharge Trust Agreement | Municipality, Management Unit, Surcharge Trustee (as defined herein) and Onshore Borrower Trust, represented by the Onshore Trustee | Pursuant to this agreement, the parties thereto established the Surcharge Trust as an irrevocable administrative commercial trust, with the estate described therein. The purpose of the Surcharge Trust is to manage such trust estate and give effect to the Strategic Alliance Agreement, through the transfer of the Municipality Economic Benefit Participation, as provided for in this agreement. | Ecuador |
| 8 | Surcharge Collection Agreement | Municipality and Management Unit | Pursuant to this agreement, the Municipality irrevocably and unconditionally (i) appointed the Surcharge Collector as the collector for the NQIA Surcharges for the duration of the Concession Period and (ii) instructed the Surcharge Collector to determine, collect and issue payment receipts for all NQIA Surcharges for initial and temporary deposit into the Onshore Regulated Fees Collection Account. | Ecuador |
| 9 | Surcharge Depositary Agreement (as defined herein) | Surcharge Trust, represented by the Surcharge Trustee, Onshore Borrower Trust, represented by the Onshore Trustee, and Surcharge Depositary Bank | Pursuant to this agreement, the Surcharge Trustee instructs the Surcharge Depositary Bank, and the Surcharge Depositary Bank agrees, to transfer to the account of the Municipality the Municipality Economic Benefit Participation, in accordance with the Surcharge Trust Agreement. | Ecuador |
| 10 | Dispute Resolution Agreement (as | Granting Authority, among others | Pursuant to this agreement, the parties thereto agreed that any dispute, difference, controversy or claim between or among the parties thereto, arising out of or connected with the Concession Contract, the Dispute Resolution Agreement and the O&M | State of New York |

| No. | Contract | Counterparty | Purpose | Governing Law |
|---|---|---|---|---|
| | defined herein) | | Agreement, among others, will be finally settled by binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce. | |
| 11 | O&M Agreement | Operator | Pursuant to this agreement, the Operator was engaged to perform the Operator Services on an exclusive basis for Quiport in connection with its operation of the Airport. | State of New York |

## The Concession Contract

### *Selection Process and Concession Framework*

Pursuant to Executive Decree No. 885 (*Decreto Ejecutivo 885*) published in the Official Gazette No. 198 on November 7, 2000 (as amended by Executive Decree 1557, the "Executive Decree No. 885"), in 2000, the Municipality was granted authorization to undertake the Project, which included the management, maintenance and operation of the Old Airport and the engineering, construction, management, maintenance and operation of a new greenfield international airport in Quito, including access roads and complementary works. In mid-2001, the Canadian Commercial Corporation, a Canadian crown corporation created by an Act of the Parliament of Canada ("CCC"), presented a project to develop the outline design of the new Airport and prepare traffic forecasts in order to initiate a selection process called a "Swiss Challenge." Subsequently, CCC's presented certain studies and designed a tariff forecast, which were used to open competition to other bidders. In January 2002, upon the completion of the competitive selection process, CCC was selected as the preferred bidder and invited to commence exclusive negotiations with a view to the execution of a concession contract and a construction contract for the Project.

On September 16, 2002, the Granting Authority and CCC, acting as the concessionaire, entered into the original concession contract (the "Original Concession Contract"), which was novated on the same day to replace CCC with Quiport pursuant to the related original novation agreement, dated September 16, 2002 (the "Original Novation Agreement"). The Original Concession Contract was amended and restated pursuant to the First Amended and Restated Concession Contract dated June 22, 2005 (as amended, restated, novated, assigned, modified and supplemented from time to time, the "Concession Contract"), between the Granting Authority and CCC, as novated by the First Amended and Restated Novation Agreement dated June 22, 2005 between the Granting Authority, CCC and Quiport (as amended, restated, assigned, modified and supplemented from time to time, the "Novation Agreement"), to replace CCC with Quiport as the concessionaire thereunder. The Concession Contract was further amended, modified and/or supplemented by (i) the First Deed of Amendment dated as of January 27, 2006 (the "First Deed of Amendment"), between the Granting Authority and Quiport, which, among other things, addressed certain fuel farm and preexisting environmental conditions; (ii) the Effective Date Agreement dated as of January 27, 2006 (the "Effective Date Agreement"), among Quiport, the Granting Authority, CCC, the Operator and the Ecuador Operator, which, among other things, confirmed that the Concession Contract and certain other agreements relating to the Project had become effective; (iii) the Strategic Alliance Agreement; (iv) the Second Deed of Amendment dated August 9, 2010 (the "Second Deed of Amendment"), between the Municipality and Quiport, which gave effect to the provisions of the Strategic Alliance Agreement; (v) the Master Municipality Agreement (Ecuadorian Documents) dated February 3, 2011 (the "Master Municipality Agreement (Ecuadorian Documents)"), among the Municipality, the Management Unit and Quiport, and the Master Municipality Agreement (New York Documents) dated February 3, 2011 (the "Master Municipality Agreement (New York Documents)," and together with the Master Municipality Agreement (Ecuadorian Documents), the "Master Municipality

Agreements") among the Municipality, the Management Unit and Quiport, pursuant to which the Management Unit assigned its rights and obligations under the agreements entered into in connection with the Project to the Municipality; and (vi) the Third Deed of Amendment dated August 31, 2012 (the "Third Deed of Amendment"), between the Municipality and Quiport, which reflected the new opening date of the Airport as February 20, 2013.

On April 16, 2010, Municipal Ordinance No. 309 was enacted, pursuant to which the Management Unit was created and, in accordance with the first transitional provision of the Organic Law on Public Enterprise (*Ley Orgánica de Empresas Públicas*), succeeded to, and assumed all of, the rights and obligations of the Granting Authority in all respects, including the obligations under certain agreements related to the Concession and the Project. Pursuant to Ordinance No. 335 issued by the Metropolitan Council of Quito and published in the Official Registry No. 358 on January 8, 2011 ("Ordinance No. 335"), the Municipality reassumed all of the competencies it previously delegated to the Management Unit in connection with the Project, including without limitation the competencies to act as the Granting Authority of the concession rights for all purposes of the Project and certain agreements related to the Concession and the Project. Additionally, pursuant to the Master Municipality Agreements, the Management Unit assigned its rights and obligations under the Concession Contract and each assigned document entered into in connection with the Project to the Municipality, and the Municipality assumed such rights and obligations.

***Concession Period***

The term of the Concession is for a period of 35 years from the Effective Date (ending on January 27, 2041), subject to extension and/or to termination in accordance with the terms of the Concession Contract. The Concession Period is automatically extended by successive increments of 30 days for each aggregate period of delay or interruption, as the case may be, equal to 30 days by virtue of certain events set out in the Concession Contract, including without limitation, unauthorized interruptions by governmental entities, authorized interruptions in an event of an emergency, a shutdown or suspension of the Airport operations due to breach of obligations by the Granting Authority, a force majeure event or a failure by the Granting Authority to obtain certain consents. If no event, which, with prior notice and/or the lapse of time, permits either Quiport or the Granting Authority to terminate the Concession Contract, has occurred and is continuing at the end of the Concession Period, the initial Concession Period may be extended by mutual agreement of the Granting Authority and Quiport, for a period not to exceed five years and upon such terms and conditions as may be agreed between the Granting Authority and Quiport.

***Obligations under the Concession Contract***

*General Obligations of Quiport*

Pursuant to the Concession Contract, Quiport has the exclusive right and obligation to develop, operate, administer, manage, improve and maintain the Airport, along with the right to design, develop, administer, manage, operate and maintain all commercial businesses, activities and services customarily conducted at airports, including, without limitation, retail, restaurant, parking and duty-free services and facilities (the "Airport Developments") on the Airport site, for the Concession Period.

Quiport is responsible, at its sole cost and expense, for the comprehensive administration, management, operation and maintenance of the Airport in accordance with (i) the manual prepared by Quiport and approved by the Granting Authority setting forth quality objectives consistent with the rules, regulations and/or standards, as listed in Annex 10 of the Concession Contract, with respect to the provision of Airport Services (the "Standards") and prescribing procedures, schedules, plans, instructions and timelines for the operation and maintenance of the Airport as needed to meet or exceed the quality

objectives (the "Operation and Maintenance Manual"), (ii) the Standards, (iii) the master plan for the Airport and (iv) the terms of the Concession Contract, except for the following services: (a) air traffic control and other services, which are provided by DGAC (as further defined in the Concession Contract, the "Air Traffic Services"), (b) customs, police, immigration, agricultural inspection and any other services provided by any Ecuadorean public authority, body, agency, ministry, instrumentality or other person having jurisdiction with respect to Quiport, the Airport or the Project, including, without limitation, the Granting Authority, DGAC and any branch of the military services of the Republic of Ecuador (a "Relevant Authority") (as further defined in the Concession Contract, the "Other Governmental Services") and (c) security services and the procurement and maintenance of all equipment necessary for the provision of security services, which are provided by the Granting Authority (as further defined in the Concession Contract, the "Security Services").

Quiport is obligated to provide at the Airport, at its sole cost and expense, the following services (the "Airport Services"):

- ensuring the safe and secure operation of the Airport (but excluding the Air Traffic Services, the Security Services and the Other Governmental Services);
- the movement and parking of aircraft;
- the ground-handling of personnel and services (including the supply of fuel, catering, aircraft interior and exterior cleaning and cabin conditioning and supply of duty-free supplies and provisions);
- the maintenance and hangarage of aircraft;
- the handling of passengers and their baggage or of cargo at all stages while on land, including the transfer of passengers, their baggage or cargo to and from aircraft);
- car parking for staff and passengers at the Airport and other persons visiting the Airport in the ordinary course of business;
- the supply of consumer goods (whether duty paid or duty free) and services to staff and passengers at the Airport and/or other persons visiting the Airport;
- management and administration of Quiport's personnel employed at the Airport;
- the movement of staff and passengers and their interchange between all modes of transport at the Airport;
- the supply of flight information display screens and common user terminal equipment;
- operation and maintenance of passenger boarding and disembarking systems, including vehicles to perform remote boarding;
- general maintenance and upkeep of the Airport; and
- such other services as may be provided from time to time in accordance with the Concession Contract, including (i) the maintenance of a infirmary in the Airport, sufficient in capacity to provide basic medical care to passengers and personnel at the Airport ("Health Services") and (ii) CFR Services, but excluding the Air Traffic Services, the Other Governmental Services and the Security Services.

Quiport must maintain and operate, or cause to be maintained and operated, all Airport approach, runway, taxi and other lighting fixed to the Airport site relating to the landing, take-off and movement of aircraft over, around or on the Airport site. In addition, Quiport is responsible for securing the provision of all emergency and other services with respect to Airport Developments, including, without limitation, fire-fighting, rescue, paramedic and police services. Throughout the Concession Period, Quiport, at its sole cost and expense and in accordance with the Standards and applicable laws, rules, regulations and decrees of Ecuador, must provide or secure the provision of potable water, electric power, disposal or treatment of waste water, telecommunications services and waste disposal services for the Airport and the Airport Developments. Quiport must also furnish such office space and other facilities at the Airport as may be reasonably required by DGAC for the provision of the Air Traffic Services and to the Relevant Authorities pursuant to any arrangements by or between Quiport and Relevant Authorities for the provision of the Health Services. Quiport must coordinate with the Operator and DGAC to develop, maintain and implement the Airport emergency plan, and be responsible for the coordination of all activities in the event of an emergency at the Airport site.

Quiport had the obligation to ensure that the detailed engineering design for the Airport satisfied the IATA "B" level of service, based on the passenger peak hour forecast of 888 international enplaning passengers per hour, 757 international deplaning passengers per hour and 516 domestic enplaning or deplaning passengers per hour. The Granting Authority is required to (i) regularly monitor traffic flows at the Airport and make regular examinations of the Airport, for the purpose of determining the IATA level of service achieved, (ii) regularly monitor and count peak hour international transfer and transit passengers deplaning from aircraft to determine the impact on hold room space and (iii) promptly advise Quiport in writing if it determines that the level of service at the Airport falls to the IATA "C" level of service during any consecutive six month period and provide to Quiport such substantiation for its determination as it has developed. Upon a determination that the service levels at the Airport have fallen to level "C" during any consecutive six-month period, Quiport must, at no expense to the Granting Authority, develop an enhancement plan for approval by the Granting Authority, which will forecast the date by which the peak hour level would be reached, which would result in the passenger terminal dropping to service level "D." The enhancement plan must provide for improvements which will raise the service level back up to "B" projected for a date two years after the completion of the works in such enhancement plan. Quiport also has the obligation to finance, or arrange for the financing of, such works and commence such works not later than three months after the level of service drops to level "D" during any consecutive six-month period, subject to the receipt of all applicable permits and approvals. If Quiport fails to complete enhancements within the period established in the enhancement plan (subject to extensions due to any delays caused by circumstances beyond the control of Quiport), Quiport must pay to the Granting Authority U.S.$5,000 for each day or portion thereof that the date of completion of such enhancements is delayed beyond the completion date established in the enhancement plan (the "Enhancement Completion Date"); *provided, however*, that (a) such penalty will not be payable until and unless the enhancements are delayed 30 or more days beyond the Enhancement Completion Date and (b) penalties will accrue and be paid under the Concession Contract for a maximum of 180 days; and *provided, further*, however, that during such 180 period, the Granting Authority will not attempt to terminate the Concession Contract on the basis of any such failure as long as Quiport is obligated to pay, and has paid, any such penalty.

Due to changes to the IATA Manual made in December 2014, the CGE concluded in its Final Report dated January 1, 2016, that the Standards in the Concession Contract were no longer aligned with those of the IATA Manual and made certain recommendations to the Council and the General Manager of the Management Unit. Quiport, the Municipality and the Management Unit subsequently have engaged in negotiations with respect to certain amendments to the Concession Contract in order to align the service levels of the Concession Contract with the service level which would be equivalent to the former IATA level "B."

Furthermore, Quiport is in discussions with the Municipality and the Management Unit, some of which may result in amendments to the Concession Contract, including adjustments to section 2.8.2 of the Concession Contract, the IATA service levels, discussions on the Security Equipment (as defined in the Concession Contract), the use of certain temporary support facilities, the use of a certain plant waste deposit, delivery of lien waivers by certain contractors, adjustments to the master plan, the removal of debris and return of certain land to the Municipality that was used in works related to the construction of a logistic center, certain amounts previously paid under the Concession Contract, requirements for certain municipal permits, the reimbursement for a penalty imposed on EPMSA by the relevant environmental authority with respect to certain obligations related to the Old Airport and advertising rights at the Airport, among others. See "Risk Factors—Risks Related to Our Business—Quiport is in discussions with the Municipality and the Management Unit that may result in amendments to the Concession Contract."

*Municipality Economic Benefit Participation*

In accordance with the Strategic Alliance Agreement, because of the participation of the Municipality in the economic benefits of the Project, Quiport, in its capacity as Surcharge Collector (as defined herein), must cause the transfer of 11% of the Regulated Fees charged after the Airport opening date in respect of the Airport (the "Regulated Charges") collected by the Surcharge Collector with respect to each calendar quarter to the NQIA Trust Account; *provided* that this percentage will increase to 12% in respect of each calendar quarter within the last five years of the Concession Period (such Regulated Charges collected by Quiport, the "Municipality Economic Benefit Participation"). See "—Strategic Alliance Agreement—Municipality Economic Benefit Participation."

Pursuant to the Second Deed of Amendment, the Municipality and Quiport acknowledge and agree that the Municipality Economic Benefit Participation is inclusive of any concession payment or similar amounts for the period commencing on the Airport opening date and ending on the last day of the Concession Period that would have otherwise been payable but for the Strategic Alliance Agreement and the transactions contemplated thereunder.

The Municipality and Quiport acknowledge and agree that: (i) if at the time any transfer to the Municipality of the Municipality Economic Benefit Participation is to be made, the Municipality, the Management Unit or the Republic of Ecuador (acting directly or through its lawfully designated representatives, but, for the avoidance of doubt, excluding the Granting Authority, the "Republic") is in material default or breach of the Concession Contract or any other agreement entered into in connection with the Project (collectively, the "Project Agreements"), and such default or breach has caused a payment obligation pursuant to the Project Agreements, upon the request of Quiport from time to time, the Surcharge Trustee (as defined herein) will withhold all or any portion of the Municipality Economic Benefit Participation as Quiport may determine in accordance with the Surcharge Trust Agreement (as defined herein) until the date when such material default or breach is cured or waived by Quiport and/or the relevant party to such Project Agreement; and (ii) if such material default or breach is not cured or waived within 30 days, upon the request of Quiport from time to time, the Surcharge Trustee will transfer, in payment, to Quiport all or such portion of the Municipality Economic Benefit Participation withheld by the Surcharge Trustee in order to satisfy the obligation of the Municipality to mitigate and/or reduce the losses, liabilities, damages, costs and expenses incurred by Quiport and/or such relevant party arising out of or otherwise attributable to such material default or breach. For more information on the Municipality's irrevocable instruction to the Surcharge Trustee to withhold, transfer and pay all or any portion of the Municipality Economic Benefit Participation requested by Quiport pursuant to the Surcharge Trust Agreement, see "—Surcharge Trust Agreement."

Furthermore, the Municipality and Quiport acknowledge and agree that, upon the request of Quiport in accordance with the Strategic Alliance Agreement and the Surcharge Trust Agreement, the Surcharge Trustee will withhold and deduct from any transfer to the Municipality of the Municipality Economic Benefit Participation, (i) any amount then due and payable by the Municipality to Quiport under any Project Agreement (including, without limitation, any amount then due and payable by the Municipality to Quiport as indemnification pursuant to the Strategic Alliance Agreement), and (ii) any amounts payable by the Municipality in connection with, among other things, certain cost overruns for security equipment and the indemnification obligations of the Municipality in respect of payments which the Granting Authority may have agreed to make to DGAC in connection with the performance of DGAC of approach and departure services at the Airport and those described under "—Political Events" and "—Force Majeure," and the Surcharge Trustee will transfer, in payment, to Quiport such amounts in order to satisfy such payment obligations of the Municipality.

*Reserved Charges*

For the provision of the Security Services, the Granting Authority levies a charge or fee on domestic and international departure passengers, respectively, at the Airport in respect of the Security Services (the "Security Surcharge"). The Security Surcharge is reviewed each year and agreed between the Granting Authority and Quiport. For the provision of the Air Traffic Services, DGAC levies a surcharge per international departure passenger at the Airport in respect of the Air Traffic Services as established by DGAC Resolution 20, published in Official Gazette 490 on January 20, 2002, and Law 2002-58, published in Official Gazette 503 on January 28, 2002 (the "DGAC Surcharge"), and together with the Security Surcharge and the tourist promotion tax, the "Reserved Charges").

Beginning in May 2015, the CGE undertook an audit of the Concession Contract, the Strategic Alliance Agreement and their related agreements. As a result of this review, the CGE issued its Final Report setting forth certain recommendations to the Mayor of Quito, the Council and the General Manager of the Management Unit with respect to the Project, including a proposal to explore a consensual agreement with Quiport, as well as certain predeterminations. For more information see "—Comptroller Resolutions" and "Business—Legal Proceedings—Comptroller Resolutions." Quiport, the Municipality and the Management Unit have engaged in consultations with respect to the Final Report and other issues related to the Airport and for the negotiation of certain amendments to the Concession Contract in line with the recommendations made in the Final Report.

*Environment*

Quiport is responsible for taking all commercially reasonable steps necessary to protect the environment at the Airport site and to limit damages and nuisance to people and property resulting from pollution and other environmentally harmful results of the performance of the Airport Services.

Quiport must ensure (to the extent within its reasonable control) that air emissions, surface and effluent discharges and the handling or disposal of any waste arising from the Airport or otherwise arising from Quiport's operations at the Airport during the Concession Period are in accordance with applicable laws, rules, regulations and decrees. Quiport must exert commercially reasonable efforts to ensure that all of its subcontractors, licensees, franchisees and lessees comply with all applicable laws, rules, regulations and decrees. Quiport, is not responsible to third parties for any noise emanating from aircraft or for any environmental conditions existing at the Airport site prior to and on the Effective Date, and is only liable for any material adverse environmental impact or pollution or any material adverse health consequences that may arise at the Airport site after the Effective Date as a result of the acts or omissions of Quiport.

*Performance Bond*

The Concession Contract requires that Quiport provide to the Granting Authority, at Quiport's sole cost and expense, a performance bond issued by a financial institution or insurance company of international repute to secure the obligations of Quiport under the Concession Contract (the "Performance Bond") in an amount of U.S.$10.0 million. The Performance Bond must be renewed annually for successive one year terms (or, in the case of the final renewal, for the period to the end of the Concession Period), failing which the Granting Authority is entitled to draw down the full amount thereof. Upon any drawing, Quiport has 15 days to cause the increase of the Performance Bond to the full required amount. The Performance Bond currently in effect has been provided by Produbanco for the required amount and expires on February 20, 2019.

*Insurance*

Quiport must, at its sole cost and expense and subject to availability on commercially reasonable terms, obtain and maintain in full force for the entirety of the Concession Period insurance policies issued by internationally recognized and/or Ecuadorian carriers acceptable to the Granting Authority, which policies must name the Granting Authority as an additional insured.

Insurance policies required by the Concession Contract include the following:

- broad form property insurance, including business interruption coverage for the Airport, with property insurance to cover buildings, runways, the fuel dump and airport equipment;
- third party liability insurance for the operation by Quiport of the Airport, including personal injury and property damage to third-parties;
- professional errors and omissions coverage for the design and construction of the Airport; and
- directors and officers insurance appropriate to the operation of Quiport.

The Granting Authority reviews the policies obtained by Quiport pursuant to the Concession Contract on an annual basis. As of the date of these listing particulars, we are in compliance with the insurance requirements of the Concession Contract. See "Business—Insurance."

Pursuant to the Insurance Agreement (as defined in the Concession Contract), if for any reason the Concession Contract ceases to be in full force and effect, upon such termination of the Concession Contract, the Insurance Agreement (as defined in the Concession Contract) will also cease to be of any force or effect, except in respect of any rights or obligations of the parties thereto that may have vested, or in respect of any dispute resolution pursuant to the terms of the Insurance Agreement (as defined in the Concession Contract) that may have been commenced, prior to such termination and the parties thereto will have all remedies provided for under applicable law with respect to such rights and obligations. See "Risk Factors—Risks Related to Our Business—The Concession Contract could be terminated by the Municipality upon the occurrence of certain early termination events or without cause."

***Airport Charges and Airport Revenues***

*Regulated Fees*

Except in respect of the NQIA Surcharges, Quiport is entitled to collect, receive and retain all tariffs, fees, levies, taxes or other charges whatsoever collected or received from time to time by or on behalf of Quiport or any Relevant Authority in respect of any services performed, or properties located, at or in connection with the Airport or related air traffic, including, but not limited to, all such charges whatsoever

collected or received from time to time by or on behalf of Quiport in respect of the Airport Services (including, without limitation, the Regulated Fees (other than the NQIA Surcharges)) and all other revenue and income generated by the Project during the Concession Period, but, for the avoidance of doubt, excluding the Reserved Charges (as defined herein) (the "Airport Charges") during the Concession Period.

The following constitute the fees regulated by the Concession Contract for each of domestic and international flights at the Airport (the "Regulated Fees"):

- *Aircraft landing fees*: fees collected by Quiport on all eligible flight operations based on the maximum take-off weight of the aircraft in question.
- *Passenger departure fees*: fees collected by Quiport on all domestic departure passengers and all international departure passengers embarking on an eligible flight operation.
- *Aircraft parking fees:* fees collected by Quiport on all eligible flight operations for the right to park the aircraft on the civil apron.
- *Lighting surcharge fees*: fees collected by Quiport on all aircraft operations during the period when lighting of the runway is required, as determined by the Operator in accordance with the Standards.
- *Boarding bridge fees*: fees collected by Quiport on all aircraft operations requiring embarkation or disembarkation using a boarding bridge.
- *CFR Services Surcharge Fees:* fees collected by Quiport on all domestic departure passengers and all international departure passengers embarking on an eligible flight operation to defray costs incurred in connection with the provision by Quiport of the CFR Services.
- *ATC Equipment Surcharge Fees:* fees collected by Quiport on all domestic departure passengers and all international departure passengers embarking on an eligible flight operation to defray costs incurred in connection with the supply, installation and system integration of the ATC Equipment at the Airport.

Eligible flight operations include all aircraft operations and general aviation flights.

The following table sets forth the Regulated Fees under the Ordinance as of the date of these listing particulars:

| **Regulated Fees:** | **Domestic** | **International** |
|---|---|---|
| Aircraft landing fees (per ton) | (in U.S. dollars) | |
| 0 – 49.9 tons | 3.80 | 16.38 |
| 50 – 99.9 tons | 3.96 | 17.09 |
| 100 – 149.9 tons | 4.11 | 17.80 |
| Over 150 tons | 4.27 | 18.51 |
| Passenger departure fees (per passenger) | | |
| Terminal-use fee | 11.50 | 51.72 |
| ATC | 1.80 | 1.80 |
| CFR | 2.05 | 2.05 |
| Security fee | 3.00 | 3.00 |
| Aircraft parking fees (per ton) | | |
| 0 – 49.9 tons | 0.51 | 2.19 |
| 50 – 99.9 tons | 0.53 | 2.28 |
| 100 – 149.9 tons | 0.55 | 2.38 |
| Over 150 tons | 0.57 | 2.47 |
| Lighting surcharge fees (per ton) | | |
| 0 – 49.9 tons | 1.04 | 4.49 |

| | | |
|---|---|---|
| 50 – 99.9 tons | 1.08 | 4.68 |
| 100 – 149.9 tons | 1.13 | 4.88 |
| Over 150 tons | 1.17 | 5.07 |
| Boarding bridge fees (per minute) | | |
| 0 – 45 minutes | 43.52 | 130.57 |
| 46 – 180 minutes[(1)] | 43.52 + 0.48 x (T – 45) | 130.57 + 1.45 x (T – 45) |
| Over 180 minutes | 108.81 | 326.43 |

(1) T means the amount of time in minutes.

Regulated Fees are fixed by Ordinance No. 335 and are automatically increased on each anniversary of the Effective Date by the U.S. and Ecuador Consumer Price Index, in accordance with the indices set forth in the Concession Contract. Pursuant to the Concession Contract, Quiport, at its sole discretion, is allowed to give discounts on the Regulated Fees; however, the CGE has issued a recommendation to the Mayor of Quito in its Final Report to delete such right to provide discounts from the Concession Contract.

As a result of the adoption of the 2008 Constitution and other changes to the relevant legal framework, the Constitutional Court declared the public nature of the revenues derived from the charges for the various airport services at the Old Airport, as well as other airports of the country, and ordered that the relevant agreements be modified to reflect an accurate participation framework for income derived from such regulated sources. As a result, Quiport entered into the Strategic Alliance Agreement to establish a structure for the public and private contributions to the Project, as well as the distribution of the economic benefits derived from their respective contributions. Under the Strategic Alliance Agreement, the Municipality is entitled to participate in the economic benefits of the Project by way of the Municipality Economic Benefit Participation. See "—Strategic Alliance Agreement."

In accordance with the Strategic Alliance Agreement and related documents, for the period from the Airport opening date to the end of the Concession Period, because of the participation of the Municipality in the economic benefits of the Project, the Surcharge Collector (as defined herein) will cause the transfer of 11% of the Regulated Charges collected by the Surcharge Collector with respect to each calendar quarter to the NQIA Trust Account; *provided* that with respect to each calendar quarter occurring within the last five years of the Concession Period, the Surcharge Collector will cause the transfer of 12% of the Regulated Charges collected by the Surcharge Collector in each such calendar quarter to the NQIA Trust Account.

*Unregulated Fees*

Pursuant to the Concession Contract, Quiport, in its sole discretion, is entitled to establish all Airport Charges (other than the Regulated Fees) and the Granting Authority has no right to modify any Airport Charges or the Reserved Charges (other than the Security Surcharge) or introduce any new Airport Charges or other tariffs, fees, levies, taxes or charges including, without limitation, the Reserved Charges, at or in respect of the Airport or related air traffic.

***Property and Title***

The Municipality has, and will retain, good and valid title to all of the Airport site and all terminals, buildings, structures, moveable property and fixtures and fittings of the Municipality located at any time at the Airport site, and all land underlying the rights of way, including access and egress to and from the Airport site and the related utility rights of way. Quiport retains title to any movable property used in connection with the Airport that is not moveable property of the Municipality but will transfer the title to all such moveable property to the Municipality at no cost to the Municipality upon the termination of the Concession Contract or upon expiration of the Concession Period, whichever is first to occur. Quiport has no title, or ownership interest in, the Airport site or any terminal, building, structure or fixtures and fittings situated thereat or thereon. Quiport may not alienate, sell, pledge, pay, mortgage or grant

guarantees to third parties for any purpose with respect to such land, buildings, structures, fixtures and fittings, or moveable property of the Municipality.

Pursuant to the Usufruct Agreement dated March 15, 2006, between Quiport and the Granting Authority, the Granting Authority granted Quiport the exclusive benefit of usufruct rights to all land, buildings, fixtures, fittings and movable property owned by the Municipality in respect of the Airport (the "Municipality Usufruct") for a period of 30 years from the Effective Date.

On December 27, 2018, the Granting Authority, EPMSA and Quiport, entered into a usufruct agreement granting Quiport the right to use, free of charge and without restrictions, a certain access road for the duration of the Concession Contract.

***Certain Restrictions***

Under the terms of the Concession Contract, Quiport is not authorized to make any payments, either in respect of debt or equity, to any of its shareholders or affiliates unless (a) the debt service reserve account established under the Senior Secured Credit Agreement is funded as required by the Senior Secured Credit Agreement; (b) the Performance Bond is in full force and effect; (c) Quiport is not in default under the Concession Contract, notwithstanding the applicability of any cure period, and (d) Quiport is not in default under the Senior Secured Credit Agreement or any refinancing thereof or any other agreement entered into from time to time in connection therewith by Quiport whereby the lenders agree to provide debt financing in connection with the Project, including, without limitation, in respect of any enhancement plan for the Airport, all of which must be reasonably satisfactory to the Granting Authority and the lenders thereof (the agreements referred to in this item (d), collectively, the "Financing Agreements"), or if any such default has occurred and is continuing, such default has not been waived by the applicable lenders.

Under the Concession Contract, Quiport is not authorized to assume any debt or similar encumbrances in addition to debt under (or permitted under) the Senior Secured Credit Agreement and any Financing Agreement, unless (a) the debt service reserve account under the Senior Secured Credit Agreement is funded and (b) Quiport is not in default under the Concession Contract.

***Indemnification***

Quiport will indemnify the Granting Authority against and hold the Granting Authority harmless from, and will otherwise be responsible to third parties for, any loss, liability, damage, fine, penalty, reasonable attorney's or consultant's fee, expense or cost (including, without limitation any cost of investigation, containment, removal, remediation, monitoring, risk evaluation, clean-up or abatement of, or of reporting to and dealing with an Relevant Authority or third party in respect of any environmental claim) (collectively, "Loss") of any kind whatsoever suffered or incurred by the Granting Authority by reason of (i) any injury or death to, or any damage or destruction of any property or rights of, any person to the extent that such loss arises out of or as a consequence of the Airport Services, including, without limitation, the failure to perform any Airport Services in accordance with the Standards and (ii) any breach by Quiport of any of its representations, warranties, covenants or undertakings in the Concession Contract; except, in each case, to the extent that such loss is caused by or is primarily attributable to the gross negligence of, or willful misconduct by, the Granting Authority or any third party or any event of Force Majeure (as defined herein). Furthermore, Quiport will indemnify the Municipality against and hold it harmless from, and will otherwise be responsible to third parties for, any loss of any kind whatsoever suffered or incurred by the Municipality in respect of the Project by reason of any of the following (whether known or unknown): (x) any non-compliance by Quiport with any applicable environmental law at any time after the Effective Date in the case of the Airport site, the Old Airport site and the sites for the connector road and utilities (including, without limitation, any unlawful release of

any potentially hazardous materials) and any continuation of such non-compliance by Quiport that cannot reasonably be detected and abated by Quiport acting in the ordinary course of the exercise of its rights as concessionaire under the Concession Contract and in accordance with the Standards, and (y) any claim by any person for injury to his or her health, welfare or property or rights as a result of a release into the environment, occurring after the Effective Date, of any potentially hazardous materials generated or used by Quiport in connection with the Airport site, the Old Airport site and the sites for the connector road and utilities after the Effective Date and not relating to a pre-existing environmental condition.

The Granting Authority will indemnify Quiport against and hold it harmless from, and will otherwise be responsible to third parties for, any Loss of any kind whatsoever suffered or incurred by Quiport by reason of (a) any injury or death to, or any damage or destruction of any property or rights of, any person to the extent such loss is directly attributable to the acts or omissions of the Granting Authority or (b) any breach by the Granting Authority of any of its representations, warranties, covenants, or undertakings in the Concession Contract or obligations to DGAC in respect of any payment which the Granting Authority may have agreed to make to DGAC in connection with the performance by DGAC of approach and departure services at the Airport; except to the extent such loss is caused by or is primarily attributable to any gross negligence of, or willful misconduct by, Quiport or any third party or any event of Force Majeure. Furthermore, the Granting Authority will indemnify Quiport against and hold it harmless from, and will otherwise be responsible to third parties for, any loss of any kind whatsoever suffered or incurred by Quiport in respect of the Project by reason of any of the following (whether known or unknown): (x) any non-compliance by the Granting Authority with any applicable environmental law then in effect at any time prior to the Effective Date (including, without limitation, any unlawful release of any potentially hazardous materials) and any continuation of such non-compliance by Quiport that cannot be reasonably be detected and abated by Quiport acting in the ordinary course of the exercise of its rights as concessionaire under the Concession Contract, (y) any injury to the health, welfare, property or rights of any person as a result of any pre-existing environmental condition present at the Airport site, the Old Airport site and the sites for the connector road and utilities which violates, or with respect to which remediation, investigation or other responsive measures are necessary pursuant to, an applicable environmental law; and (z) any claim by any person for injury to his or her health, welfare or property or rights as a result of a release into the environment, occurring prior to the Effective Date, of any potentially hazardous materials not generated or used by Quiport, or any affiliate or sub-contractor thereof, in connection with the Airport site, the Old Airport site and the sites for the connector road and utilities.

No amount will be payable by any indemnifying party in respect of consequential damages, including, without limitation, any loss of profit, revenue or opportunity, save in the case of third party claims, or punitive damages.

***Force Majeure***

Force majeure ("Force Majeure") is any event, other than a Political Event, beyond the reasonable control of either the Granting Authority or Quiport, whose occurrence could not have been reasonably foreseen at the date of the Concession Contract, including, but not limited to, war whether declared or not, revolution, riot, insurrection, strikes (including strikes by employees of DGAC but excluding strikes by employees of Quiport, the Operator or any of subcontractor thereof (unless such strike is part of a general strike in Ecuador or a general strike in the corresponding sector of Ecuador)), civil commotion, invasion, armed conflict, hostile acts of foreign enemy, blockade, embargo, acts of terrorism, sabotage, civil disturbance (including physical action of any environmental, political, social or other group or landowners denying access to or use of any right of way, any utility right of way, the Airport site and certain related sites, the connection road, any Airport utilities or the Airport), radiation or chemical contamination, ionizing radiation, explosion, fire or act of god.

If any event of Force Majeure occurs which event adversely affects the general economic or commercial position of Quiport or the Operator or any subcontractor of any thereof, as the case may be, Quiport must give notice to the Granting Authority within 30 days of the occurrence of such event or, if later, of Quiport becoming aware of such event, which notice must contain a description of the event and its likely economic or commercial consequences to Quiport and a request to effect a remedy in respect thereof. The Granting Authority has 30 days from the date of receipt of such notice to exert its best efforts to effect a remedy in respect of such event which Quiport determines restores the economic or commercial position of Quiport or the Operator or any subcontractor thereof, as the case may be, to the position it would have been in had such event not occurred. If the Granting Authority is unable to effect such a remedy within such period, the Granting Authority and Quiport will consult within ten days after the expiration of such cure period with a view to reaching a mutually satisfactory resolution of the situation during a period of 60 days, which resolution may, among other things, involve a payment by the Granting Authority to Quiport, an increase in Regulated Fees, a set-off against the payment of any future Concession Amount or any transfer of the Municipality Economic Benefit Participation, an extension of the Concession Period, an extension of any other deadline applicable to Quiport under the Concession Contract and/or a reduction in any other amounts which may be payable to the Granting Authority under the Concession Contract. For the avoidance of doubt, the Granting Authority will not be under any obligation to agree to any request made by Quiport in such notice.

If the event of Force Majeure, directly or indirectly, (i) causes unavoidable physical damage or destruction to all or any part of the Airport, the connection road, the Airport utilities, any Airport Development or any supporting communication, power, transportation or other infrastructure or utilities upon which the operation of the Airport is dependent ("Offsite Infrastructure"), or (ii) interrupts the regular operation of all or any material portion of the Airport, the connection road, the Airport utilities, any Airport Development or any Offsite Infrastructure, then Quiport will be entitled to an extension of the Concession Period equal in length to the period of time operations were suspended or the Airport was closed.

If an event of Force Majeure prevents the total or partial performance of any of the obligations of the Granting Authority or Quiport resulting from the Concession Contract, then the party claiming the event of Force Majeure will be excused from whatever performance is prevented thereby to the extent so affected and the other party will not be entitled to terminate the Concession Contract except as otherwise provided therein. See "—Termination Following the Occurrence of a Force Majeure Event." Notwithstanding the event of Force Majeure, the party claiming the event of Force Majeure must use commercially reasonable efforts to continue to perform its obligations under the Concession Contract and to minimize any adverse effects of such event of Force Majeure. The occurrence of a Force Majeure event will not excuse or release (i) the party claiming Force Majeure from obligations due or performable, or compliance required, under the Concession Contract prior to the above-mentioned failures or delays in performance due to the occurrence of Force Majeure or obligations not affected by the event of Force Majeure or (ii) either party from any payment obligation that has become due and payable in accordance with the Concession Contract. In addition, unless the Concession Contract has been terminated in accordance therewith, a party excused from performance by the occurrence of Force Majeure must continue its performance under the Concession Contract when the effects of the Force Majeure event are removed.

***Political Event***

Pursuant to the Concession Contract, any action of, or failure to act by, the Republic or any Relevant Authority, including, without limitation the items described below, constitutes a political event if it adversely changes the legal, economic or commercial position of Quiport, the Project or the Operator, or any subcontractor thereof, from what it was on the date of the Concession Contract or from what it is or what it would have been but for such action or failure to act (each such event, a "Political Event"):

(a) any change (whether by the introduction, modification or application of any law, decree or regulation or otherwise) after the date of execution of the Investment Contract in the Legal Framework in Effect (as defined herein), including, without limitation, any laws or regulations of DGAC;

(b) any loss suffered by Quiport or the Investors of the ownership, possession or control of, among other things, (i) any transfer of capital and economic resources destined to develop and execute the Project and those made with the purpose of exercising any of the rights conferred by any of the Concession Contract, the Strategic Alliance Agreement and all other agreements related to the Project entered into by Quiport or the Investors with the Republic or any government institution and any other right conferred by the Republic or DGAC or certain other governmental institutions, by law or under contract, license or other administrative act relating to the Project, registered with the Ecuadorian Central Bank; (ii) the Project or any part thereof; (iii) any tangible property or intangible property; or (iv) any real and substantial benefit derived from any of the foregoing, in any case as a consequence of any action or series of actions of the Republic, DGAC or certain other government institutions, including, among others, any action or series of actions involving appropriation of any assets, including shares, or the noncompliance with or the unilateral termination of Investment Contract, the Concession Contract, the Strategic Alliance Agreement or any other agreement related to the Project entered into by Quiport or the Investors with the Republic or any government institution (an "Expropriation");

(c) any embargo, expropriation, nationalization or act of eminent domain not constituting an Expropriation;

(d) any devaluation or adverse change in the currency of the Republic;

(e) any revocation or other withdrawal of any authorization, consent, permit, approval, administrative act, license, resolution, decision, exemption, waiver, certification or authorization of, or registration with, the Republic or any Relevant Authority required to be obtained, maintained, renewed or made by any laws, rules, regulations or decrees applicable to the Project or by any agreement entered into in connection with the Project (a "Relevant Consent") other than in accordance with the provisions thereof or any agreement relating thereto or in accordance with the Legal Framework in Effect;

(f) any modification of any Airport Charges (including, without limitation, the Regulated Fees) or any introduction or modification of any tariffs, fees, levies, taxes or other charges collected or to be collected at or in respect of the Airport or related air traffic (including, without limitation, Reserved Charges), other than in accordance with the Concession Contract or otherwise without Quiport's prior written consent; and

(g) any failure of the Republic or any Relevant Authority to act in accordance with the Legal Framework in Effect (including, without limitation, any failure to grant, maintain, renew or accept any Relevant Consent other than in accordance with the Legal Framework in Effect) or in a manner consistent with any Relevant Consent or agreement relating thereto).

The legal framework in effect on the date of the Concession Contract consists of (i) the 1998 Constitution; (ii) the international treaties and conventions ratified by the Republic pursuant to the relevant laws; (iii) the codes, laws, regulatory acts, rules, regulations, ordinances, resolutions, decrees, dictates or judgments of any nature, of the Republic or any government institution, including, but not limited to, those relating to environmental, tax, commercial, corporate, aviation and labor matters; (iv) every decision or administrative act of the Republic or any government institution, including, in each case, their interpretation or application; (v) the opinions, declarations and rulings of the SRI, the Customs Public Entity (*Servicio Nacional de Aduana del Ecuador* (SENAE)), the Ministry of Labor and the

Attorney General of Ecuador, in each case of the Republic, rendered or delivered in connection with the Project and the Concession Contract, the Strategic Alliance Agreement and all other agreements related to the Project entered into by Quiport or the Investors with the Republic or any government institution; and (vi) all authorizations granted by the Republic or any government institution in any case relating or applicable to the Investment Contract, the Concession Contract, the Strategic Alliance Agreement and any other agreements related to the Project entered into by Quiport or the Investors with the Republic or any government institution or any other contract, license, authorization or other administrative act of any sort through which the Republic or any government institution confers upon the Investors or Quiport rights to execute any economic or commercial activity in connection with the performance of the Project and, in every case, which are in effect on the date of execution of the Investment Contract, unless otherwise expressly indicated (together, the "Legal Framework in Effect").

If a Political Event occurs, Quiport must give notice to the Granting Authority within 30 days of the occurrence of such Political Event or, if later, of Quiport becoming aware of such Political Event, which notice will contain reasonable particulars of such Political Event to the knowledge of Quiport and its likely legal, economic and commercial consequences to the Concessionaire and a request to effect a remedy in respect thereof. The Granting Authority has 30 days from the date of receipt of such notice to exert its best efforts to effect a remedy in respect of such Political Event which restores the economic or commercial position of Quiport, the Operator or any subcontractor thereof, as the case may be, to the position it would have been in had such Political Event not occurred. If the Granting Authority is unable to effect a remedy for such Political Event within such period, a consultation within ten days after the expiration of such cure period with a view to reaching a mutually satisfactory resolution of the situation during a period of 60 days will occur between the Municipality and Quiport, which resolution may, among other things, involve a payment by the Municipality, an increase in Regulated Fees, a set-off against the payment of any future Concession Amount or any transfer of the Municipality Economic Benefit Participation, an extension of the Concession Period, an extension of any other deadline applicable to Quiport under the Concession Contract and/or a reduction in any other amounts which may be payable to the Granting Authority under the Concession Contract. For the avoidance of doubt, the Granting Authority will not be under any obligation to agree to any request made by Quiport in such notice.

The Municipality will indemnify Quiport for any and all adverse economic impacts arising from (i) Political Events, (ii) agreements made between the Municipality or the Management Unit and DGAC, or any unilateral act by DGAC, in relation to any charges (including, without limitation, approach tariffs) charged by DGAC for services performed at the Airport, (iii) any tax incurred by any of Quiport, CCC, ADC&HAS Management Ecuador S.A., ADC&HAS Management Ltd., ADC Management, ADC Engineering S.A., and FTZ Development S.A., among others (the "FTZ Users") in connection with the Airport or the Project arising from the loss of the exemptions from taxes provided by Law No. 1 RO/625 of the Republic dated February 19, 1991 and any applicable law, rule, regulation or decree issued thereunder or pursuant thereto, in each case as in effect on the date of execution of the Investment Contract, including exemptions from taxes relating to (a) the importation of goods and services from outside the Republic for consumption or use in the free trade zone, (b) income arising from or otherwise generated by activities conducted in or relating to the free trade zone and (c) the provision of goods or services from, the free trade zone (the "FTZ Tax Exemption") by such FTZ Users. The FTZ Tax Exemption will expire on December 31, 2025.

If a Political Event delays or otherwise prevents the total or partial performance of any of the obligations of Quiport resulting from the Concession Contract, then Quiport will be excused from whatever performance is so affected and the Granting Authority will not be entitled to terminate the Concession Contract except as otherwise expressly provided in the Concession Contract. Notwithstanding the Political Event, Quiport must use its commercially reasonable efforts to continue to perform its

obligations under the Concession Contract and to minimize any adverse effects of such Political Event. In addition, the occurrence of a Political Event will not excuse or release Quiport from obligations due or performable, or compliance required, under the Concession Contract prior to the delays in performance due to the occurrence of the Political Event or obligations not affected by the Political Event. Unless the Concession Contract is terminated, Quiport must continue its performance under the Concession Contract when the effects of the Political Event are removed.

***Termination***

*Termination Following the Occurrence of a Force Majeure Event*

If an event of Force Majeure occurs and continues for an aggregate period of at least six months within any period of 24 months to have the effects described in the third paragraph under "—Force Majeure," then either party has the right to terminate the Concession Contract. If an event of Force Majeure occurs and the consequences thereof materially and adversely affect the economic or commercial position of Quiport, the Operator or any subcontractor of any thereof, from what it was on the date of the Concession Contract or from what it is or what it would have been but for the occurrence of such event of Force Majeure and the consequences thereof, and such event and/or the consequences thereof continue for a period of at least three months from the date on which Quiport gives notice thereof to the Granting Authority, and Quiport is not able to reach a mutually satisfactory remedy in respect of such event or the consequences thereof in accordance with the Concession Contract, then Quiport will, regardless of any insurance payable in respect thereof, have the right to terminate the Concession Contract.

If the Airport (including, for this purpose, the connector road and the utilities) is physically damaged and rendered unusable as an airport at a service level at least equal to IATA "D" level, and such damage is insured, the Municipality will pay Quiport the (i) the sum of all equity contributions to Quiport and all loans and advances to Quiport by its shareholders or any affiliates thereof, *less* the sum of all such equity contributions and all such loans that may have been returned or repaid to shareholders of Quiport or any affiliates thereof, *less* the sum of any dividends or other distributions paid by Quiport to any shareholder of Quiport or any affiliate thereof, *less* any amounts paid by Quiport to any shareholder of Quiport or any affiliate thereof as interest with respect to such loans (the "Net Equity"), *less* (ii) any insurance proceeds paid to and retained by Quiport in respect of such Net Equity. Furthermore, if the Airport (including, for this purpose, the connector road and the utilities) is physically damaged and rendered unusable as an airport at a service level at least equal to IATA "D" level, and such damage is not insured, the Municipality will pay Quiport a portion of the Net Equity equal to the Net Equity times the percentage of the physical assets of the Airport that was not damaged by such event of Force Majeure, which amount will be reduced by the amount of any insurance proceeds paid to and retained by Quiport in respect of such Net Equity. If the Airport (including, for this purpose, the connector road and the utilities) is not physically damaged or rendered unusable as an airport, the Municipality will pay to Quiport the Net Equity less any insurance proceeds paid to and retained by Quiport in respect of such Net Equity.

*Termination by the Municipality*

The Municipality has the right to terminate the Concession Contract upon the occurrence of any of the following events, among others:

(a) Quiport receives a court order to be placed into bankruptcy or to commence liquidation procedures;

(b) Quiport commits a material breach or default in respect of the performance of any of its obligations under the Concession Contract, which breach has continued remedied within 10 days

or more, or Quiport commits a breach in respect of the performance of any of its obligations under the Strategic Alliance Agreement and certain related documents;

(c) the failure by Quiport to complete any enhancements within 180 days of the Enhancement Completion Date established in the relevant enhancement plan;

(d) the failure by Quiport to pay any amount due as a result of its failure to complete the enhancements as established in the relevant enhancement plan; or

(e) the commencement of any action for the dissolution and/or liquidation of Quiport, except for the purposes of amalgamation.

The Municipality will, before exercising its rights to terminate the Concession Contract, give written notice to Quiport requiring Quiport to remedy the default or other circumstances. Quiport must use its best endeavors to remedy the same within a reasonable period of time prescribed by the Municipality, which will not be less than three months from the receipt of such notice and which will take into account the nature of the breach. In the event of any termination of the Concession Contract by the Municipality for cause, no payment is required to be made to Quiport upon such termination.

*Termination by Quiport*

Quiport has the right to terminate the Concession Contract upon the occurrence of any of the following events, among others:

(a) (i) the Municipality commits a material breach in respect of the performance of any of its obligations under the Concession Contract, the Novation Agreement, the Municipality Usufruct Agreement, the agreement setting out the insurance obligations of Quiport and the Operator with respect to the operation of the Airport, or the dispute resolution agreement, dated as of August 24, 2005 (the "Dispute Resolution Agreement"), among the Granting Authority, CCC, Quiport, the Operator and the other parties thereto; or (ii) the Municipality commits a breach in respect of the performance of any of its obligations under any Master Municipality Agreement, the Strategic Alliance Agreement or any of the documents related to the Strategic Alliance Agreement to which it is a party;

(b) the Municipality being dissolved or ceasing to have the power or authority to perform its obligations under the Concession Contract and certain other agreements and the failure of any Relevant Authority to assume the rights and obligations of the Municipality under the Concession Contract and/or such other related agreements in accordance with the Legal Framework in Effect;

(c) the occurrence of any compulsory acquisition or expropriation (whether by way of the taking of possession or otherwise) by the Municipality of any part of the Airport site, the Airport, any right of way or any utility right of way which results in any impairment of the concession rights;

(d) the occurrence of any compulsory acquisition or expropriation (whether by way of the taking of possession or otherwise) by the Republic, any Relevant Authority (other than the Municipality), or any other person (other than the Municipality) of any part of the Project site, the Airport, any right of way or any utility right of way which results in any impairment of the concession rights or any other Expropriation occurs as defined in the Investment Contract;

(e) the Republic commits a material breach in respect of the performance of any of its obligations under the Investment Contract;

(f) the Municipality commits a material breach in respect of the performance of any of its obligations under the Municipality Usufruct Agreement;

(g) DGAC commits a material breach in respect of the performance of any of its obligations under the agreement between Quiport and DGAC for the provision of the Air Traffic Services, dated October 22, 2003 (the "DGAC Services Agreement") or the agreement dated April 27, 2004 (as amended, extended or renewed, the "DGAC Equipment Agreement," and together with the DGAC Services Agreement, the "DGAC Agreements"), including, without limitation, the failure to grant or maintain the certification to operate the Airport in accordance with the provisions of the DGAC Services Agreement, or otherwise fails to perform any obligation or duty required to be performed by DGAC under the Legal Framework in Effect or DGAC fails to issue or maintain the certification of the Airport or otherwise interrupts or interferes with Quiport's operations or activities at the Airport in circumstances where the Municipality has not exercised its right to terminate the Concession Contract;

(h) the Concession Contract, the Novation Agreement, any Master Municipality Agreement, the Investment Contract, the DGAC Agreements, the Municipality Usufruct Agreement, the agreement setting out the insurance obligations of Quiport and the Operator with respect to the operation of the Airport, the Dispute Resolution Agreement, the Strategic Alliance Agreement or any of the documents related to the Strategic Alliance Agreement ceases to be in full force and effect for any reason whatsoever;

(i) any Relevant Authority commits a material breach in respect of the performance of any of its obligations under certain agreements for the provision of certain governmental services or otherwise fails to perform any obligation or duty required to be performed by such Relevant Authority under any applicable law, rule, regulation or decree and such failure results in any impairment of any of the rights conferred on Quiport pursuant to the Concession Contract;

(j) a Political Event occurs and is continuing for a period of at least three months from the date on which Quiport gives notice thereof to the Municipality, and the Municipality and Quiport have not been able to reach a mutual satisfactory remedy in respect of such Political Event;

(k) (i) the Republic or the Municipality is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or insolvent, (ii) the Republic or the Municipality admits its inability to pay its debts as they fall due, or (iii) a moratorium or suspension of payments is declared, or any step is taken with a view to a moratorium or suspension of payment, in respect of the indebtedness of the Republic or the Municipality (*provided* that if a moratorium or suspension of payment occurs in respect of the Republic or the Municipality, the ending of the moratorium or suspension of payment will not remedy any termination rights pursuant to the Concession Contract caused by the moratorium or suspension of payment); *provided, however*, that in the case of events contemplated in (i), (ii) and (iii) above, these events will only entitle Quiport to terminate the Concession Contract if any such event could adversely affect performance of the obligations assumed by the Municipality or the Republic, as the case may be, in connection with the Project Agreements;

(l) any of the Municipality, the Management Unit, any other Relevant Authority or any other person modifies or otherwise interferes with the Regulated Fees, or fails to maintain the financial feasibility adjustments in the terms specified in the Strategic Alliance Agreement or the Implementation Agreement, or introduces any new Airport Charges or other amounts, fees, levies, taxes or charges (including those related to air traffic) in respect of the Airport, without the prior written agreement of the Municipality and Quiport;

(m) at any time the Municipality, due to the law adopted by the National Assembly of the Republic of Ecuador in October 2010 (the "New Law on Competencies") pursuant to the 2008 Constitution in accordance with Judgment No. 003-09-SIN-CC issued on July 23, 2009 by the Constitutional Court, in case No. IA-0021-2009-IA, which was published in Official Gazette No. 644 on July 29, 2009 or for any other reason, loses any of the competencies set forth in Executive Decree No. 885, and in particular, the competency to set the Airport Charges; or

(n) the Management Unit commits a material breach in respect of the performance of any of its obligations under the Strategic Alliance Agreement or any related document to which it is a party, any Master Municipality Agreement or any other Project Agreement to which it is a party.

*Consequences of Termination*

(i) If the Concession Contract is terminated pursuant to items (a), (b), (c), (f), (h), (j), (k), (l), (m) or (n), and if, with respect to item (h), any agreement or other document referred to therein will cease to be in full force and effect for any reason attributable in whole or in part to the Granting Authority, and if, with respect to items (j) or (k), such Political Event or other event is attributable in whole or in part to the Granting Authority, the Granting Authority will (x) pay to Quiport an amount calculated as:

$$\sum_{t=0}^{x}((SEt + SLt - INTt - DIVt - SEREDt - SLREDt) \cdot (1 + r)^{r-4})$$

where:

- SEt – all amounts paid or credited as paid by the Shareholders in respect of share capital of Quiport during the calendar month t (as defined below), which amounts will, for the avoidance of doubt, exclude all Airport Charges and other revenues derived from the operation of the Old Airport, and amounts paid pursuant to the Concession Contract;
- SLt – all amounts paid by the Shareholders in respect of shareholder loans to the Concessionaire during month t;
- INTt – all amounts paid by Quiport to the Shareholders as interest in respect of shareholder loans during month t;
- DIVt – all amounts paid by Quiport to the Shareholders as dividends during month t;
- SEREDt – all amounts paid by Quiport to the Shareholders as reduction of issued share capital during month t;
- SLREDt – all amounts paid by Quiport to the Shareholders as redemption of shareholder loans during month t;
- r – monthly required return equal to 1.54%;
- t – number during which the actual payments occurred, determined as number of calendar months passed since the Effective Date where the calendar month number during which the conditions precedent set forth in the Concession Contract all have been fulfilled or waived, incurred is zero; and
- T – is t on the day the payment is made pursuant to the Concession Contract.

*provided, however*, that, where the amount calculated above is a negative amount, such amount will be deemed to be zero; and *provided further*, however, that such amount will be reduced by any insurance proceeds paid to and retained by Quiport in respect of SEt and SLt; and (y) pay to Quiport the aggregate of all amounts that, under any contract (including, without limitation, the O&M Agreement and employment contracts) entered into by Quiport in connection with the Project and not assigned to or otherwise assumed by the Municipality, are or may become due and payable by Quiport for the purpose of discharging its obligations thereunder, including, without limitation, all amounts due and payable prior to the date of the termination of the Concession Contract and all amounts arising as a result of such termination.

(ii) If the Concession Contract is terminated pursuant to items (d), (e), (g), (h), (i), (j), (k), (l), (m) or (n) and if, with respect to item (h), any agreement or other document referred to therein will cease to be in full force and effect for any reason attributable in whole or in part to any person other than Quiport or the Municipality, and if, with respect to items (j), (k), (l), (m) or (n) such Political Event or other event is not attributable in whole or in part to the Municipality, the Municipality will (x) pay Quiport an amount equal to the Net Equity *less* any insurance proceeds paid to or retained by Quiport in respect of such Net Equity; and (y) pay to Quiport the aggregate of all amounts that, under any contract (including, without limitation, the O&M Agreement and employment contracts) entered into by Quiport in connection with the Project and not otherwise assigned to or otherwise assumed by the Municipality, are or may become due and payable by Quiport for the purpose of discharging its obligations thereunder, including, without limitation, all amounts due and payable prior to the date of the termination of the Concession Contract and all amounts arising as a result of such termination. Any reimbursement or compensation payable by the Municipality to the Concessionaire for termination of the Concession Contract will be deemed a debt due and payable in Dollars.

Notwithstanding the above, Quiport is entitled to recover an amount equal to the difference between the amount calculated pursuant to the formula set forth in item (i)(x) above (as if the Concession Contract had been terminated pursuant to item (i) above) and the amount calculated under item (ii)(x) above, as may be available to Quiport or any of its affiliates from any Relevant Authority, the Republic or any other person whose acts or omissions caused the termination, other than the Granting Authority, whether under the laws of the Republic or under any treaty to which the Republic is a party. For the avoidance of doubt, the liability of the Granting Authority to Quiport in respect of any of its obligations under item (ii) above will in no event exceed the sum of the payments made pursuant to items (ii)(x) and (ii)(y) above.

*Effect of Termination*

On the expiry or termination of the Concession Contract and/or the Concession Period for whatever reason and subject and without prejudice to any rights of the parties thereunder: (i) the Concession Contract (other than pursuant to the third party liability clause, the environmental indemnification clauses, the termination clauses, the resolution of disputes clause, the governing law clause, the waiver of immunity clauses, the primacy of the Concession Contract clause, the entire agreement clause, the time and indulgence clause, the severability clause, the notices clause and the language clause of the Concession Contract) will cease to have effect, subject to all rights and obligations of the parties existing prior to such termination; (ii) subject to the payment by the Granting Authority of all compensation payable to Quiport under the Concession Contract, the Concession rights will terminate; (iii) any reimbursement or compensation payable by the Granting Authority to Quiport pursuant to the termination clause of the Concession Contract will be deemed a debt due and payable in U.S. dollars, and will be paid by the Granting Authority on the date on which the termination of the Concession Contract becomes effective; (iv) Quiport will retain Komex International Ltd. or such other environmental consultant of international reputation and standing as may be designated by Quiport and approved by the Granting Authority (the "Environmental Consultant") to conduct a study and evaluation of existing environmental conditions at the Airport site. Any amounts payable to Quiport by the Granting Authority in the event of

termination will be offset by the costs, as estimated and certified by the Environmental Consultant, to remediate any environmental damage in the condition of the land encompassed by the Airport site, or, in the case of lands adjacent to the Airport site, environmental damage caused by the acts or omissions of Quiport; and (v) subject to the payment by the Granting Authority of all compensation payable to Quiport under the Concession Contract, Quiport will surrender to the Granting Authority, at no cost to the Granting Authority, possession of the Airport, the Airport sites, the Airport Developments and all moveable property owned or leased by Quiport, and the Granting Authority will have the right to (a) enter and take immediate operational control of the Airport, the Airport sites, the Airport Developments and such moveable property, (b) request that all intangible property be immediately delivered to it, (c) select and substitute a new concessionaire for Quiport, and (d) assume possession of all moveable property owned or leased by the Granting Authority or the Municipality. Notwithstanding the foregoing, in the event that Quiport will have abandoned the Airport, the Granting Authority will have the immediate right to take the actions in subclauses (a) through (d) above. The exercise of such right by the Granting Authority will not relieve the Granting Authority of any of its actions as specified in the Concession Contract.

*Vacate Premises and Date of Termination*

Upon any termination of the Concession Contract, the expiry of the Concession Period, or any replacement of Quiport with any person selected by the Granting Authority to replace Quiport in the Concession Contract and who has entered into the requisite agreements, all in accordance with the terms of the Concession Contract, Quiport will promptly and in any event within thirty (30) days after the date of any termination or replacement vacate the Airport site and, subject to the payment by the Granting Authority of all compensation payable to Quiport under the Concession Contract, remove all of Quiport's property that is not moveable property therefrom. If Quiport fails to vacate the Airport site as aforesaid, Quiport will pay to the Granting Authority any and all damages as may be determined by an arbitral tribunal.

For purposes of the preceding paragraph, the date of any termination pursuant to the Concession Contract will be the date of termination as notified by one party to the other, or otherwise agreed by the parties, or, if any such termination will be disputed and submitted to arbitration pursuant to the resolution of disputes clause in the Concession Contract, the date on which the arbitration tribunal will render a final and binding decision in respect of the matter.

*Compensation Payments*

For the avoidance of doubt, Quiport will, notwithstanding any termination or replacement, as the case may be, pursuant to the Concession Contract or any provision contained in the Concession Contract to the contrary but subject to the assignment by the Granting Authority clause and the substitution clause in the Concession Contract, continue to provide the Airport Services and to charge and collect the Airport Charges until the receipt by Quiport of all compensation payable to Quiport under the Concession Contract as a result of such termination; *provided, however*, that any such Airport Charges collected and held by Quiport after (a) the receipt by Quiport of all such compensation, (b) the payment by Quiport of all costs (including, without limitation, all costs relating to the debt service obligations of Quiport) incurred by Quiport in the provision of the Airport Services or otherwise in respect of the Project during the period in which Quiport will continue to provide the Airport Services in accordance with this paragraph and (c) the receipt by Quiport of the required return on its investment for the period referred to in subclause (b) above calculated in accordance with item (i)(x) under "—Consequences of Termination" above, will be paid to the Granting Authority.

***Municipality Assumption of Quiport's Debt***

The Concession Contract provides, upon the occurrence of certain termination events, for the assumption by the Municipality of Quiport's obligations under any agreement whereby lenders agree to provide financing to Quiport in connection with the Project, including the Financing Agreements and any refinancing thereof, any agreements in respect of any enhancement plan and any mezzanine financing, all of which must be reasonably satisfactory to the Municipality and Quiport's lenders. However, the Notes and the Loans will not be deemed to be "Loan Agreements" or "Financing Agreements" for this purpose under the terms of the Concession Contract and will not be subject to assumption by the Municipality in the event of termination of the Concession Contract.

***Buyback Option***

On or after the date which is 20 years after the Effective Date, the Municipality may offer, which offer will be made directly to the shareholders of Quiport, to purchase the rights and obligations of Quiport under the Concession Contract and the O&M Agreement. The shareholders of Quiport are under no obligation to accept any such offer and any such offer will be subject to the terms and conditions of any agreement among the shareholders of Quiport with respect to their ownership of Quiport. See "Description of the Notes—Shareholders' Undertaking Agreement."

***Dispute Resolution***

Pursuant to the Concession Contract, the parties will use their best efforts to settle amicably all disputes arising out of or in connection with the Concession Contract or the interpretation thereof. Any dispute which cannot be settled amicably within 30 days after receipt by one party of the other party's request to do so will be submitted by either party to binding arbitration in accordance with the Dispute Resolution Agreement.

***Governing Law***

The rights and obligations of the parties under or pursuant to the Concession Contract are governed by and construed in accordance with the laws of Ecuador, without regard to any conflict of law principles or provisions thereof.

***Comptroller Resolutions***

The CGE has oversight responsibilities related to state contracts in Ecuador. Beginning in May 2015, the CGE undertook an audit of the Concession Contract, the Strategic Alliance Agreement and their related agreements. As a result of this review, the CGE issued its Final Report setting forth certain recommendations to the Mayor of Quito, the Council and the General Manager of the Management Unit with respect to the Project, including a proposal to explore a consensual agreement with Quiport, as well as certain predeterminations. For more information on the predeterminations, see "Business—Legal Proceedings—Comptroller Resolutions." Quiport, the Municipality and the Management Unit have engaged in consultations with respect to the Final Report and other issues related to the Airport and for the negotiation of certain amendments to the Concession Contract in line with the recommendations made in the Final Report.

**Strategic Alliance Agreement**

As a result of the adoption of the 2008 Constitution and other changes to the relevant legal framework, the Constitutional Court declared that revenues derived from the charges for the various airport services are public resources and ordered that the relevant agreements be modified to reflect an accurate participation framework with the Municipality and the Management Unit. As a result, Quiport entered

into the Strategic Alliance Agreement with the Municipality and the Management Unit to establish a structure for the public and private contributions to the Project, as well as the distribution of the economic benefits derived from their respective contributions. Concurrently, the Concession Contract was amended and other agreements were entered into to implement this new structure. See "—The Concession Contract—Airport Charges and Airport Revenues—Regulated Fees" and "Risk Factors—Risks Related to Our Business—Our concession to operate, maintain and develop the Airport was granted by the Municipality, is managed by the Management Unit, and is therefore subject to political and other uncertainties that could affect the economic performance of the Project."

***Municipality Economic Benefit Participation***

In accordance with the Strategic Alliance Agreement, 11% of the Regulated Fees (or 12%, from and after 2035) collected after the Airport opening date on February 20, 2013, corresponds to the Municipality Economic Benefit Participation (the "NQIA Surcharges") and remain as public funds owned by the Municipality, including, without limitation, all rights, title and interest in and to such NQIA Surcharges, including, without limitation, the right to collect, receive, retain and apply such NQIA Surcharges, subject to and in accordance with the Strategic Alliance Agreement, the other transaction documents and the relevant legal provisions. Under the Strategic Alliance Agreement, in light of the public contribution to the Project, the Municipality is entitled to participate in the economic benefits of the Project by way of the Municipality Economic Benefit Participation. The Municipality Economic Benefit Participation is based on a calculation of 26% of the economic benefits of the Project derived from financial, commercial and other projections made by the parties to the Strategic Alliance Agreement as of the date of execution of the minutes of the negotiation process on February 4, 2010. Such economic benefits participation is not subject to subsequent adjustments in the event that the actual economic performance of the Project is more or less than such projections. The Municipality Economic Benefit Participation is inclusive of any concession payment or similar amounts for the period commencing on the opening date of the Airport and ending on the last day of the Concession Period that would have otherwise been payable but for the Strategic Alliance Agreement and the transactions contemplated thereunder.

Pursuant to the terms and conditions of the Surcharge Collection Agreement and the Surcharge Trust Agreement, each of the Municipality and the Surcharge Trustee irrevocably and unconditionally instructs Quiport (or the agents and subcontractors under its responsibility, which will be responsible for determining, collecting and issuing payment receipts for the NQIA Surcharges pursuant to the Surcharge Collection Agreement) (the "Surcharge Collector") to determine, collect and issue payment receipts for, and direct the collection of, all NQIA Surcharges for initial deposit into the Onshore Regulated Fees Collection Account, and as of 9:00 a.m. of each business day, cause the transfer to the NQIA Trust Account the amount of the balance then standing in the Onshore Regulated Fees Collection Account that corresponds to the NQIA Surcharges. Within 45 days after the end of each calendar quarter, Quiport must deliver to the Municipality a certificate prepared by its independent auditors setting forth: (A) the Regulated Fees collected by Quiport during such calendar quarter; and (B) the Municipality Economic Benefit Participation to be transferred to the Municipality with respect to such calendar quarter. Pursuant to the terms and conditions of the Surcharge Trust Agreement, the Municipality, as settlor and beneficiary of the Surcharge Trust in respect of the NQIA Surcharges, irrevocably and unconditionally instructs the Surcharge Trustee to transfer (and pursuant to the terms and conditions of the Surcharge Depositary Agreement, the Surcharge Trustee irrevocably and unconditionally instructs the Surcharge Depositary Bank to transfer) to the Municipality Participation Account, immediately upon the delivery of the certificate delivered by Quiport, the NQIA Surcharges then deposited into the NQIA Trust Account in an amount equal to the Municipality Economic Benefit Participation, as indicated in such certificate, subject to any deduction or withholding permitted by the Strategic Alliance Agreement. See "—Surcharge Trust Agreement" and "—Surcharge Collection Agreement."

If, at the time of any transfer to the Municipality of the Municipality Economic Benefit Participation is to be made, the Municipality, the Management Unit or the Republic is in material default or breach of the Strategic Alliance Agreement or any other Project Agreement, upon the request of Quiport from time to time, the Surcharge Trustee must withhold all or any portion of the Municipality Economic Benefit Participation as Quiport may determine in accordance with the Surcharge Trust Agreement until the date when such material default or breach is cured or waived by Quiport and/or the relevant party to such Project Agreement. In addition, if such material default or breach has not been cured or waived within 30 days, upon the request of Quiport from time to time, the Surcharge Trustee must transfer to Quiport all or such portion of the Municipality Economic Benefit Participation withheld by the Surcharge Trustee in order to satisfy the obligation of the Municipality to mitigate and/or reduce the losses, liabilities, damages, costs and expenses incurred by Quiport and/or such relevant party arising out of or otherwise attributable to such material default or breach pursuant to the Concession Contract. See "—Surcharge Trust Agreement."

***Quiport Economic Benefit Participation***

In light of the private contribution to the Project, Quiport is entitled to participate in the economic benefits of the Project by way of all rights, title and interest in and to the Airport Charges derived from the operation of the Airport that are not NQIA Surcharges (the "NQIA Concessionaire Charges"), including, without limitation, the right to invoice, collect, receive, retain and apply all of such NQIA Concessionaire Charges. The NQIA Concessionaire Charges are private funds legally owned by Quiport.

***Indemnification***

According to the terms of the Concession Contract, Quiport will indemnify the Municipality against and hold the Municipality harmless from, and will otherwise be responsible to third parties for, any loss of any kind whatsoever suffered or incurred by the Municipality (i) by reason of any injury or death to, or any damage or destruction of any property or rights of, any person to the extent such loss arises out of or as a consequence of the airport services, including, without limitation, the failure to perform any airport services in accordance with the Standards: (ii) by reason of any breach by Quiport of any of its representations, warranties, or undertakings; (iii) in respect of the Project by reason of any of the following events whether known or unknown (x) any non-compliance by Quiport with any applicable environmental law at any time after the Effective Date in the case of any of the Project sites (including without limitation, any unlawful release of any potentially hazardous materials) and any continuation of such non-compliance by Quiport that cannot reasonably be detected and abated by Quiport acting in the ordinary course of the exercise of the concession rights and in accordance with the Standards, and (y) any claim by any person for injury to his or her health, welfare or property or rights as a result of a release into the environment, occurring after the Effective Date, of any potentially hazardous materials generated or used by Quiport in connection with the Project sites after the Effective Date as a result of the acts or omissions of Quiport, and not relating to a pre-existing environmental condition; and (iv) by reason of any claim or action by (1) any person employed at or in connection with the Old Airport after the Effective Date or by any person acting on behalf of or in place of any such employee or by any person based upon any act or omission of any such employee or (2) any person based upon any liability, obligation or commitment of Quiport, whether for services rendered or goods delivered by such person or otherwise, in connection with the Old Airport, in each case based on acts or omissions occurring after the Effective Date.

If (i) any of the Municipality, the Management Unit, any other Relevant Authority or any other person modifies or otherwise interferes with NQIA Surcharges, the Regulated Fees or the related schedule, or fails to satisfy or causes to be breached the provisions of the Strategic Alliance Agreement in respect of adjustments to the NQIA Surcharges and Regulated Fees, introduces any new Airport Charges or other

tariffs, fees, levies, taxes or charges (including those related to air traffic) in respect of either Airport, without the prior written agreement of the parties; or (ii) at any point in time, due to the New Law on Competencies or otherwise, the Municipality loses any of the competencies set forth in Executive Decree No. 885, and in particular, the competency to set the Airport Charges, then such action will constitute: (a) material breach by the Management Unit and the Municipality of the Strategic Alliance Agreement and a material breach by the Municipality of the Concession Contract.

In addition, the Municipality will indemnify Quiport for any and all adverse economic impacts arising from (i) Political Events, (ii) agreements made between the Management Unit or the Municipality and DGAC, or any unilateral act by DGAC, in relation to any charges (including, without limitation, approach tariffs) charged by DGAC for services performed at the Airport, (iii) any tax incurred by any of the FTZ Users in connection with the Airport or the Project arising from the loss of the FTZ Tax Exemption by such FTZ Users, in connection with the Airport or the Project arising from the loss of the FTZ Tax Exemption by the referenced FTZ Users, and (iv) any failure to satisfy the provision included in the Strategic Alliance Agreement in connection with the adjustments to the Regulated Fees. Furthermore, upon request of Quiport, in accordance with the Surcharge Trust Agreement, the Surcharge Trustee will withhold and deduct from any transfer to the Municipality of the Municipality Economic Benefit Participation, any amount then due and payable by the Municipality to Quiport under any Project Agreement, and any amount then due and payable by the Municipality as indemnification pursuant to (i) through (iv) above, and the Surcharge Trustee will transfer to Quiport such amounts in order to satisfy such payment obligation of the Municipality. Quiport agrees to act reasonably and in accordance with the Project Agreements when exercising such right, without prejudice to the Municipalities rights and remedies under the Concession Contract.

***Termination***

The Strategic Alliance Agreement will terminate if the Concession Contract is terminated. Pursuant to the Concession Contract, breaches of the Strategic Alliance Agreement, any Master Municipality Agreement, the Surcharge Collection Agreement, the Surcharge Trust Agreement and the Surcharge Depositary Agreement will constitute termination events under the Concession Contract.

***Dispute Resolution***

Any dispute, claim, discrepancy, controversy or complaint arising out of or in connection with the Strategic Alliance Agreement, including, without limitation, in connection with its interpretation, performance, compliance, termination or validity, will be finally settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law. The seat of the arbitration will be The Hague, Netherlands, and the arbitration will be administered by the International Bureau of the Permanent Court of Arbitration.

***Governing Law***

The rights and obligations of the parties under or pursuant to the Strategic Alliance Agreement are governed by and construed in accordance with Ecuadorian law without prejudice to the rights of Quiport and the Investors under the Investment Contract.

**Investment Contract**

Pursuant to the Investment Contract, the Republic of Ecuador, represented by the Minister of Foreign Relations, Commerce and Integration (or the public entity that has preceded or succeeded it), has agreed to provide certain general and specific guarantees and assurances that will protect the Investors and Quiport in relation to the transfers of capital and economic resources destined to develop and execute the

Project through Quiport (the "Investments"), made or received, as the case may be, as well as the regime, content, duration and scope of said general and specific guarantees and assurances.

***Guarantees and Assurances***

Under the Investment Contract, the Republic confirms and undertakes that the Investors, Quiport, the Investments, the Investment Contract and the Project Agreements executed by the Investors and/or Quiport with the Republic or any the organizations, entities, dependencies and/or juridical persons described in Article 118 of the Political Constitution of the Republic of Ecuador, published in the Official Gazette No. 1 of August 11, 1998 (the "1998 Constitution") and any of the organizations, entities, dependencies and/or juridical persons described in Article 225 of the 2008 Constitution, including, without limitation, the Municipality, DGAC, the predecessor to the Management Unit and any legal successor thereto, including, without limitation, the Management Unit (each, a "State Institution") will enjoy all rights, benefits and guarantees established in the Legal Framework in Effect. The Republic guarantees that neither it nor any State Institution will obstruct, slow down or affect in any way the rights of the Investors and Quiport in accordance with the specific and general guarantees established in the Legal Framework in Effect, including, for indicative purposes and without limitation, the rights of the Investors and Quiport in the Investment Contract and in the Project Agreements executed by the Investors and/or Quiport with the Republic or any State Institution. Any event of Force Majeure or Political Event will not exempt the Republic of Ecuador or the State Institutions from the fulfillment of the obligations contracted under the Investment Contract.

*Specific Juridical Stability*

As set forth in the Investment Contract, the Republic guarantees the Investors and Quiport that the Investment Contract, the Project Agreements executed by the Investors and/or Quiport with the Republic or any State Institution and the administrative acts, resolutions, authorizations, consents, approvals, licenses, decisions, permits, exemptions, waivers, certifications or registrations containing an administrative act granted or effected by the Republic or any State Institution in connection with any such Project Agreement, the Investments or the execution of the Project (collectively, the "State Institution Authorizations") will enjoy absolute legal stability in accordance with the Legal Framework in Effect. Accordingly, neither the Investment Contract, nor any of such Project Agreements nor any of the State Institutions Authorizations may be modified unilaterally by laws or other dispositions from the Republic of any type that affect them, or by changes in the interpretation or application thereof.

The Republic guarantees that the Legal Framework in Effect will be the one that governs the Investment Contract, such Project Agreements and the State Institutions Authorizations, and the relevant modifications of the Legal Framework in Effect may not affect, alter or modify the rights, obligations, guarantees and protections of the Investors and/or Quiport under said Legal Framework in Effect, or granted by the Investment Contract or such Project Agreements, nor the economic and financial conditions considered for the Project and the Investments, except in the case of modifications that due to their nature are not significant, whether considered individually or jointly. Thus, neither the Investors nor Quiport will be affected by any change in the Legal Framework in Effect, whether this be in laws, regulatory provisions, decrees, ordinances, rules, regulations, resolutions or authorizations, of any nature, including legislative, judicial, administrative or any other interpretation made thereof, and the policies or practices adopted for their application, which affects the rights or the obligations or the economic benefit of the Investors and/or Quiport in respect of the Investment Contract, the Project, the Investments, any such Project Agreement or any State Institution Authorization, in accordance with the Legal Framework in Effect.

*Express Stipulation with Regard to Taxation Matters*

The Republic guarantees the Investors and Quiport that, for the initial term of 20 years from the date of execution of the Investment Contract, the income tax rate, and all legal and regulatory norms, and general resolutions from the SRI or any other competent State Institution, relating to the determination of taxable income of the Investors and/or Quiport comprised in the Legal Framework in Effect, including, without limitation, those related to taxable income, deductible expenses, deductible expenses incurred abroad, depreciation of assets, amortization of investments, amortization of pre-operation expenses, amortization of inventories, amortization of losses, amortization of costs of the organization, tax reconciliation and start-up of the Project, among others, will be kept invariable for the Investors and Quiport exclusively related to the Project.

*Free Remittance or Repatriation of Capital, Profits and Other Payments Abroad*

The Republic guarantees the Investors and Quiport the right to freely, and at any time, receive, control, use, convert to any currency and transfer or remit abroad any of the funds derived from or related to the Investments, the Project, the Investment Contract or the Project Agreements executed by the Investors and/or Quiport with the Republic or any State Institution. In no event will the Investors or Quiport have any obligation to remit said funds to the Republic, or to convert them to any national currency other than the Dollar, which is the legal tender of Ecuador on the date of execution on the Investment Contract. Furthermore, said funds will not be subject to any other restriction, except the taxes and withholdings applicable according to the Legal Framework in Effect.

In addition, the Republic guarantees the Investors and Quiport (i) the right to receive, at any time and place, and in any currency, the payments owed to them, including those related to the Investments or those corresponding to goods and services provided by Quiport and/or the Investors; (ii) the right to establish, maintain indefinitely, control and freely use accounts in or outside Ecuador, in any currency, and the right freely to control and use the funds that they dispose of in such accounts, or to directly effect any payment owed by them abroad or inside Ecuador; and (iii) the unrestricted right to acquire and sell currencies, as well as to convert said currencies into other currencies and to dispose freely of the foreign currencies they may acquire or possess. The Investment Contract provides that in order to perform the activities set forth in the General Law on Financial System Institutions, the Investors or Quiport must obtain the corresponding authorizations. For these purposes, the Investors and Quiport will have unrestricted access to the free exchange market; nevertheless, if this market is closed, the Investors and Quiport will have the right to have the currencies required for the exercise of these rights sold or bought for them in the official market or whatever market is installed in place of the free market, on terms and conditions which, in no case, will be discriminatory against the Investors or Quiport, in relation to those applied to other transactions that take place in the relevant market.

*Export, Import and Commercialization*

The Republic guarantees the Investors and Quiport the right freely to commercialize, inside and outside Ecuador, in accordance with the Legal Framework in Effect and the Project Agreements executed by the Investors and/or Quiport with the Republic or any State Institution, all the goods and services that the Investors or Quiport may have acquired or rendered, and the Investors and Quiport may develop all activities required for such purposes. Furthermore, the Republic guarantees that the Investors and Quiport will have the right to import tangible and intangible property, upon payment of the duties, fees, taxes or contributions as will correspond, that they require to execute the Project, for its expansion and for its operation and maintenance, without, for such purposes, particular restrictions being imposed on them other than those established in the Legal Framework in Effect and such Project Agreements. The Investors and Quiport have the right to take advantage of the benefits derived from the application of the

Program of Exemptions of the Andean Community, on the terms and conditions indicated by the Legal Framework in Effect.

*No Discrimination*

The Republic guarantees that the Investors and Quiport will enjoy full protection and security and that, in no event, will they be treated in a less favorable manner than that granted to national investors and their investments. This treatment includes free access to the national financial system and securities markets of Ecuador, as well as free access to international securities markets and mechanisms of promotion, technical assistance, cooperation and similar mechanisms, all of this on terms and conditions no less favorable than those given to national investors. Thus, the management, exploitation, maintenance, use, usufruct, acquisition, expansion or transfer of the Investments or the benefits derived from the Investments will not be diminished in any way by the Republic of Ecuador or any State Institution through the adoption of arbitrary or discriminatory or any other type of measures; except any restrictions stated in the Project Agreements executed by the Investors and/or Quiport with the Republic or any State Institution and the Legal Framework in Effect. When the Republic or any State Institution is obligated to pay the Investors and/or Quiport any amount under the Investment Contract or any such Project Agreement, the Investors and Quiport will have the right to receive treatment no less favorable than the most favorable treatment the Republic grants to persons that are nationals of Ecuador or are established in Ecuador. This non-discriminatory treatment is not extended, however, to the special rights that the Republic has granted to national or foreign investors by virtue of their participation in free trade zones, customs unions, common markets, mutual economic assistance, or by virtue of bilateral or multilateral agreements for the promotion and reciprocal protection of investments or treaties to avoid international double-taxation or other agreements on tax matters or on any other matters. Nevertheless, this will not impede any Investor or Quiport, as the case may be, from enjoying these special protections if, considered individually, such Investor or Quiport is protected by any such arrangement, agreement or treaty according to the terms thereof.

In the event the Investors or Quiport, or both, suffer, by action or omission, any discriminatory treatment by the Republic or any State Institution, the Investors and Quiport will have the right to request that Ecuadorian Ministry of Industries and Productivity (*Ministerio de Industrias y Producción*)) (either directly or through the Strategic Committee for the Promotion and Attraction of Investments (*Comité Estratégico de Promoción y Atracción de Inversiones*)), take all the necessary or appropriate steps to resolve the discriminatory treatment derived from the alleged discriminatory actions or omissions.

*Ownership and No Expropriation Without Indemnification*

The Republic guarantees the Investors and Quiport that their rights in respect of the Investments, the tangible and intangible property of Quiport and the Project will be respected and protected by the Republic and all State Institutions without limitation other than as established in the Legal Framework in Effect. The Republic also guarantees that neither the Investments, nor the tangible and intangible property of Quiport, nor any part thereof, nor any of the shares or ownership interests in Quiport will be the object of (a) Expropriation or nationalization, direct or indirect through the application of measures equivalent to Expropriation or nationalization, except to the extent that such measures are carried out in the public interest, in a fair manner and through the payment of prompt, adequate and effective compensation, in accordance with the corresponding legal procedure and with full observance of the principles of fair treatment and nondiscrimination referred to above, as well as the general principles existing in the Legal Framework in Effect; or (b) confiscation of any type.

The Republic guarantees and ratifies to the Investors and Quiport that, for cases of Expropriation, the compensation referred to will be equivalent to the fair value that, according to internationally accepted accounting principles, the Investments and Quiport's tangible and intangible property which are the object

of the Expropriation has in the market, immediately before the first of the following dates: (i) the date on which an Expropriation action is taken, (ii) the date on which an action or omission conducive to such Expropriation becomes known, and (iii) the date on which the possibility of Expropriation becomes known, which, in each case, negatively affects the value of the Investments and of Quiport's tangible and intangible property. The Republic guarantees and confirms to the Investors and Quiport that the compensation will be paid in a timely manner and without any delay, within the time period agreed by the parties or that set forth in accordance with the Legal Framework in Effect or that established by the arbitral award issued as a result of the arbitration contemplated the Investment Contract, as applicable, including the corresponding interest calculated at a commercially reasonable interest rate from the date when the obligation becomes due and payable until the effective date of payment of such compensation, in currency which is convertible and freely realizable and transferable abroad.

*Specific Juridical Stability of the Relevant Strategic Alliance Laws*

The Republic also guarantees the Investors and Quiport that the Strategic Alliance Agreement, the Second Deed of Amendment to the Concession Contract, the Affirmation and Amendment to the Investment Contract, the Surcharge Trust Agreement, the Surcharge Depositary Agreement, the Surcharge Collection Agreement and each Master Municipality Agreement (collectively, the "SAA Documents"), in each case in relation to the Investments and the Project, will enjoy all of the general guarantees and assurances and the specific guarantees and assurances in respect of juridical stability set forth in the Investment Contract to the fullest extent contemplated thereby, including without limitation the guarantee to absolute legal stability, such that, only in respect of the SAA Documents, each reference to "Project Agreements" will be deemed to be a reference to the SAA Documents and each reference to "Legal Framework in Effect" will be deemed to be a reference to the corresponding public acts and laws expressly referenced and identified in the SAA Documents, in each case as in effect as of the execution date of the Affirmation and Amendment to the Investment Contract, and solely to the extent necessary to give full force and effect to the SAA Documents (the "Relevant SAA Laws"). For the avoidance of doubt, the enactment of any competencies law or other law, rule, regulation or decree or any other action by the Republic or any State Institution that affects or limits the competency of the Municipality to observe and perform any and all of its obligations and agreements under and in accordance with the SAA Documents and the Project Agreements as modified thereby will be deemed to constitute a Political Event and breach of the guarantees referred to in this paragraph.

***Specific Commitments of the Investors and Quiport***

Pursuant to the Investment Contract, the Investors and Quiport undertake (a) to carry out the Investments on the terms and subject to the conditions stipulated in the Concession Contract and the other Project Agreements executed by any of the Investors and/or Quiport with the Republic or any State Institution in relation to the execution of the Project; (b) to register the Investments with the Minister of Foreign Relations, Commerce and Integration, in accordance with the Investment Contract; (c) to observe and comply with applicable Ecuadorian laws in effect as of the date of execution of the Investment Contract; (d) to conserve, preserve and restore completely any damages to the environment and the natural resources according to Ecuadorian laws in effect as of the date of execution of the Investment Contract; and (e) to observe all labor laws and respect the benefits and rights acquired by workers in accordance with said Ecuadorian laws.

***Term***

The Investment Contract entered into effect on the Effective Date and will remain in effect (except in respect of the guarantee regarding taxation matters as described below) during the entire period of the effectiveness of the Concession Contract until the Concession Contract is validly terminated in accordance with the terms of the Concession Contract, and thereafter for as long as may be necessary for

the Investors and/or Quiport to exercise the rights and guarantees acquired by virtue of the Investment Contract.

Regarding the stability regarding taxation aspects contemplated in the Investment Contract, such stability will remain in effect for a minimum period of 20 years from the date of execution of the Investment Contract, which period may be extended subject to the terms of the Investment Contract.

***Waivers***

Each Investor and Quiport has the right, individually and without distinction, to waive the specific juridical stability in the Investment Contract. Once the waiver is made, such Investor and/or Quiport will be subject to the juridical framework existing at the time of the waiver. A waiver made by an Investor or Quiport will not affect the stability that other parties enjoy under the Investment Contract.

Pursuant to the Affirmation and Amendment to the Investment Agreement dated August 9, 2010, the Investors and Quiport waived the guarantee of juridical stability granted under the Investment Contract solely with respect to the Relevant SAA Laws and solely and exclusively for the purposes of giving full force and effect to the Strategic Alliance Agreement and each other SAA Document.

***Indemnification***

The Republic will indemnify and hold harmless the Investors and Quiport against all losses, liabilities, damages, injuries, decrease in value or loss of revenue or profit, including as the case may, fines and penalties and legal expenses, experts' expenses and other expenses related to the same, that may arise from or are related to (a) any breach by the Republic or any State Institution, whether willful, of any of the obligations assumed by the Republic under the Investment Contract; (b) any breach by any State Institution, whether willful, of any of the obligations of such State Institution under any such Project Agreement; or (c) the occurrence of any Political Event. For this purpose, the Investors or Quiport cannot demand from or be the beneficiary of or receive more than one indemnification from the Republic or State Institutions, for one and the same event, infringement or, generally, any breach.

***Recourse***

In the event of noncompliance by the Republic or any State Institution with the obligations assumed by it under the Investment Contract, the Investors and/or Quiport will have the right to exercise, without prejudice to other options, all of the remedies and actions applicable according to the Legal Framework in Effect and international treaties and agreements executed and ratified by the Republic.

***Dispute Resolution***

The parties to the Investment Contract agree that when a dispute arises, the Investors and/or Quiport, with the concurrence of the Minister of Foreign Relations, Commerce and Integration (or the public entity that has succeeded it), will try to resolve it by way of consultation and negotiation over a period of 45 days from the date on which one of the parties notifies the other of the existence of the dispute. Any dispute that has not been resolved amicably within such period will be subject to arbitration before the International Centre for Settlement of Investment Disputes, established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, signed by the Republic of Ecuador, as a member state of the International Bank for Reconstruction and Development on January 15, 1985, the text of which is published in Official Gazette No. 386 of March 3, 1986, approved by the National Congress by way of Resolution No. 22-053 of February 7, 2001 published in the Official Gazette No. 309 of 19 April 2001. Arbitration will be carried out in the United States of America. This dispute resolution mechanism was expressly confirmed, affirmed, ratified, acknowledged and agreed and remains in full force and effect pursuant to the Affirmation and Amendment to the Investment Contract dated August 9, 2010.

In addition, without prejudice to the aforementioned dispute resolution method, pursuant to the Affirmation and Amendment to the Investment Contract dated August 9, 2010, any party to the Investment Contract has the right to submit any dispute arising out of or in connection with the Investment Contract to arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL Arbitration Rules) as in force on August 9, 2010, by a panel of three arbitrators nominated in accordance with the UNCITRAL Arbitration Rules. The appointing authority will be the Secretary-General of the Permanent Court of Arbitration. The arbitration will be administered by the International Bureau of the Permanent Court of Arbitration. The seat of arbitration will be in The Hague, Netherlands.

***Governing Law***

The Investment Contract is governed by the Legal Framework in Effect and the Affirmation and Amendment to the Investment Contract is governed by, subject to, and construed and interpreted in accordance with Ecuadorian law.

**Implementation Agreement**

The implementation agreement, dated August 9, 2010 (the "Implementation Agreement"), among the Municipality, the Management Unit and Quiport, sets out certain procedures for, among other things, the implementation of the Strategic Alliance Agreement and the discontinuation of the arbitration process in effect at the time. The Implementation Agreement also clarified that the Regulated Fees were to be established at their maximum levels as of the Airport opening date and thereafter be adjusted for inflation in accordance with the terms of the Concession Contract to ensure the financial feasibility of the Project.

**Master Municipality Agreements**

Pursuant to the Master Municipality Agreements, the Management Unit assigned to the Municipality its rights and obligations under certain documents, including (i) pursuant to the Master Municipality Agreement (New York Documents), the Dispute Resolution Agreement and each other agreement or document related to, or executed in connection with, the Project to which the Management Unit was a party that is governed by New York law, following the re-assumption of all the competencies of the Municipality in connection with the Project that had been previously delegated to the Management Unit, (ii) pursuant to the Master Municipality Agreement (Ecuadorian Documents), the Concession Contract, the Onshore Borrower Trust Agreement, and each other agreement or document related to, or executed in connection with, the Project to which the Management Unit was a party that is governed by the laws of the Republic of Ecuador, and (iii) pursuant to the Master Municipality Agreement (Government Services Agreements), certain government services documents.

The Municipality, in turn, has the right to delegate or assign the performance, and exercise through the Management Unit, or through third party delegates, certain of its rights, obligations, liabilities, duties and burdens under the assigned documents. Notwithstanding the exercise of any activity by the Management Unit or by any third party delegated by the Municipality, the Municipality, in its capacity as Granting Authority, remains fully, exclusively, directly and principally liable and responsible to Quiport and each other party to a Project Agreement, as applicable, for the performance of the Municipality's obligations, liabilities and duties, and for the acts and omissions of the Management Unit or any other third party delegatee while carrying out any such obligations, liabilities or duties of the Municipality, as if they were the acts and omissions of the Municipality.

The rights and obligations of the parties to the Master Municipality Agreement (New York Documents) under or pursuant thereto are governed by and construed in accordance with the laws of New York, without prejudice to the rights of Quiport and the Investors under the Investment Contract.

The rights and obligations of the parties to the Master Municipality Agreement (Ecuadorian Documents) and the Master Municipality Agreement (Government Services Agreements) under or pursuant thereto are governed by and construed in accordance with the laws of the Republic of Ecuador, without prejudice to the rights of Quiport and the Investors under the Investment Contract.

**Onshore Borrower Trust Agreement**

Quiport entered into the onshore trust agreement, dated March 24, 2006 (the "Onshore Borrower Trust Agreement"), among Quiport and the Granting Authority, as settlors of the trust, the financial institutions that provided the original project finance debt to Quiport, as the beneficiaries, and the Onshore Trustee, among other things, to administer the revenues collected by Quiport derived from the operation of the Airport, including for the direction of funds for the satisfaction of the obligations of Quiport under the Senior Secured Credit Agreement, which was assigned, in whole, to the Existing Lenders on December 20, 2018, and which is expected to be assigned to the Issuer, as Lender, following the offering of the Notes (the "Obligations"). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Existing Loans" and "Use of Proceeds." As of the date hereof, the Existing Lenders are the beneficiaries of the Onshore Borrower Trust Agreement, as assignees of the financial institutions that provided the original project finance debt to Quiport, which rights were assigned in connection with the assignment and purchase of the Senior Secured Credit Facilities with the Existing Loans. Furthermore, upon purchase by and assignment to the Issuer of the Existing Loans on the Issue Date, Quiport, the Existing Lenders, the Onshore Trustee and the Issuer, in its capacity as Lender under the Loans, will enter into an assignment of fiduciary rights and the Issuer will be assigned the rights as beneficiary of the Onshore Borrower Trust Agreement (as the assignee of the Existing Lenders).

***Description of the Trust***

Pursuant to the Onshore Borrower Trust Agreement, Quiport and the Granting Authority created an irrevocable administrative and guaranty commercial trust (the "Onshore Borrower Trust"), under the name of "Fideicomiso Mercantil Quiport Onshore Trust."

Pursuant to the Onshore Borrower Trust Agreement, Quiport irrevocably assigned and transferred in trust to the Onshore Borrower Trust all of its right, title and interest in (together, the "Onshore Borrower Trust Estate"):

(a) all present and future (i) gross revenues, cash and receivables that Quiport may generate from time to time in Ecuador as a result of or in connection with the exercise of its rights under the Concession Contract and its operation of the Airport, including interest, if any, earned from the Onshore Borrower Trust Accounts (as defined below), (ii) rights of Quiport to receive payments for any services provided or goods sold in Ecuador in connection therewith, including all credits and any and all collection rights under certain agreements related to Quiport's non-regulated sources of income, (iii) Quiport's rights with respect to collecting and/or receiving in Ecuador all moneys, including letters of exchange, checks, promissory notes and other credit instruments, indemnities (including those arising from insurance proceeds), guarantees or collateral of any kind granted in its favor, including penalties related thereto, and (iv) in general and without limitation, any other sum of money to which Quiport may be entitled in Ecuador in connection with the Project or the operation of the Airport (collectively, the "Onshore Project Revenues");

(b) all present and future title of credit, title of securities, letter of credit or financial instrument for payment, credit or guarantee issued to bearer, or in favor, or to the order of Quiport, as well as any insurance in which Quiport appears as an insured, guaranteed party or beneficiary, and any proceeds thereof; and

(c) all funds from time to time deposited in the Onshore Borrower Trust Accounts and all other present and future deposit accounts, securities accounts or other accounts of Quiport held at any financial institution in Ecuador, including (i) all funds on deposit in such accounts (including any interest earned thereon); (ii) all securities, uncertificated securities, security entitlements, instruments, chattel paper, documents, investment property, financial assets and other property deposited in or credited to such accounts; (iii) all investments made with or arising out of such funds, all claims thereunder and in connection therewith; and (iv) all cash, securities, rights or other property at any time and from time to time received, receivable, or otherwise distributed in respect of such accounts, such funds and such instruments.

The Onshore Borrower Trust Estate constitutes an autonomous patrimony to secure the payment in full and performance of the Obligations. The Onshore Borrower Trust Estate and the after-acquired property that will constitute part of the Onshore Borrower Trust Estate must be held in trust by the Onshore Borrower Trust represented by the Onshore Trustee.

In accordance with the Onshore Borrower Trust Agreement, Quiport must send to each Airport user (including, without limitation, in connection with the payment of non-regulated income of Quiport as set out in the Onshore Borrower Trust Agreement) making payments that are required to be deposited in the Onshore Borrower Trust Accounts a notice informing such persons that any and all payments (including payments of credits) which they are bound to make have been assigned to the Onshore Borrower Trust and must thereafter be paid directly to the Onshore Borrower Trust Account indicated in the notice. Quiport must deliver written instructions to each new person (other than airline passengers required to pay any Regulated Fees) bound to make any payment of Onshore Project Revenues to make its payments directly to the applicable Onshore Borrower Trust Account.

***Onshore Accounts***

The Onshore Trustee has established and must maintain the following segregated trust accounts denominated in U.S. Dollars (together, the "Onshore Borrower Trust Accounts"):

(a) the Onshore Project Revenues Collection Account: Quiport will deposit or cause to be deposited into the Onshore Project Revenues Collection Account all Onshore Project Revenues (other than any Regulated Fees), and all other amounts paid to or for the account of Quiport. Amounts on deposit therein will be transferred, on a monthly basis, as follows:

i. *first*, to the Onshore O&M Expense Account an amount equal to the excess, if any, of the then-applicable required balance therefor, over the amount then standing to the credit thereof; such required balance being defined by reference to the Master Accounts Agreement and consisting of the aggregate amount of O&M Expenses (other than O&M Expenses of the Ecuador Operator pursuant to the O&M Agreement) then due and payable and projected to be due and payable in Ecuador from the Onshore O&M Expense Account during the applicable monthly period in accordance with the then-current annual budget;

ii. *second*, to the Ecuador Operator Account an amount equal to the excess, if any, of the then-applicable required balance therefor, over the amount then standing to the credit thereof; such required balance being defined by reference to the Master Accounts Agreement and consisting of the aggregate amount of the O&M Expenses of the Ecuador Operator pursuant to the O&M Agreement and projected to be due and payable from the Ecuador Operator Account during the applicable monthly period in accordance with the then-current annual budget; and

iii. *third*, after making the transfers specified in priority *first* and *second* above, to the Offshore Collection Account the entire remaining balance standing to the credit thereof; *provided* that, pursuant to the Master Accounts Agreement and the Standing Instruction, the Onshore Trustee has been instructed to maintain in the Onshore Project Revenues Collection Account and not to transfer, on each Monthly Transfer Date (as defined in the Onshore Borrower Trust Agreement), to the Offshore Collection Account all such funds. This Standing Instruction may be waived by Quiport at any time and from time to time in its sole discretion and will be deemed to be automatically revoked pursuant to the Onshore Borrower Trust Agreement upon the occurrence and during the continuation of a Blockage Event. See "The Loans Agreement and the Loans—Accounts and Priority of Payments—Offshore Collection Account."

(b) the Onshore O&M Expense Account: So long as no Blockage Event shall have occurred and be continuing, Quiport may withdraw funds from this account to pay for the Onshore O&M Expenses of the Project as and when due and payable in accordance with the annual budget and the Onshore Borrower Trust Agreement. Quiport has access to the funds on deposit in this account that come from the collection of non-regulated charges deposited into the Onshore Project Revenues Collection Account.

(c) the Investment Sub-Accounts: the following sub-account:

i. Onshore EPS Investment Sub-Account: an onshore account established for the payment of obligation of Quiport to pay employee profit sharing amounts pursuant to Articles 97 and 100 of the Labor Code of Ecuador and other applicable laws.

(d) the Onshore Regulated Fees Collection Account: Quiport will deposit or cause to be deposited into the Onshore Regulated Fees Collection Account all Onshore Project Revenues consisting of Regulated Fees. Subject to the transfer of the NQIA Surcharges to the NQIA Trust Agreement, the Onshore Trustee will transfer not later than 9:00 a.m. on each business day the entire balance standing to the credit of the Onshore Regulated Fees Collection Account to the Offshore Collection Account.

***Term and Termination***

The Onshore Borrower Trust Agreement will remain in full force and effect until all of the Obligations have been paid in full, or upon earlier termination upon a foreclosure following an event of default or the occurrence of any of the events set forth under Article 134 of the Securities Market Law and Regulations.

***Dispute Resolution***

Any dispute, regardless of its nature, that may arise between the parties to the Onshore Borrower Trust Agreement will be submitted to mediation by one of the mediators of the Ecuadorian-American Chamber of Commerce based in Quito, as the first dispute resolution procedure, following the procedure and form established in the Arbitration and Mediation Law effective in the Republic of Ecuador as of September 4, 1997, published in the Official Gazette No. 145 of September 4, 1997 as amended and restated. If an agreement is not reached through mediation, such dispute will be submitted to arbitration administered and guided by the law at the Arbitration and Mediation Center of the Ecuadorian-American Chamber of Commerce, based in Quito.

***Governing Law***

The Onshore Borrower Trust Agreement is governed by, construed and interpreted in accordance with the laws of the Republic of Ecuador.

**Surcharge Trust Agreement**

The Surcharge Trust Agreement, dated January 24, 2011 (the "Surcharge Trust Agreement"), among the Municipality and the Management Unit, as settlors and beneficiaries, Fiduciaria del Pacífico S.A. FIDUPACÍFICO, as trustee of the Surcharge Trust (the "Surcharge Trustee"), Quiport, as beneficiary, and the Onshore Borrower Trust represented by the Onshore Trustee, as beneficiary, established the Surcharge Trust as an irrevocable administrative commercial trust, constituting an autonomous patrimony of the assets therein. The estate of the Surcharge Trust consists of all the NQIA Surcharges deposited from time to time in the NQIA Trust Account, including any interest earned thereon, investments made with or arising out of such funds, and all cash, titles, rights or other property in respect of such account. The purpose of the Surcharge Trust is to manage the trust estate and give effect to the Strategic Alliance Agreement.

On or prior to the date that is 45 days after the end of each calendar quarter (a "Quarterly Date"), Quiport will deliver to the Municipality (with a copy to the Management Unit, the Surcharge Trustee and the Surcharge Depositary Bank), a certificate prepared by its independent auditors setting forth the Regulated Fees collected by Quiport during such calendar quarter and the Municipality Economic Benefit Participation to be transferred to the Municipality with respect to such calendar quarter.

Except as described below, the Surcharge Trustee must transfer to the Municipality Participation Account, immediately upon receipt of such certificate by Quiport, any and all funds then deposited in the NQIA Trust Account in an amount equal to the Municipality Economic Benefit Participation, as indicated in such certificate.

If at the time any transfer to the Municipality of any funds is to be made pursuant to the terms of the Surcharge Trust Agreement:

(a) the Municipality, the Management Unit or the Republic of Ecuador are in material default or breach of the Strategic Alliance Agreement, the Surcharge Trust Agreement or any other Project Agreement, as the case may be, and such default or breach has caused a payment obligation pursuant to the Project Agreements, Quiport must deliver a certificate to the Surcharge Trustee (with a copy to the Municipality, the Management Unit and the Surcharge Depositary Bank) (the "Recovery Certificate"), and the Municipality and Management Unit, as settlors of the Surcharge Trust, irrevocable and unconditionally instruct the Surcharge Trustee to withhold all or any portion of such funds equal to the Recovery Amount (as defined therein) in the NQIA Trust Account until the date when Quiport has delivered written notice to the Surcharge Trustee that such material default or breach has been cured by the Municipality, the Management Unit or the Republic of Ecuador, as the case may be, or waived by Quiport and/or the relevant party to such Project Agreement, as the case may be, and upon its receipt of any such Recovery Certificate, the Surcharge Trustee will immediately deliver an instruction letter to the Surcharge Depositary Bank to instruct the Surcharge Depositary Bank accordingly; *provided* that if such material default or breach is not cured or waived within 30 days of Quiport's delivery of a Recovery Certificate, the Municipality and the Management Unit, as settlors to the Surcharge Trust, irrevocably and unconditionally instruct the Surcharge Trustee to transfer and pay all or such portion of the funds on deposit in the NQIA Trust Account equal to the Recovery Amount (as defined therein) then withheld by the Surcharge Trustee to the Onshore Regulated Fees Collection Account as payment by the Municipality of its obligation to mitigate and/or reduce the losses, liabilities, damages, costs and expenses incurred by Quiport and/or such relevant party arising out of or otherwise attributable to such material default or breach; or

(b) any amount is then due and payable by the Municipality to Quiport under any Project Agreement or as indemnification pursuant the Strategic Alliance Agreement, Quiport will deliver one or more Recovery Certificates to the Surcharge Trustee (with a copy to the Surcharge Depositary Bank), and Municipality and the Management Unit, as the settlors of the Surcharge Trust, irrevocably and unconditionally instruct the Surcharge Trustee to transfer all or such portion of the funds on deposit in the NQIA Trust Account equal to the Recovery Amount to the Onshore Regulated Fees Collection Account as payment by the Municipality of its obligations under such Project Agreements, and upon its receipt of any such Recovery Certificate, the Surcharge Trustee will immediately deliver a transfer instruction to the Surcharge Depositary Bank to instruct the Surcharge Depositary Bank accordingly.

Any payments made to Quiport through a transfer of the funds on deposit in the NQIA Trust Account will only satisfy the Municipality's payment obligations under the Project Agreements to the extent that such payments are made in an amount equal to the aggregate amount of the Municipality's payment obligations thereunder, and Quiport may request that the Surcharge Trustee continue withholding and transferring such funds to Quiport until such payment obligations are satisfied in full.

***Indemnification***

Quiport, as beneficiary, will indemnify, defend and hold harmless the Surcharge Trustee, and its officers, directors, employees, representatives, counselors and agents from and against, and will reimburse such indemnified persons for, any and all claims (other than claims relating to or giving rise to liens of the Surcharge Trustee) demanded, asserted or claimed against them or arising out of or in connection with any claims of third parties against any such indemnified person by reason of its participation in the transactions contemplated by the Surcharge Trust Agreement, including reasonable and documented attorneys' and consultants' fees and court costs, except to the extent caused by the indemnified person's negligence (*culpa leve*), fraud or willful misconduct.

***Resignation and Replacement of the Surcharge Trustee***

The Surcharge Trustee may resign as trustee of the Surcharge Trust due to the causes stipulated in Article 131 of the Securities Market Law and Regulations, by giving no less than 60 days' prior written notice to that effect to each of the other parties, in accordance with the Securities Market Law and Regulations. Any beneficiary of the Surcharge Trust may request the replacement of the Surcharge Trustee in their position as trustee of the Surcharge Trust hereunder, with or without cause, by giving no less than 60 days' prior written notice to that effect to the Surcharge Trustee, the Municipality and the Management Unit, as settlors of the Surcharge Trust, and Quiport. However, the resignation or removal of the Surcharge Trustee will only be effective once (i) a successor to the Trustee is appointed in accordance with the provisions of the Surcharge Trust Agreement; (ii) the resigning or removed Surcharge Trustee has submitted to its successor all of its records and information from the management of the Surcharge Trust; (iii) the successor Surcharge Trustee has executed and granted an accession agreement in form and substance satisfactory to the other parties whereby it agrees to be bound by the terms of the Surcharge Trust Agreement and the Surcharge Depositary Agreement and to perform all duties required of the Surcharge Trustee thereunder; and (iv) the successor Surcharge Trustee executes and delivers a power of attorney in favor of an attorney of law designated by Quiport (and approved by the other beneficiaries of the Surcharge Trust, which approval may not be unreasonably withheld or delayed), which power of attorney must be in full force and effect.

***Termination***

The Surcharge Trust Agreement will terminate on the date which is 45 business days after the date on which the Surcharge Trustee and the parties to the Surcharge Trust Agreement are informed by either the Municipality or Quiport in writing that the Concession Contract has expired or has terminated.

***Dispute Resolution***

Any dispute, claim, discrepancy, controversy or complaint arising out of or in connection with the Surcharge Trust Agreement, including, without limitation, in connection with its interpretation, performance, compliance, termination or validity, will be finally settled by arbitration in accordance with the Rules of International Commercial Arbitration of the Santiago Chamber of Commerce in Chile and administered by the Meditation and Arbitration Centre of the Santiago Chamber of Commerce in Chile. The seat of the arbitration will be Santiago, Chile and the *lex arbitri* will be Chilean law.

***Governing Law***

The Surcharge Trust Agreement is governed by, and construed and interpreted in accordance with, the laws of Ecuador without prejudice to the rights of Quiport and the Investors under the Investment Contract.

**Surcharge Collection Agreement**

Pursuant to the Surcharge Collection Agreement dated February 3, 2011 (the "Surcharge Collection Agreement"), among the Municipality, the Management Unit and Quiport, the Municipality irrevocably and unconditionally (i) appointed the Surcharge Collector as the collector for the NQIA Surcharges for the duration of the Concession Period and (ii) instructed the Surcharge Collector to determine, collect and issue payment receipts for all NQIA Surcharges for initial and temporary deposit into the Onshore Regulated Fees Collection Account. The Municipality and the Management Unit must assist the Surchage Collector in the collection of any NQIA Surcharge upon the Surcharge Collector's request, and deliver, jointly with the Surcharge Collector, irrevocable and unconditional instructions to each airline operating at the Airport directing them, among other things, to pay all Regulated Fees (including the NQIA Surcharges) directly to the Onshore Regulated Fees Collection Account. The Surcharge Collector is not entitled to charge any fee or charge to the Municipality for purposes of performance of its obligations under the Surcharge Collection Agreement.

Pursuant to the Surcharge Collection Agreement, during the Concession Period, the Municipality irrevocably and unconditionally instructs the Surcharge Collector to cause the transfer, as of 9:00 a.m. on each business day, to the NQIA Trust Account the amount of the balance then standing in the Onshore Regulated Fees Collection Account that corresponds to the NQIA Surcharges, which transfer must be accompanied by a written notice to the Municipality identifying such amount transferred to the NQIA Trust Account. Quiport may not make any expense or investment with any NQIA Surcharges standing to the credit of the Onshore Regulated Fees Collection Account.

Quiport must furnish to the Municipality monthly statements regarding the cash balances and activity in the Onshore Regulated Fees Collection Account (only in respect of the NQIA Surcharges) during the Concession Period, and such other information regarding the Onshore Regulated Fees Collection Account (only in respect of the NQIA Surcharges) as may be reasonably requested by the Municipality from time to time.

***Termination***

The Surcharge Collection Agreement will terminate on the earlier to occur of the date on which the Concession Period has ended or the Concession Contract is terminated.

***Dispute Resolution***

Any dispute, claim, discrepancy, controversy or complaint arising out of or in connection with the Surcharge Collection Agreement, including, without limitation, in connection with its interpretation, performance, compliance, termination or validity, will be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce. The seat of the arbitration will be Santiago, Chile.

***Governing Law***

The Surcharge Collection Agreement is governed by, and construed and interpreted in accordance with, the laws of Ecuador without prejudice to the rights of Quiport and the Investors under the Investment Contract.

**Surcharge Depositary Agreement**

Pursuant to the Surcharge Depositary Agreement dated February 3, 2011 (the "Surcharge Depositary Agreement"), among the Surcharge Trust represented by the Surcharge Trustee, the Onshore Borrower Trust represented by the Onshore Trustee, the Surcharge Depositary Bank and Quiport, in accordance with the instructions set forth in the Surcharge Trust Agreement, the Surcharge Trustee irrevocably and unconditionally instructs the Surcharge Depositary Bank, and the Surcharge Depositary Bank agrees to transfer to the account of the Municipality maintained at the Ecuadorian Central Bank (the "Municipality Participation Account") an amount equal to the Municipality Economic Benefit Participation as indicated in the certificate prepared by Quiport's independent auditors, in accordance with the Surcharge Trust Agreement.

Upon receipt of a Recovery Certificate delivered by Quiport pursuant to the Surcharge Trust Agreement, the Surcharge Trustee will irrevocably and unconditionally instruct the Surcharge Depositary Bank, through immediate delivery of an instruction letter and, upon receipt of such instruction letter, the Surcharge Depositary Bank, with priority over any other transfer to the Municipality Participation Account, will transfer as payment to the Onshore Regulated Fees Collection Account an amount equal to the Recovery Amount (as defined in the Surcharge Trust Agreement) indicated in such Recovery Certificate. To satisfy such obligation, the Surcharge Depositary Bank will transfer any and all funds then deposited in the NQIA Trust Account and, if necessary and with priority over any other transfer to the Municipality Participation Account, additional NQIA Surcharges as and when deposited in the NQIA Trust Account to cover the respective Recovery Amount in its entirety, in accordance with the Recovery Certificate. Any Recovery Amount (as defined in the Surcharge Trust Agreement) in respect to any calendar quarter shall be deducted from the Municipality Economic Benefit Participation relating to such quarter, or in case such Recovery Amount (as defined in the Surcharge Trust Agreement) exceeds the Municipality Participation in such quarter, it will be deducted in that quarter or the following quarters until the Recovery Amount (as defined in the Surcharge Trust Agreement) has been paid in full.

Furthermore, the Surcharge Trustee acknowledged that, pursuant to the Surcharge Collection Agreement, the Surcharge Collector will cause the transfer of the NQIA Surcharges from the Onshore Regulated Fees Collection Account directly to the NQIA Trust Account.

***Indemnification and Limitation of Liability***

Under the Surcharge Depository Agreement, Quiport will indemnify, defend and hold harmless the Surcharge Depositary Bank, and its officers, directors, employees, representatives, counselors and agents from and against, and will reimburse the indemnified persons for, any and all present and future claims (other than claims relating to or giving rise to liens of the Surcharge Trustee) demanded, asserted or claimed against them or arising out of or in connection with any claims of third parties against any indemnified person by reason of its participation in the transactions contemplated by the Surcharge Depositary Agreement, including reasonable and documented attorneys' and consultants' fees and court costs except to the extent caused by an indemnified person's negligence (*culpa leve*), fraud or willful misconduct.

In any dispute, claim, discrepancy, controversy or complaint arising out of or in connection with any breach or any other failure to comply with the terms and conditions of the Surchage Depositary Agreement by the Depositary Bank, the liability of the Depositary Bank will be limited to an amount equal to the maximum balance reflected in a calendar quarter in the NQIA Trust Account.

***Resignation of the Surcharge Depositary Bank***

The Surcharge Depositary Bank reserves the right to resign as depositary bank under the Surcharge Depositary Agreement, by means of a certified written communication delivered to the other parties with 90 days' notice prior to the effective date of such resignation, which resignation may only be for a justified cause (which means a cause from a legal point of view that impedes the Surcharge Depositary Bank from complying with the purposes of the Surcharge Depositary Agreement). During the 90 day period, the Surcharge Depositary Bank will continue fulfilling its contractual obligations under this Agreement. If within said period after presentation of renouncement, an agreement regarding the entity to replace the Surcharge Depositary Bank is not reached according to the rights and obligations of Surcharge Depositary Agreement, the Surcharge Depositary Bank will continue with its contractual obligations for an additional 90 days, after which the obligations under the Surcharge Depositary Agreement will expire.

***Termination***

The Surcharge Depositary Agreement will terminate on the date on which the Surcharge Trust Agreement has been terminated in accordance with its terms.

***Dispute Resolution***

Any dispute, claim, discrepancy, controversy or complaint arising out of or in connection with the Surcharge Depositary Agreement, including, without limitation, in connection with its interpretation, performance, compliance, termination or validity, will be finally settled by arbitration in accordance with the Rules of International Commercial Arbitration of the Santiago Chamber of Commerce in Chile and administered by the Meditation and Arbitration Centre of the Santiago Chamber of Commerce in Chile. The seat of the arbitration will be Santiago, Chile and the *lex arbitri* will be Chilean law. In the event of any disputes, the liability of the Surcharge Depositary Bank will be limited to the maximum balance reflected in a calendar quarter in the NQIA Trust Account.

***Governing Law***

The Surcharge Depositary Agreement is governed by, and construed and interpreted in accordance with, the laws of Ecuador without prejudice to the rights of Quiport and the Investors under the Investment Contract.

**Dispute Resolution Agreement**

Pursuant to the Dispute Resolution Agreement, dated as of August 24, 2005 ("Dispute Resolution Agreement") entered into among the Granting Authority, Quiport, CCC, the Operator, Airport Development Corporation ("ADC"), ADC Management, the Ecuador Operator, HASDC, the parties thereto agreed that any dispute, difference, controversy or claim (whether based in contract, tort or any other legal doctrine) between or among the parties thereto, arising out of or connected with, or relating directly or indirectly to, the Concession Contract, the Master Assignment and Consent Agreement (as defined in the Concession Contract), the Novation Agreement, the Insurance Agreement (as defined in the Concession Contract), the Dispute Resolution Agreement, the O&M Agreement, the Ecuador Operator Agreement (as defined herein), and certain other agreements will be finally settled by binding arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce as in force on the date of, and as modified by, the Dispute Resolution Agreement.

The Dispute Resolution Agreement provides for the procedures for initiating an arbitration, joining an arbitration, the appointment and composition of the arbitral tribunal, participation by third parties, and cost of arbitration, among other matters. The place of any such arbitration will be Miami, Florida, and the award of the arbitral tribunal will be final and binding. Judgment upon the award may be entered in any court of competent jurisdiction. All costs of the arbitration will be borne in equal shares by all arbitrating parties, *provided* that each arbitrating party will bear its own costs of arbitration.

The Dispute Resolution Agreement is governed by the laws of the State of New York.

**O&M Agreement**

Pursuant to the O&M Agreement, dated as of August 24, 2005, between Quiport and the Operator, the Operator will provide (or cause subcontractors to provide) all facilities and services necessary or appropriate for the management, operation and maintenance of the Airport, including, without limitation, the following (collectively, the "Operator Services" and each an "Operator Service"):

(a) *Airport Services*: The safe and secure operation of the Airport (but excluding the Air Traffic Services, the Security Services and the Other Governmental Services); the management and coordination of the movement and parking of aircraft; the management and coordination of all ground-handling personnel and services (including catering, aircraft interior and exterior cleaning and cabin conditioning and supply of duty free supplies and provisions); the management and coordination of all maintenance and hangarage of aircraft; the handling of passengers and their baggage or of cargo at all stages while on land, including the transfer of passengers, their baggage or cargo to and from aircraft; the handling of parking for staff and passengers at the Airport and for other persons visiting the Airport in the ordinary course of business; the management, administration and training of Operator's and Ecuador Operator's personnel employed at the Airport; the movement of staff and passengers and their interchange between all modes of transport at the Airport; the management and coordination of the operation and maintenance of passenger boarding and disembarking systems, including vehicles to perform remote boarding; the CFR Services at the Airport; the general maintenance and upkeep of the Airport; the supply of flight information display screens and common user terminal equipment; and the planning and implementation of all matters relating to the transition;

(b) *Management, Supervision and Coordination*: The management and supervision of all subcontracts, the agreements between Quiport and the applicable Relevant Authorities for the provision of Other Governmental Services and the service contracts for the Airport, including the monitoring and reporting to Quiport as regards compliance by subcontractors and counterparties to such agreements; the coordination with the Granting Authority, DGAC and the Relevant

Authorities in respect of the provision of the Security Services, the Air Traffic Services and the Other Governmental Services, respectively; the coordination with Quiport of tenant relations and relocations at the Airport as may be necessary from time to time for redevelopments and the efficient operation of the Airport; and the provision of advice and assistance to Quiport with respect to:

(i) the identification of personnel to be employed by Quiport;

(ii) the development, administration and marketing of procurement procedures by Quiport related to non-aeronautical revenue opportunities at the Airport;

(iii) the preparation, review and negotiation of the Quiport contracts;

(iv) the implementation by Quiport of accounting policies, procedures and systems;

(v) the development of a marketing plan by Quiport to increase the volume of air traffic, passengers and cargo and to maximize the revenues of Quiport;

(vi) the implementation of the relevant portions by Quiport of the operations plan relating to the marketing of the Airport;

(vii) the preparation by Quiport every calendar year of an annual business plan that will contain, among other things, operating objectives and plans for such year;

(viii) the preparation by Quiport at least every three years of a strategic plan that must contain, among other things, those activities in connection with the Airports for which Operator is responsible during the period of such plan;

(ix) the procurement and maintenance of all applicable consents, permits approvals and authorizations required to be obtained and maintained by the Operator in connection with the management, maintenance and operation of the Airport (including the certification issued by DGAC to operate the Airport in accordance with the requirements of the DGAC Agreements), the performance of the Operator or any subcontractor in connection with the performance of any Operator Services, the management and supervision of any subcontract and the performance of any of its other obligations under the O&M Agreement;

(x) the coordination and liaison with DGAC, ICAO, lATA and the FAA and all Relevant Authorities in all matters related to the operation, maintenance and/or certification of the Airport;

(xi) the cooperation with DGAC and other Relevant Authorities to promote the interests of the Airport, and to promote the increase of domestic flights to and from the Airport;

(xii) the review of the O&M Agreement and the Technical Scope Document exclusively as it affects Airport operations;

(xiii) the preparation by Quiport every calendar year of a comprehensive budget for the Airport;

(xiv) the preparation by Quiport of any Enhancement Plan and the development and implementation thereof; and

(xv) the development and administration of tenders by Quiport or request for proposal packages related to non-aeronautical revenue opportunities at the Airport including advice and assistance with respect to the selection and marketing of, and invitations to, qualified bidders and the administration of the tender process;

(c) *Facilities, Equipment and Training*: The acquisition for transfer to Quiport and use in accordance with the O&M Agreement of the equipment reasonably necessary for the performance of the Operator Services; and the provision of training programs for the personnel of the Operator and the Ecuador Operator so as to ensure that all such personnel are at all times properly trained;

(d) *Maintenance*: Oversee and direct the performance of routine maintenance and repair for the Airport and related equipment so as to keep the Airport and related equipment in good working order in accordance with the requirements of the O&M Agreement; if a substantial equipment problem is due to the Operator's negligence, misconduct or failure to maintain or operate the Airport in accordance with the requirements of the O&M Agreement, the Operator must correct such problem and will be responsible for the cost of such correction;

(e) *DGAC*: The provision of all assistance and services to Quiport to enable it to perform all its obligations under the DGAC Agreements, including: the submission of Airport operating manuals, plans, programs and procedures to DGAC for approval and certification; the provision to DGAC of offices and space; the provision of maintenance, cleaning, electric power and potable power services (at no cost) in the areas occupied by DGAC; the establishment of a Quiport operations and emergency center that will be the focal point for all operating communications in relation to emergencies in the Airport; the establishment of operating procedures to coordinate between the platforms and control tower to locate the aircraft and a link of direct communications equipment with the control tower and platform operations to park the aircraft in the different pits; the delivery of parking plans to Air Traffic Control for scheduled aircraft arriving at the Airport, and 10 minutes before the time of arrival for non-scheduled aircraft; the provision of flight information display to users at appropriate locations in Airport passenger terminals; once flight estimates are provided by the AIS, the disclosure of information to the interested parties, including the announcements department; the provision of daily information to DGAC in connection with the movement area at the Airport (runway); the authorization and provision of permits for DGAC vehicles in the movement area as may be necessary for DGAC to comply with its responsibilities, and to issue permits for its qualified drivers; the submission to DGAC, for approval, of any proposed construction project that may affect the movement area in the Airport; the notification of DGAC of any temporary change in operating procedures that may have an impact on air traffic services at the Airport; the holding of regular working meetings with DGAC to discuss coordination of the DGAC Services; the coordination of regular safety drills with DGAC, and all emergency response patterns to optimize Airport security; the management and regulation of all aircraft arrivals and departures at the different platforms; the facilitation of the entry of DGAC employees to perform functions inherent to their positions pursuant to the DGAC Services Agreement; and the Operator must submit to DGAC for its approval technical plans and memoranda concerning the Airport in regard to the Movement Area and air spaces in accordance with ICAO standards and such other information as may be required by DGAC in connection with the certification of the Airport; and

(f) *Accidents and Incidents*: the investigation of accidents and incidents at the Airport, to: report to DGAC (including any reporting to DGAC on any accident or incident occurring in the Airport or

within 8 geometric kilometers off the Airport); ensure that members of the Accident Investigation Board have free access at the Airport to the place of accidents, the aircraft and its remains as well as to the relevant technical and administrative area at the Airport for purposes of investigation; remove the aircraft and its remains from the area of maneuvers and to keep under custody such parts that the board believes should be subjected to subsequent verifications, analysis of tests until notice of their final release is issued; submit reports and documents as requested by the board; ensure that CFR Services will act in accordance with applicable regulations with respect to the removal of the victims or remains of the aircraft; and the Operator will be responsible for the operation, management and maintenance of a fire fighting station and fire service and rescue operations at the Airport.

The Operator will perform the Operator Services in such manner that Quiport is able to perform the Airport Services in accordance with the Concession Contract and so that no act, omission or default by the Operator or any subcontractor will constitute, cause or contribute to any breach by Quiport of any of its obligations under the Concession Contract, the DGAC Services Agreement or any other Project Agreement. The Operator will use commercially reasonable efforts to perform the Operator Services in a manner reasonably calculated to facilitate: (a) the overall economic optimization of the Airport by optimizing the availability, capacity and efficiency of the Airport, including, without limitation, as regards the flow of passengers and the allocation of spaces at and within the Airport; and (b) the optimization of the costs and expenditures required to manage, maintain and operate the Airport.

Quiport has the right to have the scope and level of the Operator Services independently reviewed by a mutually acceptable expert every year to ensure that the Operator Services being performed are in compliance with key performance indicators, system availability targets and other requirements of the O&M Agreement and remain appropriate taking into account Quiport's operational requirements, financial position, capabilities and other relevant factors.

The Operator must operate each airport system for the Airport (other than any airport system for which the Granting Authority, any Relevant Authority or airline have primary responsibility and control). The Operator must use commercially reasonable efforts to cause the Granting Authority, each Relevant Authority and each airline to operate each airline system for which such person has primary responsibility and control to achieve a target minimum of 95% availability of required capacity during peak hours, unless a higher percentage of availability is set in certain applicable standards or the Operation and Maintenance Manual. During off-peak hours, such availability may be reduced so long as standards of service continue to meet such standards. The Operator must perform any planned maintenance and other work during off-peak hours and low season periods so that any reduction in such availability does not affect standards of service.

The Operator acknowledges and agrees that Quiport is solely responsible for (a) all financial matters involving airlines that service the Airport, (b) all marketing activities relating to the Airport and the airlines that service the Airport, (c) all decisions regarding route development, (d) all contracts and agreements (whether aeronautical or non-aeronautical in nature) in respect of Revenues and (e) the collection and generation of all and income generated and/or collected by Quiport in connection with the performance of the Airport Services (including the Regulated Fees, but excluding the Reserved Charges and any other charges, fees, levies or taxes collected by Quiport on behalf of the Granting Authority or any other Relevant Authority), which shall be collected or generated by or in the name of Quiport and for its account unless otherwise directed by Quiport.

The Operator must perform the Operator Services on an exclusive basis for Quiport, and may not perform, manage or supervise any service of any nature for any other person in Ecuador or elsewhere, whether at the Airport or otherwise, without the prior written consent of Quiport.

Without the prior written consent of Quiport, the Operator will not have the right to subcontract the whole or any part of the Operator Services to any person; *provided, however*, that Operator is permitted to enter into certain technical service agreements, operation management and financial services agreements, and subcontracts in respect of utilities and cleaning services. No subcontract will in any way relieve the Operator from any of its duties, obligations or liabilities under the O&M Agreement. The Operator will be fully responsible to Quiport for the acts and defaults of all subcontractors as if they were its own, and the Operator will ensure that all subcontractors are contractually bound to comply with the terms of the O&M Agreement.

The Granting Authority, DGAC and the appropriate Relevant Authorities will have control over and be responsible for the performance of the Security Services, the Air Traffic Services and the Other Governmental Services, respectively, at the Airport. The Operator will coordinate, together with Quiport, the performance by the Municipality, DGAC and such Relevant Authorities of such services and cooperate with them in the performance of such services to ensure efficient operations at the Airport.

***Other Operator Undertakings***

Without the consent of Quiport, the Operator cannot and will ensure that the Ecuador Operator will not:

- engage in any business other than the operation and maintenance of the Airport and the performance of its obligations pursuant to the O&M Agreement or the Ecuador Operator Agreement, as the case may be, and other agreements relating to the Airport to which it is a party;
- not take any action or fail to take any action that would cause the Operator or Ecuador Operator to incur any indebtedness for borrowed money or any other indebtedness except in the ordinary course of business;
- not merge into or consolidate with any other person, or liquidate or dissolve itself (or suffer any liquidation or dissolution), or sell, lease, transfer or otherwise dispose of any assets or property other than assets or property which have been determined by the Operator (in its reasonable opinion) to be obsolete or no longer used by or useful to Operator or the Ecuador Operator, as the case may be, for the operation or maintenance of the Airport;
- not purchase or acquire any assets other than the purchase of assets reasonably required for the operation of the Airport in accordance with the O&M Agreement and which may be purchased or acquired in accordance with the Operator budgets (it being understood and agreed that title to all such assets must be conveyed to Quiport immediately upon the acquisition thereof);
- incur or cause Quiport to incur any Operator Expenses for any period in excess of amounts provided for and approved in the respective Operator budgets for such period;
- enter into any contract on behalf of Quiport;
- take any action which could reasonably be expected to result in a default under or have a material adverse impact on the ability of Quiport to perform any of its obligations under any Project Agreement;
- enter into any obligation whatsoever on behalf of the Airport or Quiport, including without limitation, in respect of borrowed money;
- take any action in respect of the Airport or make or cause Quiport to make any expenditure other than in accordance with the Operator annual budgets;

- cause Quiport to act as surety, grant guarantees or incur similar liabilities on behalf of third parties, directly or indirectly, whether for borrowed money or otherwise;

- cause the conveyance, modification, sale or other disposition or pledge of any part of the Airport or any property of Quiport;

- lend or otherwise advance any funds to any employee of the Operator or any subcontractor or any other person;

- describe itself as an agent or representative of Quiport; or

- settle, compromise, release, waive or consent to any of the foregoing in respect of any claim against Quiport.

The Operator will, in a manner to ensure that Quiport complies with its obligations under the Concession Contract in respect of the applicable environmental matters:

- have full regard for the safety of all persons entitled to be upon the Airport and keep the Airport in an orderly state appropriate for the avoidance of danger to such persons;

- avoid releasing into the environment any potentially hazardous materials or otherwise causing any contamination of the environment, and in the event of any such release or other contamination, remediate the same without delay and in accordance with all applicable laws, rules, regulations and decrees;

- assure the occupational health and safety and protection of its employees and the employees of any party with whom it has entered into a contract, lease or other arrangement by complying with all applicable laws, rules, regulations and decrees relating to occupational health and safety;

- take all commercially reasonable steps necessary to protect the environment at the Airport and to limit damages and nuisance to people and property resulting from pollution and other environmentally harmful results of the performance of the Airport Services;

- ensure (to the extent within its reasonable control) that air emissions, surface and effluent discharges and the handling or disposal of any waste arising from the Airport or otherwise arising from Operator's operations at the Airport are in accordance with applicable laws, rules, regulations and decrees, *provided* that the Operator is not responsible to third parties for any noise emanating from any aircraft;

- exert commercially reasonable efforts to ensure that all of its subcontractors, licensees, franchisees and lessees comply with all applicable laws, rules, regulations and decrees concerning the environment with respect to activities undertaken on the Airport or in relation to the Airport and comply with (i) the International Finance Corporation's 1998 Environmental, Health and Safety Guidelines for Airports including the World Bank Group policies and guidance referenced therein; (ii) the International Finance Corporation's 1998 Environmental, Health and Safety Guideline for Wastewater Reuse; (iii) the World Health Organization's Guidelines for Drinking Water Quality (Second Edition), including, without limitation, health-based guideline values and monitoring frequencies; and (iv) all applicable Ecuadorian environmental, health and safety regulatory requirements, all environmental, health and safety related permits, authorizations or licenses applicable to the Project, all other applicable laws, rules, regulations and decrees, and the Concession Contract; and

- take such remedial measures as are required by law or otherwise agreed between Quiport and the Granting Authority, and shall take all reasonable steps to minimize any adverse effects of any pre-existing environmental condition, munitions or archeological or paleontological finding.

The Operator will cause all revenues of the Airport and other amounts payable to Quiport to be paid by the persons owing them directly to the Offshore Collection Account (as defined in the Master Accounts Agreement) or to such other account as Quiport may direct and will immediately deposit in the Offshore Collection Account (or such other account) any such amounts received for any reason by it and hold such amounts prior to such deposit in trust for Quiport.

***Operator Budgets***

The Operator will prepare and maintain an onshore and an offshore annual budget containing an estimate of all operating costs and expenditures to be incurred during the relevant calendar year in connection with the performance of the Operator Services. Such budget must be based on all facts and circumstances then existing and known to the Operator, be prepared in good faith and be consistent with the Operator's obligations under the annual maintenance plan applicable for such calendar year. All such annual budgets are reviewed and must be approved by Quiport. Reallocations in the onshore budget are permitted upon notice to Quiport in any calendar month in an amount of up to 5% of any category in any onshore budget. However, no reallocations or amendments to either budget may increase the aggregate amount of expenses thereunder unless approved by Quiport.

Quiport advances (i) the amount of the scheduled onshore expenses in accordance with the onshore budget to the onshore Operator account on a monthly basis and (ii) the amount of the scheduled offshore expenses in accordance with the offshore budget to the offshore Operator account on a monthly basis. The Operator has the right to withdraw and transfer funds available in the onshore or offshore Operator account exclusively to pay the onshore or offshore Operator expenses, respectively, provided in the applicable budget and, in the case of the offshore Operator account, to pay the Operator Fee. The Operator is responsible for any costs and losses incurred in excess of the amount set forth in the budget in effect and will pay or reimburse Quiport for all losses incurred with respect to any operator expense.

***Operator Fee***

The Operator is entitled to receive an operation and maintenance fee in respect of each calendar year or part thereof (the "Operator Fee") during the term of the O&M Agreement in an amount equal to five percent (5%) of Quiport's EBITDA (as defined therein) in respect of such calendar year or part thereof less the aggregate amount of offshore Operator expenses in respect of such calendar year. The Operator Fee is paid by Quiport in semi-annual installments in arrears for each fiscal semester. The Operator Fee covers all fees and other amounts payable by Quiport to the Operator and the subcontractors other than Operator expenses to the extent payable to any of them.

If the Operator fails to perform the Operator Services in accordance with the O&M Agreement and such failure of performance causes Quiport to incur any loss under any other Project Agreement, including without limitation the Concession Contract, or incur certain other losses referred to in the O&M Agreement, or if the Operator is responsible to pay or reimburse certain amounts referred to in the O&M Agreement, then, without limiting any other right or remedy of Quiport, Quiport has the right to set off any such loss, first against any Operator Fee payable to the Operator, and second against any other amounts payable to the Operator under the O&M Agreement.

***Political Event***

The Operator will give notice to Quiport promptly after becoming aware of the occurrence of a Political Event, and, in any event, within 30 days of the occurrence of such Political Event. If a Political Event prevents the total or partial performance of any of the obligations of either Quiport or the Operator resulting from the O&M Agreement, then the party claiming the Political Event will be excused from whatever performance is so affected and the other party will not be entitled to terminate the O&M Agreement except as expressly provided therein. Notwithstanding the Political Event, the party claiming the Political Event will use its commercially reasonable efforts to continue to perform its obligations under the O&M Agreement and to minimize any adverse effects of such Political Event. A party excused· from performance by the occurrence of a Political Event will continue its performance when the effects of the Political Event are removed.

Notwithstanding anything to the contrary in the O&M Agreement, the Operator will only be excused from performance of the Operator Services to the extent Quiport is excused from performance of the Airport Services under the Concession Contract.

***Force Majeure***

If an event of force majeure (as defined in the O&M Agreement) (a) interrupts or interferes with the regular operation of all or any material portion of the Airport or the utilities or (b) otherwise prevents the total or partial performance of any of the obligations of either Quiport or the Operator resulting from the O&M Agreement, then the party claiming the event of force majeure will be excused from whatever performance is prevented thereby to the extent so affected and the other party will not be entitled to terminate the O&M Agreement except as expressly provided therein. Notwithstanding the event of force majeure, the party claiming the event of force majeure will use its commercially reasonable efforts to continue to perform its obligations under the O&M Agreement and to minimize any adverse effects of such event of force majeure.

A party excused from performance by the occurrence of force majeure will continue its performance under the O&M Agreement when the effects of the event of force majeure are removed.

Notwithstanding anything to the contrary in the O&M Agreement, the Operator will only be excused from performance of the Operator Services to the extent Quiport is excused from performance of the Airport Services under the Concession Contract.

***Event of Default***

The following constitute an event of default on the part of Operator under the O&M Agreement:

(a) the Operator admits in writing its inability to, or be generally unable to, or be deemed unable to, pay its debts as such debts become due or is insolvent; or

(b) the Operator (i) applies for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) makes a general assignment for the benefit of its creditors, (iii) commences a voluntary case under or file a petition to take advantage of any bankruptcy law, (iv) fails to controvert in an appropriate manner within 60 days of the filing of, or acquiesce in writing to or file an answer admitting the material allegations of, any petition filed against it in an involuntary case under any bankruptcy law, (v) takes any corporate action for the purpose of effecting any of the foregoing or (vi) takes any action under any other applicable laws which would result in a similar or equivalent outcome as set forth in subclauses (i) through (v) hereof; or

(c) a proceeding or case is commenced, without the application or consent of the Operator, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Operator or of all or any substantial part of its property or (iii) similar relief in respect of the Operator under any bankruptcy law, and such proceeding or case continues undismissed, or an order, judgment or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect, for a period of 60 or more days; or an order for relief against the Operator is entered in an involuntary case under any bankruptcy law; or any proceeding or action is commenced under any other applicable law, rule, regulation or decree which would result in a similar or equivalent outcome as set forth in subclauses (i) through (iii) hereof; or

(d) the Operator is in breach of certain of its obligations under the O&M Agreement, including the limitations on its engagement in businesses other than the operation and maintenance of the Airport, incurrence of indebtedness, merger and consolidation, sale or other disposition of property, acquisition of assets, and the subcontracting of the whole or any part of the Operator Services without Quiport's consent; its obligation to engage an appropriate and sufficient number of suitably qualified, competent and experienced personnel; certain of its other undertakings described above; the delivery of the annual budgets on a timely basis; and its indemnity obligation in respect of the Performance Bond; or

(e) the Operator is in persistent or material breach of any of its other obligations under the O&M Agreement, which breach is not cured within 20 days of delivery of notice from Quiport to the Operator of such breach; *provided* that if such breach cannot, using best efforts, be cured within such period and the Operator is proceeding with diligence to cure such breach, then the time within which such breach may be cure will be extended to 60 days; and *provided* that any cure period will not be longer than the corresponding cure period afforded to Quiport under the Concession Contract.

It will constitute an event of default by Quiport under the O&M Agreement, if Quiport, within 90 days after the due date for payment thereof, fails to pay to the Operator any undisputed amount due under the O&M Agreement; *provided, however*, that if such breach is capable of being cured and Quiport is proceeding with diligence to cure such breach, then the time within which such breach may be cured will be extended to such date as may be necessary for Quiport to cure such breach.

***Term and Termination***

The term of the O&M Agreement commenced on the Effective Date and, unless terminated earlier in accordance with its terms, will be co-extensive with the term of the Concession Contract.

Either party to the O&M Agreement has the right to terminate the O&M Agreement by not less than 30 days' notice to the other party (a) upon the occurrence and during the continuance of an event of default by the other party that has not been cured; (b) if a Political Event occurs and continues for a period of at least six months and totally prevents the performance by the Operator and its subcontractors of the Operator Services; (c) if an event of force majeure under the O&M Agreement occurs and continues for a period of at least six months and totally prevents the performance by the Operator and its subcontractors of the Operator Services; (d) if an Unauthorized Interruption (as defined below) occurs and continues for a period of at least six months and totally prevents the performance by the Operator and its subcontractors of the Operator Services; *provided* that, with respect to (b), (c) and (d), the Operator will only have such right to terminate the O&M Agreement if (i) Quiport is entitled, at the time of any such termination of the

O&M Agreement, to terminate the Concession Contract and (ii) the no event of default by Operator will have occurred and then be continuing. Either party has the right to terminate the O&M Agreement upon notice to the other party if the Concession Contract has been terminated in accordance with its terms.

In addition, Quiport may terminate the O&M Contract by not let less than 30 days' notice to the Operator if an event of force majeure or Unauthorized Interruption occurs and such event or the consequences thereof, in the sole discretion of Quiport, materially and adversely change the legal or economic position of the Operator from what it is or what it would have been but for such event of force majeure or Unauthorized Interruption or the consequences thereof.

Upon any termination of the O&M Agreement, the Operator will immediately return full operational control of the Airport to Quiport, ensure that those individuals who are critical to the performance of the Operator Services will remain exclusively committed to such performance and be made available to Quiport and, at the request of Quiport, license to Quiport free of charge to Quiport the irrevocable and transferable right to use and reproduce any of the data, documents, materials and other information used at or in connection with or otherwise reasonably related to the operation and maintenance of the Airport, together with all patent, copyright or other intellectual property rights owned by the Operator for all purposes relating to the operation and maintenance of the Airport. To the extent that beneficial ownership of any such patent, copyright or other intellectual property right is vested in anyone other than the Operator, the Operator must use its best efforts to procure that the beneficial owner thereof grants a similar right to Quiport.

***Operator Claims***

If the Operator incurs any material increased cost or other loss (in each case, an "Operator Loss") as a direct result of (a) any Political Event, (b) any event of force majeure, (c) any act or omission by the Granting Authority, the Republic of Ecuador or other Relevant Authority which has an adverse effect on the operation of the Airport or the performance by the Operator or by any subcontractor of the Operator (except where required to mitigate damages resulting from the Operator's failure to comply with its obligations under the O&M Agreement or in the event of any emergency to the extent such emergency is caused by the fault or negligence of the Operator) (an "Unauthorized Interruption") or (d) any tax in respect of which the Operator was exempt as of the Effective Date by virtue of its right to enjoy the benefit of any of the FTZ Tax Exemptions and where such Operator Loss provides a basis for Quiport to submit a claim for compensation or other relief (i) to the Granting Authority under the Concession Contract and/or (ii) to the Republic of Ecuador under the Investment Contract (any such claim to the extent of such Operator Loss being referred to herein as a "Quiport Claim"), then Quiport and Operator will cooperate in good faith with each other in the preparation, submission and pursuit of such Quiport Claim.

Quiport will be entitled to control all aspects of the making, pursuit, settlement and/or compromise of any Quiport Claim and will be entitled to rely upon the information or assistance provided by the Operator. The cost of pursuing the Quiport Claim will be borne by the Operator, and the Operator will indemnity Quiport and hold it harmless for any loss which may be imposed on or incurred by or asserted against it in any way relating to such Quiport Claim, including as a result of any action taken or not taken by Quiport in connection therewith.

The Operator shall not be entitled to receive any compensation or other relief in respect of any Operator Loss or to enforce any rights in respect thereof unless and until Quiport shall have received such compensation or relief the Granting Authority and/or the Republic of Ecuador (as the case may be) under the Concession Contract and/or the Investment Contract (as the case may be) and then only to the extent of such relief.

***Dispute Resolution***

Any dispute of any kind whatsoever arises between Quiport and Operator in connection with, or arising out of, the O&M Agreement, whether before or after termination of the O&M Agreement, which cannot be settled amicably may be submitted by either party to arbitration in accordance with the Dispute Resolution Agreement. Anything to the contrary notwithstanding, during the pendency of any dispute and the resolution thereof, the Operator will continue to perform the Operator Services in accordance with the provisions of the O&M Agreement.

***Governing Law***

The rights and obligations of the parties under or pursuant to the O&M Agreement are governed by and construed in accordance with the laws of the State of New York.

## Management

### Executive Officers and Senior Management

Pursuant to our organizational documents, we are administered by: (i) a General Director, who is our CEO, who in charge of representing the company before others, ensuring compliance with applicable laws, supervise the execution of the duties of the other Directors and ensure compliance with the resolutions of the Shareholders, (ii) a Finance Director, who is our CFO, who in charge of managing the financial operation of the company and the administration of the company; and (iii) a Commercial Director, who is our Business Development Director, who in charge of the commercial relations of the company. Additionally, although the following positions are not set up by our organizational documents, for purposes of the Airport's operations, we are also administered by: (a) an Infrastructure and Engineering Director, who is in charge of the engineering projects of the Airport and (b) an Operations Director, who is in charge of operation and maintenance of the Airport. The main officer and legal representative is the General Director, who must act jointly with any of the other legal representative Directors. In the event of absence of the General Director, we are represented by two joint Directors (the CFO and the Commercial Director). Directors are appointed by our shareholders for two years, without prejudice to any re-election or the power of the general meeting to dismiss a director at any time.

The following table sets forth the members of our governing body and key members of our management and their respective ages and positions at as of the date of these listing particulars:

| Name | Age | Position(s) |
|---|---|---|
| Andrew O'Brian | 48 | Chief Executive Officer |
| Francis Segovia | 42 | Chief Financial Officer |
| Carlos Criado | 60 | Commercial Director |
| Allan Padilla | 38 | Operations and Maintenance Director |
| Leonardo Maia | 47 | Infrastructure and Engineering Director |

The following sets forth certain biographical information regarding our executive officers. The business address for each our main officers is Aeropuerto Internacional Mariscal Sucre, Edif. Quito Airport Center, Nivel 2, Quito, Ecuador EC170907.

*Andrew O'Brian*. Mr. O'Brian served as our Vice President and Chief Operating Officer between 2012 and 2013, and was appointed our President and Chief Executive Officer in March 2013. Prior to joining Quiport in 2012, Mr. O'Brian was Chief Executive Officer of Aerodom Siglo XXI, managing six international airports in the Dominican Republic between 2009 and 2012, Associate Director of Jacobs Consultancy between 2008 and 2009, Director of Airport Operations of Vancouver Airport Services ("YVRAS") in Santo Domingo, Dominican Republic, between 2004 and 2008 and Airport Manager for Copa Airlines between 2003 and 2004. He is presently the President of the ACI-LAC and Vice-Chair of the International Association of Airport Professionals (IAAE/AAAE). He also sits on the ACI World Governing Board. Mr. O'Brian holds an MBA with a specialization in Aviation from John Molson School of Business at Concordia University in Montreal (2009), a Diploma in International Management from Vancouver's Capilano University (2002) and a B.A. in Political Science from British Columbia's University of Victoria (1995).

*Francis Segovia*. Mrs. Segovia acted as our Finance Manager from March to September 2015 and as our interim Chief Financial Officer from October 2015 to February 2016. She was appointed our Chief Financial Officer in February 2016. Mrs. Segovia was the Financial Coordinator at Gente Oil Ecuador Pte. Ltd. from 2014 to 2015, the Finance Manager at Importadora Axstek Cia. Ltda from 2013 to 2014, the Finance Manager at Quiport from January 2013 to September 2013, the Project Finance Officer at Quiport from 2007 to 2012, the Treasurer at Grupo Moore Stephens – D'Brag Contadores from 2005 to 2007 and the Treasurer Coordinator at Equator Holding, Seguros Integral from March to July of 2005.

She also acted in several capacities at Fondos Pichincha, Grupo Banco del Pichincha including as Treasurer from 2005 to 2014, Senior Trader from 1999 to 2004, Junior Trader from 1998 to 1999 and Treasurer assistant and Operational Assistant from June to October 1997. Mrs. Segovia holds a degree in Commercial Engineering from Universidad Católica del Ecuador (2000) and an MBA in Corporate Finance from Universidad de Viña del Mar, Chile (2014). She has also completed the Executive Program in Corporate Finance at IE Business School (2018) and the Airport Executive Leadership Program at Universidad Concordia/John Molson School of Business/ACI (2017).

*Carlos Criado*. Mr. Criado joined Quiport in 2009 and is our current Director for Business Development (*Director Desarrollo de Negocio*). Mr. Criado has more than 30 years of experience in the aviation industry. He worked as Commercial Director of Mexico's Grupo Aeroportuario del Pacífico between 2005 and 2009, overseeing the commercial operation of 10 airports. He also served as Head of International Relations and Marketing of Aeropuerto Españoles y Navegación Aérea (AenaGroup) from 1993 to 2005. In addition, Mr. Criado has chaired and been a member of several international committees within ACI, including as a member of the Economic Committee of the ACI, and has over 20 years of leadership experience on a wide range of international aeronautical councils. Mr. Criado holds a Bachelor's degree in English Philology from Universidad Complutense de Madrid (1986) and has completed more than 20 courses and seminars related to the aviation industry throughout his career.

*Allan Padilla*. Mr. Padilla was appointed our Airport Operations Director in 2012 and has managed the Airport since it began operations in 2013. He has been responsible for all landside and airside operations, working closely with all Airport operators and areas in order to ensure safe, secure and efficient operation of the Airport. Mr. Padilla is a Honduran executive with more than 16 years of experience in airport operations, with a focus in strategic planning, management, crisis management and operational efficiency. He has managed three of the four airports in the Honduran Airport System and led the transition into airport privatization of Honduras. Mr. Padilla is an industrial engineer from Universidad Católica de Honduras (2000) and has a Masters in Commercial and Marketing Direction (2002), as well as a Masters in Aeronautics and Airport Operations and Management (2016) from Udima Universidad a Distancia de Madrid.

*Leonardo Maia*. Mr. Maia joined the Quiport team in 2016 as Director of Infrastructure and Engineering. He is responsible for the planning, programming and coordination of the implementation of the phases of the Airport master plan including cost control, procurement and construction. Prior to joining Quiport, he worked as Project Manager for Andrade Gutierrez S.A. in connection with the construction of a bridge for the Duale River in Guayaquil between 2007 and 2010, the "Astilleros del Alba" project in Venezuela in 2010, and the construction of the new Airport between 2010 and 2013. Between 2013 and 2016, he worked as Project Director for Odebrecht Ecuador in connection with the La Esperanza Dam in Ecuador. Mr. Maia is a mechanical engineer from the Universidad Federal de Minas Gerais (1994) and from Universidad Católica de Santiago de Guayaquil (2007) and has various studies in engineering and project management, including an MBA from the Fundação de Adminitração (2001), post-graduate degree in project management from Fundação Getulio Vargas (2008) and a Masters in Aeronautics and Airport Operations and Management from Udima Universidad a Distancia de Madrid (2017).

**Compensation of our Executive Officers and Senior Management**

Our shareholders approve the compensation of our officers and senior management on an annual basis. We do not disclose compensation for our senior management (general management and other managers).

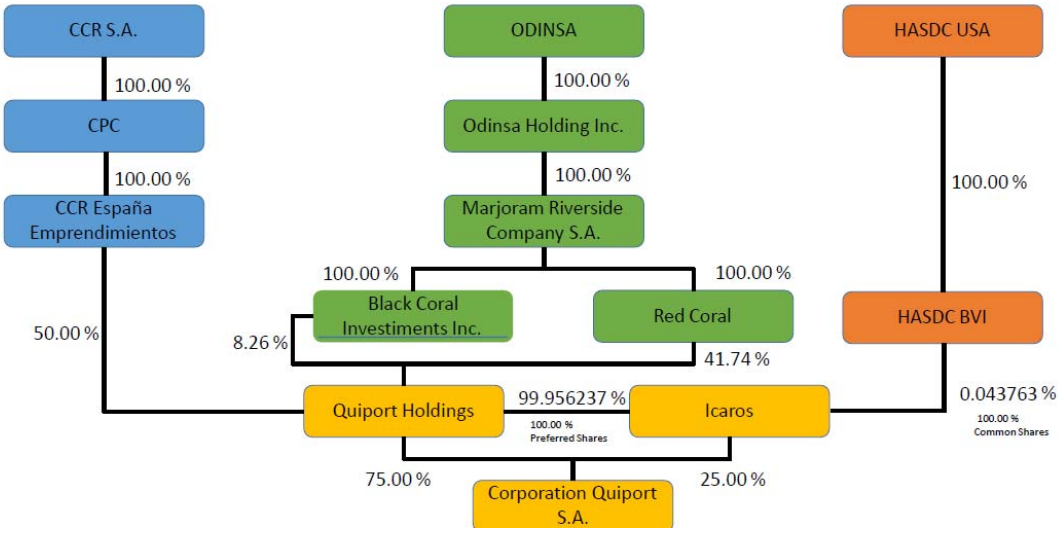
## Principal Shareholders

As of December 31, 2018, the aggregate amount of our issued, outstanding and fully paid share capital was U.S.$66 million represented by 66 million common shares. Each common share entitles the holder thereof to one vote at our shareholders' meetings.

The following table sets forth certain information regarding the ownership of our capital structure as of December 31, 2018:

| Shareholders (direct) | Number of shares | % of total shares |
|---|---|---|
| Quiport Holdings S.A. | 49,500,000 | 75.0% |
| Icaros Development Corporation S.A. | 16,500,000 | 25.0% |
| **Total** | **66,000,000** | **100.0%** |

The following diagram sets forth our corporate structure:




Our indirect Shareholders are highly-experienced strategic developers and operators of concession-based transportation infrastructure assets in multiple jurisdictions around the world. Together, they hold interests in eight airports with an average of approximately 100 million passengers and approximately 1.5 million tons of cargo for the year ended December 31, 2018.

Odinsa is a subsidiary of Grupo Argos, a diversified Colombian conglomerate with infrastructure assets under management of approximately U.S.$15 billion as of December 31, 2018. Odinsa is an airport and toll-road concession company in Latin America, with a portfolio that includes two airports in Latin America (the International Airport of Bogotá and Quito International Airport), two toll roads under construction and four toll-road concessions in operations in Aruba, Colombia and the Dominican Republic.

HASDC is a US-based international airport development and management company. It is a nonprofit corporation created for the benefit of the US-airport system of the City of Houston, which includes the Bush, Hobby and Ellington airports. In addition to Quiport, HASDC is a participant in international airports in San José and Liberia (Costa Rica).

CCR is a Brazilian-based infrastructure company focused on airport, toll roads and mass transit infrastructure projects. Its portfolio includes the international airports of Belo Horizonte and Curaçao (Brazil), Quito and San José (Costa Rica), as well as an airport services company headquartered in Texas. It also holds eleven concession roads in Brazil, covering over 3,265 km of toll roads, three subway lines operated in São Paulo, a subway line operated in Salvador (Bahia), ferryboats and light rail in Rio de Janeiro.

**Quiport Shareholders Agreement**

Quiport HoldCo, Icaros and Quiport entered into the shareholders agreement, dated as of August 24, 2005 (the "Quiport Shareholders Agreement") for the purpose of providing the subscribed capital to Quiport, coordinating for the financing of the Project, managing Quiport's accounting, corporate governance, financial and other related matters.

The Quiport Shareholders Agreement limits the ability of the shareholders of Quiport to transfer any or all its shares or attempt to transfer, either directly or indirectly, any or all of its shares, or any or all of its rights and obligations hereunder, to any other person (whether or not a shareholder) except for any transfer that may be mandated or permitted pursuant to the Concession Contract or any Finance Document or (subject to any restriction in the Concession Contract or any Finance Document) as may be expressly permitted by the Quiport Shareholders Agreement; *provided* that, prior to the discharge, in full, of Quiport's obligations under the Finance Documents (the "Conversion Date"), Icaros may not transfer its Quiport shares to any third party without the prior written consent of Quiport HoldCo, with any such transfer to be subject to the terms of the Finance Documents, and, after the Conversion Date, any such transfer will be subject to the terms of the new shareholders agreement referred to below.

In accordance with the Quiport Shareholders Agreement, the business and affairs of Quiport are managed and operated by the chief executive officer, the chief financial officer and any other executive officer ("Principal Officers") in accordance with the powers of attorney granted by Quiport's shareholders and Quiport's incorporation charter and its bylaws. Pursuant to the Quiport HoldCo Shareholders Agreement, any decision to be made by the shareholders of Quiport regarding Quiport must first be discussed and voted on at a meeting of the shareholders of Quiport HoldCo. All decision taken by the shareholders of Quiport requires the affirmative vote of shareholders of Quiport representing not less than fifty percent (50%) of the shares of Quiport plus one.

Quiport may not enter into any related party transaction with a related party, other than related party transactions which are no less favorable to Quiport than those that could have been obtained in a comparable arms-length transaction by Quiport with an unrelated person.

The Quiport Shareholders Agreement is effective for so long as there is more than one shareholder of Quiport and for so long as Quiport legally exists; *provided, however*, that the Quiport Shareholders Agreement will terminate on the Conversion Date and be substituted by a new shareholders agreement.

The Quiport Shareholders Agreement is governed by the laws of the State of New York.

**Quiport HoldCo Shareholders Agreement**

Aecon Airports Inc. ("Aecon Airports"), Black Coral, CCR España Emprendimientos S.L.U. ("CCR España") and Quiport HoldCo entered into the shareholders agreement, dated as of December 10, 2015 (the "HoldCo Shareholders Agreement") for the purpose of providing funding to Quiport HoldCo, Quiport or Icaros, coordinating for the financing of the Project and managing Quiport's and Quiport HoldCo's accounting, corporate governance, financial and other related matters.

The HoldCo Shareholders Agreement limits the ability of the shareholders of Quiport HoldCo to transfer any or all its shares or attempt to transfer, either directly or indirectly, any or all of its shares, or any or all

of its rights and obligations hereunder, to any other person (whether or not a shareholder) except for any transfer that may be mandated or permitted pursuant to the Concession Contract or any Finance Document or (subject to any restriction in the Concession Contract or any Finance Document) as may be expressly permitted by the HoldCo Shareholders Agreement. Any shares transferred in violation of the terms thereof is subject to the right (but not the obligation) of the non-defaulting shareholders to call such shares. If any shareholder wishes to transfer all or any part of its shares, the other shareholders have a right of first refusal or a tag along right to sell all of such shareholder's shares in Quiport HoldCo.

In accordance with the Quiport HoldCo Shareholders Agreement, the business and affairs of Quiport HoldCo are managed and operated by a board of directors, composed of one director appointed by unanimous consent (90%) of the shareholders of Quiport HoldCo. In addition, each of CCR and Odinsa may designate two of the four members of Quiport HoldCo's steering committee. Any decision made by Quiport HoldCo's steering committee must be approved by the shareholders of Quiport HoldCo as described below.

Pursuant to the HoldCo Shareholders Agreement, the following matters require the unanimous consent (90%) of all the shareholders of Quiport HoldCo: (a) amendment to the HoldCo Shareholders Agreement, the Quiport Shareholders Agreement or the bylaws of Quiport HoldCo or Quiport; (b) any decision regarding merger, consolidation, liquidation, spin-off, reorganization, sale of substantially all of the assets, dissolution or winding-up, in each case with respect to Quiport HoldCo or Quiport, or the sale or transfer of any shares of Quiport or Icaros; (c) voluntarily filing for bankruptcy, in each case with respect to Quiport HoldCo or Quiport, or any proposal or assignment for the benefit of Quiport HoldCo's or Quiport's creditors; (d) any material restriction or change to the nature of the business, operations or properties on which business is conducted, or in the termination of the business, in each case with respect to Quiport HoldCo, Quiport or Icaros; (e) the appointment or termination of any member of the board of directors of Quiport HoldCo; (f) any decision to grant or limit the authority of the board of directors or any member of the board of directors of Quiport HoldCo or the executive officers of Quiport; (g) any increase or decrease in the number of directors of Quiport HoldCo or the executive officers of Quiport; or (h) any termination of or amendment to any Project document.

Pursuant to the HoldCo Shareholders Agreement, the following matters require a supermajority (75%) of all the shareholders of Quiport HoldCo: (a) the approval of annual financial statements, in each case with respect to Quiport HoldCo and Quiport; (b) any declaration or distribution of dividends by Quiport HoldCo or Quiport, any change in the dividend policy of Quiport HoldCo or Quiport or any decision by Quiport HoldCo or Quiport to reserve cash; (c) any waiver or consent or material change or termination of any waiver or consent, with respect to any material license or permit of Quiport HoldCo or Quiport; (d) the appointment, ratification or termination of any executive officers of Quiport HoldCo or Quiport and the ratification of such appointment or termination; (e) any execution of, amendment to, or termination of, any contract or agreement between or among, Quiport HoldCo, Quiport or Icaros, on the one hand, and the shareholders of Quiport HoldCo, or any of their respective affiliates, on the other hand, or any other related party agreement, which will require the approval of at least 75% disinterested shareholders of Quiport HoldCo; (f) any execution of, amendment to, or termination of, any contract or agreement by Quiport HoldCo or Quiport not into in the ordinary course of business, other than related party agreements and agreements that require unanimous consent (90%); (g) any change in the capital stock of Quiport HoldCo or Quiport or the acquisition or issuance of any debt or equity securities or any options over equity securities and securities convertible into shares of Quiport HoldCo or Quiport; (h) the approval or amendment of Quiport's business plan or the annual budget of Quiport HoldCo or Quiport; (i) any change or amendment to any equity or debt securities (or rights to any securities) of Quiport HoldCo or Quiport; (j) the listing or de-listing of any shares (or rights to any shares) of Quiport HoldCo or Quiport on any securities exchange and the approval and filing of any related documents with any securities regulatory authority; (k) the entering into by Quiport HoldCo or Quiport of any joint venture, partnership or other similar arrangement with a third party; (l) any execution of, amendment to, or

termination of, any contract or agreement by Quiport HoldCo or Quiport which has a financial implication for Quiport HoldCo or Quiport, respectively, in excess of U.S.$1.0 million in any financial year, other than related party agreements, agreements that require unanimous consent (90%) or agreements not entered into in the ordinary course of business; (m) any disposition of assets of Quiport HoldCo or Quiport or any sale or encumbrance of any shares of Quiport or Icaros, for an amount greater than U.S.$1.0 million in any financial year; (n) any decision to acquire or participate in a competitive bid process to acquire an interest in any legal entity by Quiport HoldCo or Quiport; (o) any decision regarding additional expenditures or funding at the Quiport HoldCo or Quiport level, which has a financial implication for Quiport HoldCo or Quiport, respectively, in excess of U.S.$1.0 million in any financial year; (p) the commencement of any material litigation or arbitration or the filing of any claim or counter-claim by Quiport HoldCo, Quiport or Icaros in certain circumstances; (q) the incurrence or refinancing of any indebtedness (other than pursuant to the Finance Documents); (r) the approval of any guarantee, material indemnity or loan by Quiport HoldCo or Quiport; (s) the appointment of third party consultants of Quiport HoldCo or Quiport, which has a financial implication for Quiport HoldCo or Quiport, respectively, in excess of U.S.$1.0 million in any financial year; (t) the appointment or dismissal of the external auditors of Quiport HoldCo or Quiport and the ratification of such appointment or dismissal; (u) the creation of any subsidiary or branch of Quiport HoldCo or Quiport and (v) any transfer of the domicile of Quiport HoldCo or Quiport.

The HoldCo Shareholders Agreement is effective for a term of 15 years, to be automatically renewed for successive terms of five years unless the parties thereto mutually agree otherwise in writing at least one year prior to the expiration of the HoldCo Shareholders Agreement.

The HoldCo Shareholders Agreement is governed by the laws of the Republic of Uruguay.

**HASDC Investment Agreement**

Pursuant to the investment agreement, dated August 24, 2005, as further amended and restated on August 15, 2012, (the "HASDC Investment Agreement"), among Quiport HoldCo, Icaros, HAS Development Capital Corporation ("HASDC BVI") and HASDC, HASDC owns and controls 100% of the common shares of HASDC BVI and 25% of the common shares of Icaros, and each of Icaros, Black Coral, Red Coral Investments Inc. (formerly Aecon Airports), and CCR España (formerly AGC Spain), own and control 9%, 45.5% and 45.5%, respectively, of the common shares of Quiport HoldCo; with Quiport HoldCo owning and controlling 75% of the common shares of Quiport.

Pursuant to the HASDC Investment Agreement, the parties made the following contributions to Quiport: (a) Quiport HoldCo and Icaros invested U.S.$1.0 million, in the aggregate, by way of subscription of the common shares of Quiport pursuant to the Quiport Shareholders Agreement and (b) the Investors invested U.S.$73.0 million by way of the Intercompany Loans. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Intercompany Loans." Furthermore, Quiport HoldCo and Icaros committed to invest U.S$65.0 million, in the aggregate, by way of subscription of the common shares of Quiport. In addition, Quiport HoldCo invested U.S.$18.5 million in Icaros by way of subscription for the preferred shares of Icaros and committed to invest U.S.$16.3 million in Icaros by way of subscription for additional preferred shares of Icaros.

The holders of the preferred shares of Icaros are entitled to receive a preferred dividend with respect to each calendar year, or part thereof, in which such preferred shares are outstanding at a rate of 10% per annum (applied against the aggregate cost basis of the preferred shares of Icaros outstanding from time to time) ("Icaros Preferred Shares Dividend Rate"). Subject to applicable law, such preferred dividend is payable by Icaros quarterly (no later than 30 days after the end of each quarter) out of funds from time to time on deposit in the bank account of Icaros established for such purpose ("Icaros Bank Account")

("Icaros Available Funds") and will be cumulative. If Icaros does not have sufficient Icaros Available Funds with which to pay any quarterly installment in respect of such preferred dividend, then such quarterly installment payment is carried forward and paid by Icaros when Icaros has sufficient Icaros Available Funds with which to make such payment.

Holders of the common and preferred shares of Icaros are also entitled to receive a proportional dividend with respect to each calendar year, or part thereof, in which such shares are outstanding, in an amount equal to the net profits/earnings of Icaros for such calendar year, or relevant part thereof, as the case may be, and after taking into account, among other things, the preferred dividend described above and payable out of the Icaros Available Funds.

Furthermore, Quiport HoldCo agrees to pay to HASDC an amount equal to 28% of the amount of any dividend paid on the common or preferred shares of Icaros by Icaros to Quiport HoldCo in respect of the preferred shares if and to the extent such dividend was paid in respect of the period commencing on, taking into account any payments made in accordance with the HASDC Investment Agreement, such date after the 11th anniversary of the effective date of the HASDC Investment Agreement on which the net present value of all distributions to which HASDC would have been entitled after the 11th anniversary of the effective date, but for the agreement of HASDC to defer such distributions during the deferral period, is equal to or exceeds the net present value of 28% of the incremental equity to be invested in Quiport by Icaros, with the net present value calculations to be as of June 28, 2006 and utilizing a 16% per annum discount rate (the "Deferred Participation Date"), assuming, for this purpose, that such date occurs before the final maturity date under the HASDC Investment Agreement. Additionally, during each period of 12 consecutive months commencing on the 11th anniversary of the effective date of the HASDC Investment Agreement and ending on the Deferred Participation Date, and if there are any distributions made by Quiport in such period in respect of base and/or incremental equity, then Quiport HoldCo will pay to HASDC an amount equal to the lesser of (i) U.S.$ 500,000 and (ii) 7% of the distributions made by Quiport in such period.

Following the Conversion Date, HASDC will transfer and convey all of the outstanding common shares of Icaros then held by it to Quiport HoldCo and Quiport HoldCo will transfer and convey to HASDC (or any one or more of its affiliates) such number of shares of Quiport representing 7% of Quiport's shares. Furthermore, on such date, Icaros will, in accordance with the Intercompany Loans, transfer and convey to (i) the other lenders thereunder, in proportion to their respective ownership interests (or those of their affiliates) in Quiport HoldCo, such principal amount of the Intercompany Loans then held by HASDC BVI as will enable the other lenders (or their respective affiliates) to hold, after such transfer and conveyance, 93% of the aggregate principal amount of the Intercompany Loans then outstanding; and (ii) HASDC (or any affiliate thereof) such principal amount of the Intercompany Loans then held by Icaros as will enable HASDC (or such affiliate) to hold, after such transfer and conveyance, 7% of the aggregate principal amount of the Intercompany Loans outstanding on such date.

The HASDC Investment Agreement is governed by the laws of the State of New York.

## Certain Relationships and Related Party Transactions

### General

We have engaged and in the future may engage in transactions with certain related parties and certain of our direct and indirect Shareholders. See "Risk Factors—We have entered into certain transactions with related parties that may create conflicts of interest," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Intercompany Loans" and see note 21 to the Financial Statements. We believe that any related party transaction we have entered into in the past have been conducted in a manner consistent with our normal business practices on market terms and are in accordance with applicable legal standards. There can be no assurance that the potential conflicts of interest inherent in these transactions would not disadvantage us, particularly in circumstances in which our interests differ from the interests of our affiliates or creditors. Our related party transactions are detailed in note 21 to our Financial Statements.

### Services

Since 2006, the Ecuador Operator, a subsidiary of the Operator, and the Operator, an affiliate of Quiport and an indirect subsidiary of Odinsa and CCR, have provided a variety of services necessary for the operation and maintenance of the Old Airport and the Airport, including Airport Services, in accordance with the O&M Agreement.

As of December 31, 2018, 2017 and 2016, Quiport owed the Ecuador Operator U.S.$0.9 million, U.S.$0.9 million and U.S.$0.8 million, respectively, in administrative and personnel expenses. As of December 31, 2018, 2017 and 2016, the Ecuador Operator owed Quiport U.S.$0.8 million, U.S.$0.9 million and U.S.$0.7 million, respectively, related to the outstanding collection balance for operating expenses. During the years ended December 31, 2018, 2017 and 2016, Quiport recorded expenses of U.S.$18.9 million, U.S.$17.3 million and U.S.$16.9 million, respectively, corresponding to services provided to Quiport by the Ecuador Operator.

In addition, as of December 31, 2018, 2017 and 2016, Quiport owed the Operator U.S.$3.2 million, U.S.$2.8 million and U.S.$9.6 million, respectively, in connection with an outstanding balance for services provided. As of December 31, 2016, the Operator owed Quiport U.S.$1.0 million related to anticipated payments for services provided. During the years ended December 31, 2018, 2017 and 2016, Quiport recorded expenses of U.S.$6.7 million, U.S.$6.3 million and U.S.$6.3 million, respectively, corresponding to services provided to Quiport by the Operator.

### Intercompany Loans

We have also entered into the Intercompany Loans with related companies including Aecon Green Coral Investments Inc., Alba, Icaros and Black Coral. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Intercompany Loans." As of December 31, 2018, the total principal amount of these loans was U.S.$79.0 million. We intend to use the proceeds from the Loans to prepay on the Issue Date, in full, the Intercompany Loans. See "Use of Proceeds."

### Shareholders and Investment Agreements

In addition, (i) Quiport HoldCo, Icaros and Quiport entered into the Quiport Shareholders Agreement for the purpose of providing the subscribed capital to Quiport, coordinating for the financing of the Project, managing Quiport's accounting, corporate governance, financial and other related matters; (ii) Aecon Airports, Black Coral, CCR España and Quiport HoldCo entered into the HoldCo Shareholders Agreement for the purpose of providing funding to Quiport HoldCo, Quiport or Icaros, coordinating for

the financing of the Project and managing Quiport's and Quiport HoldCo's accounting, corporate governance, financial and other related matters and (iii) Quiport HoldCo, Icaros, HASDC BVI and HASDC entered into the HASDC Investment Agreement, pursuant to which the parties thereto agreed to make certain contributions to Quiport. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liabilities—Intercompany Loans." For a description of each of the Quiport Shareholders Agreement, HoldCo Shareholders Agreement and HASDC Investment Agreement, see "Principal Shareholders."

**Shareholder Guarantees under the Existing Loans**

Each of CCR and Odinsa have, severally but not jointly, guaranteed the full and punctual payment when due, whether upon maturity, scheduled payment date, by acceleration, early termination or otherwise, of all of our obligations up to 50% of its respective share of such obligations under the Existing Loans, pursuant to each such Shareholders' respective guarantee dated December 20, 2018. Each of CCR's and Odinsa's respective guarantee will terminate upon the assignment of the Existing Loans to the Issuer, as Lender, following this offering of the Notes.

**U.S. Risk Retention**

In order to comply with the U.S. Risk Retention Rule, the Borrower, as the securitization "sponsor" under the U.S. Risk Retention Rule, or a "majority owned affiliate" thereof, will purchase on the Issue Date an "eligible vertical interest" in the form of at least 5% of the aggregate principal amount of all of the Notes (the "U.S. Retention Interest") and hold such U.S. Retention Interest on an ongoing basis for so long as required by the U.S. Risk Retention Rule. Such retention obligation will commence as of the Issue Date, which is the date on which the Loans are transferred to, and/or made by, the Issuer. See "Credit Risk Retention." Pursuant to Spanish insolvency law, in case of insolvency of the Issuer the Notes purchased by the Borrower may be considered subordinated obligations of the Issuer.

**The Loans Agreement**

The Issuer is an affiliate of Quiport and will purchase 100% of the Existing Loans from the Existing Lenders on the Issue Date, as further described under "Use of Proceeds." In addition, the Issuer will use the proceeds of the Notes offered hereby and a portion of the Upfront Fee received by it under the Loans Agreement to extend certain New Loans to the Borrower, as described under "Use of Proceeds." For more information on the terms of the Loans or the Loans Agreement, see "The Loans Agreement and the Loans."

**The Upfront Fee**

In connection with the transactions contemplated by these listing particulars, on or prior to the Issue Date, Quiport will make the Upfront Fee to the Issuer in the amount of approximately U.S.$5.2 million. The Upfront Fee will be used by the Issuer, together with a portion of the proceeds of the Notes, to make New Loans to Quiport, such that the aggregate principal amount of the Loans is equal to the principal amount of the Notes, in order to account for fees and expenses relating to the transactions contemplated hereby.

## The Issuer

### General information

The Issuer, International Airport Finance, S.A., was incorporated as a company (*sociedad anónima*) in Spain on January 31, 2019, and is registered at the Commercial Registry of Madrid in Volume 38771, Sheet 1, page number M-689301. The Issuer has its registered office at Calle Ayala 100, Stair 2, Floor 1, Door D, 28001, Madrid, Spain. The Issuer's Spanish tax ID number is A-88287990 and the Legal Entity Identifier number is 959800M9M5LP0KXUP789.

The Issuer's articles of association are available for inspection at the Commercial Registry of Madrid and at the Issuer's registered office.

### Share capital

As at the date of these listing particulars, the Issuer's issued and fully paid up share capital is €100,000, represented by 100,000 registered ordinary shares with a par value of €1.00 each, all of which are fully subscribed and paid up. The share capital is held as follows: CPC, a fully owned subsidiary of CCR holds 46,500 ordinary shares (46.5%); Odinsa holds 46,500 ordinary shares (46.5%); and HASDC holds 7,000 ordinary shares (7.0%). Currently there are no arrangements in place between the shareholders of the Issuer, the operation of which may at a future date result in a change of control of the Issuer. The Issuer is not a subsidiary of the Company or a member of its group.

### Business and Principal Assets

The Issuer is authorized to raise funds by issuing debt instruments in the international capital markets and was incorporated for the sole purpose of acting as issuer of the Notes and lender under the Loans Agreement. The Issuer has no business, assets or revenue-generating operations other than the issuance of the Notes and the lending of the proceeds of such offering to Quiport. Its only significant assets will consist of its interest in the Loans, any rights as beneficiary under the Assignment of Fiduciary Trust Rights and any cash in its accounts. See "Loans Agreements and the Loans."

The following table sets forth the opening balance sheet of the Issuer at January 31, 2019.

| | **At January 31, 2019,** (*in Euros*) |
|---|---|
| Asset | |
| Short-term asset: | |
| Cash and cash equivalent | 99,988 |
| **Total asset** | **99,988** |
| **Stockholders' equity:** | |
| Stockholders' equity: | |
| Capital Stock | 100,000 |
| Reserves | (12) |
| **Total Stockholders' equity** | **99,988** |

Going forward the Issuer will receive interest on the outstanding principal of the Loans which will accrue at a base rate equal to 12.000% per annum from March 14, 2019, or from the most recent loan payment date, as applicable, which base rate will be adjusted for each loan payment period as described under "The Loans Agreement and the Loans—Interest," and interest and principal will be payable semi-annually in arrears on March 15 and September 15 of each year, with payments of interest commencing on September 15, 2019 and payments of principal commencing on September 15, 2020 (other than on

March 15, 2021). Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

**Management**

The Issuer is managed by a board of directors composed by six permanent directors appointed by the general meeting of shareholders. The members of the board of directors are as follows:

| Name | Position |
|---|---|
| Mr. Eduardo Siqueira Moraes Camargo | Chairman |
| Mr. Luis Jorge González Bernal | Secretary |
| Mr. Celso Paes Junior | Director |
| Mr. Pablo Emilio Arroyave Fernández | Director |
| Mr. Ramón Ernesto Miro | Director |
| Mr. Eduardo Bettín Vallejo | Director |

The business address of the directors is the registered office of the Issuer.

As at the date of these listing particulars, neither the directors nor any related parties, as defined by the Spanish Companies Act, approved by the Royal Legislative Decree 1/2010, of July 2, have disclosed to the board of directors any direct or indirect conflict with the interests of the Issuer.

**Legal Proceedings**

Except as disclosed in these listing particulars, there are no litigation or arbitration proceedings against or affecting the Issuer or any of its respective assets, nor is the Issuer aware of any pending or threatened proceedings, which are or might reasonably be expected to be material in the context of the issuance of the notes.

## Description of the Notes

*The Notes have been issued pursuant to an indenture (the "Indenture"), dated as of the Issue Date, among the Issuer, the Indenture Trustee and the Notes Collateral Agent, and pursuant to a public deed of issuance (escritura de emisión) granted pursuant to Spanish law on or before the Issue Date. The following is a description of the material provisions of the Indenture and the Notes. The following description does not purport to be a complete description of the Indenture and is subject to, and qualified in its entirety by reference to, the Indenture, copies of which may be obtained by contacting the Indenture Trustee (as defined below) at the address set forth on the back cover page of these listing particulars. Capitalized terms used in this section but not defined are as defined under "—Certain Definitions."*

### General

The 12.000% Senior Secured Notes due 2033 (the "Notes") have been issued by International Airport Finance, S.A. (the "Issuer") on March 14, 2019 (the "Issue Date") in the international capital markets in an initial aggregate principal amount of U.S.$400,000,000 as a financing mechanism. The net proceeds received from the sale of the Notes have been deposited into the Issuer Collections Account on the Issue Date and, together with the Upfront Fee, which have been deposited in the Issuer Collections Account, were immediately used to irrevocably purchase and assume all of the Existing Loans and to make one or more New Loans, in the aggregate amount of U.S.$333,001,118.52, to the Borrower pursuant to the Loans Agreement. See "Description of the Notes—Accounts" and "Use of Proceeds." Payments received by the Issuer pursuant to the Loans will be used to make payments of principal, premium (if any), interest, Notes Additional Amounts and other amounts payable by the Issuer pursuant to the Indenture and the Notes. The principal obligation of the Issuer will be to account to the Holders for all such payments when, as and if actually received by the Issuer, in its capacity as Lender under the Loans Agreement, pursuant thereto.

The Notes will have the following principal terms:

- constitute senior, secured obligations of the Issuer;
- rank *pari passu* in priority of payment with all other present and future senior, unsubordinated Indebtedness of the Issuer;
- be secured on a first-priority basis by the Liens on the Notes Collateral described in "—Notes Collateral" below;
- be issued in an aggregate principal amount of U.S.$400,000,000 and in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof;
- bear interest commencing on the Issue Date until, but not including, the Maturity Date, at 12.000% per annum;
- interest and principal will be payable semi-annually on each of March 15 and September 15 of each year, with payments of interest commencing on September 15, 2019 and payments of principal commencing on September 15, 2020 (other than March 15, 2021), to Holders of record on March 1 and September 1, respectively, immediately preceding the corresponding Scheduled Payment Date. The principal amounts that will be payable on each Scheduled Payment Date will correspond to the amounts set out in the repayment schedule set out under "The Loans Agreement and the Loans—Principal and Maturity—Principal." The final payments of interest and principal thereof will be required to be made on the Maturity Date;
- interest will be computed on the basis of a 360-day year of twelve 30-day months. Any payments due on a day that is not a Business Day shall be due on the immediately succeeding Business Day; and
- all amounts payable on the Notes shall be paid in Dollars in immediately available funds.

In compliance with applicable Spanish law, the Issuer has granted on the Issue Date before a Spanish notary public, a public deed relating to the issuance of the Notes (the "Spanish Deed of Issuance") that has been registered with the Commercial Registry of Madrid. Additionally, the Indenture has been raised into public status by the Issuer, the Indenture Trustee and the Notes Collateral Agent by executing the relevant public deed before a Spanish notary public on the Issue Date.

The Notes are being offered and sold only to investors that are either (1) U.S. Persons (as defined in Regulation S) who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and also "qualified purchasers" (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended), or (2) non-U.S. Persons (within the meaning of Regulation S) outside of the United States in compliance with Regulation S.

The registered holder of a Note will be treated as its owner for all purposes. Only registered holders will have rights under the Indenture.

In order to comply with Regulation RR, 17 C.F.R. Part 246, adopted jointly by the United States Securities and Exchange Commission and five other federal agencies in October 2014 (the "U.S. Risk Retention Rule"), the Borrower, as the securitization "sponsor" under the U.S. Risk Retention Rule, or a "majority owned affiliate" thereof, will purchase an "eligible vertical interest" in the form of at least 5% of the aggregate principal amount of all of the Notes (the "U.S. Retention Interest") and hold such U.S. Retention Interest on an ongoing basis for so long as required by the U.S. Risk Retention Rule. Such retention obligation will commence as of the Issue Date, on which date the Issuer will purchase the Assigned Loans and will make the New Loans to the Borrower. On the Issue Date, U.S.$20,000,000 of the Notes will be issued directly, or purchased from the Initial Purchasers, to the Borrower while the remaining U.S.$380,000,000 will be issued in the international capital markets through the Initial Purchasers. See "Credit Risk Retention" and "Plan of Distribution."

The Notes will be payable from amounts received under and in respect of the Loans Agreement and any proceeds from the Notes Collateral, and the Indenture Trustee in its individual capacity or any agent appointed pursuant to the Indenture will have no liability, duty or responsibility in respect of all or any portion of the Loans Agreement and will not be bound thereby.

**Additional Notes**

The Indenture will not limit the aggregate principal amount of the notes that may be issued thereunder, although the issuance of Notes in this offering will be limited to U.S.$400,000,000. Subject to the limitations set forth under "—Covenants—Indebtedness," the Issuer may issue additional notes of the same series as the Notes offered hereby under the Indenture from time to time after this offering (the "Additional Notes"). Such Additional Notes issued under the Indenture shall have the same terms in all respects as the Notes (except that such Additional Notes may have a different issue price or first interest payment date); *provided*, *however*, that unless the Additional Notes are issued under a separate CUSIP number (or other applicable identification number), the Additional Notes must be fungible with the Notes issued on the Issue Date for U.S. federal income tax purposes. Any Additional Notes, if issued, will rank *pari passu* in right of payment and with respect to rights in the Notes Collateral to the Notes issued on the Issue Date, will be treated as a single series for all purposes of the Indenture and will vote on all matters as one class with the Notes issued on the Issue Date.

No offering of any Additional Notes is being or will in any manner be deemed to be made by these listing particulars.

In addition, the issuance of any Additional Notes by the Issuer will also be subject to the following conditions:

(a) all obligations with respect to the Additional Notes shall be secured under the Notes Documents and the Notes Security Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(b) the Borrower and the Issuer shall have delivered to the Indenture Trustee one or more Officer's Certificates, in form and substance satisfactory to the Indenture Trustee, confirming that the issuance of the Additional Notes complies with the Financing Transaction Documents (other than the Onshore Borrower Trust Agreement);

(c) the Issuer shall have delivered to the Indenture Trustee one or more opinions of counsel (including from each relevant local jurisdiction in respect of any Liens), confirming that the issuance of the Additional Notes does not conflict with the Financing Transaction Documents or Applicable Law and that, to the extent applicable, after giving effect to the issuance of the Additional Notes and any transactions related thereto, the Liens created under the Notes Security Documents, as amended, extended, renewed, restated, supplemented or otherwise modified or replaced pursuant to such transaction, are valid and perfected Liens not otherwise subject to any limitation, imperfection or preference period, in equity or law, that such Liens were not otherwise subject to immediately prior to the issuance of such Additional Notes and such amendment, extension, renewal, restatement, supplement, modification or replacement; and

(d) the Lender Debt Service Payment Account and the Lender Debt Service Reserve Account shall have been funded to their respective Required Balances (giving effect to the issuance of Additional Notes) substantially concurrently with the issuance of such Additional Notes.

**Notes Collateral**

The Notes will be secured for the benefit of the Holders by a first-priority security interest in (a) all of the Capital Stock of the Issuer, (b) the Lender's rights in the Loans Agreement, (c) the Issuer Accounts and amounts on deposit therein and financial assets credited thereto, (d) all of the Capital Stock of the Borrower, (e) all Subordinated Indebtedness (other than any Issuer Subordinated Indebtedness) and (f) any proceeds of the foregoing (collectively, together with any other Property subject to or purported to be subject to a Lien in favor of the Notes Collateral Agent for the benefit of the Senior Secured Notes Parties, the "Notes Collateral").

The Issuer and the Shareholders of the Issuer and of the Borrower (as applicable) will be entitled to releases of assets included in the Notes Collateral from the Liens under the Notes Security Documents upon repayment in full and satisfaction of the Issuer's obligations under the Indenture and the satisfaction and discharge of the Issuer's obligations under the Notes in accordance with the provisions described under "—Defeasance and Discharge" and, if the Intercreditor Agreement is then in effect, the repayment in full of all Senior Secured Debt Obligations and the termination of any commitments included in the Senior Debt Exposure.

Other than as provided in the immediately succeeding sentence, and subject to the terms of the Indenture (if applicable), the Shareholders of the Issuer and of the Borrower (as applicable) will be entitled to exercise any voting and other consensual rights pertaining to the Capital Stock of the Issuer and the Borrower or any other Notes Collateral (including, to the extent applicable and subject to the satisfaction of the conditions set forth in "—Covenants—Limitations on Issuer Restricted Payments" below, in the case of the Shareholders of the Issuer, or subject to clause (k) of "The Loans Agreement and the Loans—Negative Covenants," in the case of the Shareholders of the Borrower, the receipt of cash dividends

relating to Capital Stock of the Borrower and the receipt of Issuer Restricted Payments from the Issuer permitted under the Indenture). Upon the occurrence and continuance of a Notes Event of Default and receipt by the Shareholders of the Issuer or the Borrower, as applicable, of written notice from the Notes Collateral Agent (acting upon written instructions from the Indenture Trustee, acting at the direction of Holders of at least 25% of the aggregate principal amount of the Notes then outstanding) (i) instructing such Shareholders not to exercise any voting or other consensual rights pertaining to the Notes Collateral, as applicable, and (ii) confirming that the Notes Collateral Agent will exercise such rights from the date of such notice, such Shareholders shall not exercise any voting or other consensual rights specified in such notice pertaining to the Notes Collateral. In any case, the Shareholders of the Issuer and of the Borrower undertake not to exercise their voting rights in any manner that may (a) affect the validity or enforceability of the Notes Collateral, (b) decrease the nominal value of the pledged Capital Stock (except as may be required by Applicable Law) or (c) cause a default under the Notes.

**Notes Collateral Agent**

Citibank, N.A. will be appointed to act as Notes Collateral Agent on behalf of the Holders and the other Senior Secured Notes Parties pursuant to the Indenture. The Notes Collateral Agent will: (a) accept delivery of the Notes Security Documents and execute and deliver each of such Notes Security Documents on behalf of and for the benefit of the Senior Secured Notes Parties and (b) hold, for the benefit of the Senior Secured Notes Parties, the Liens intended to be created by such Notes Security Documents as valid, perfected Liens over the Notes Collateral.

**Intercreditor Arrangement**

As a condition to the incurrence by the Borrower of any Other Pari Passu Indebtedness, the Designated Representative of the holders of such Other Pari Passu Indebtedness (acting on its own behalf and on behalf of the Intercreditor Secured Parties it represents) shall have entered into a senior priority intercreditor agreement with the Indenture Trustee, acting as a Designated Representative on behalf of the Senior Secured Notes Parties, and the Intercreditor Collateral Agent governing the rights of the Intercreditor Secured Parties with respect to the Shared Collateral, substantially in the form attached to the Indenture (the "Intercreditor Agreement"). Each Designated Representative, acting on behalf of Intercreditor Secured Parties it represents, shall appoint the Notes Collateral Agent as the intercreditor collateral agent (in such capacity, along with any permitted successor in such capacity, the "Intercreditor Collateral Agent") to accept and hold the Liens on the Shared Collateral intended to secure the Intercreditor Secured Obligations on behalf of the Intercreditor Secured Parties.

The Intercreditor Agreement will provide for the priorities and other relative rights among the Intercreditor Secured Parties, including, among other things, the *pari passu* treatment and voting of such Intercreditor Secured Parties.

***Pari Passu Benefit***

The Intercreditor Agreement will require all Intercreditor Secured Obligations to be secured by the Shared Collateral on a *pari passu* basis at all times.

***Sharing; Collateral***

Subject to the provisions of the Intercreditor Agreement, following an Enforcement Action, all amounts paid to, or received by, the Intercreditor Collateral Agent and representing the proceeds of the Shared Collateral or the proceeds of any Enforcement Action in respect of the Shared Collateral shall be paid promptly to the Designated Representatives ratably (without priority of any one over any other except as set forth in the relevant provisions of the Intercreditor Agreement) in the order described under "— Allocation of Collateral Proceeds" based on the amounts then due and payable to the Intercreditor

Secured Parties represented by each such Designated Representative on each level of priority specified therein.

Each Designated Representative (for itself, each Intercreditor Secured Party on whose behalf it executes the Intercreditor Agreement and any other Person claiming through it) (a) will agree that all Shared Collateral is for the joint benefit of all the Intercreditor Secured Parties and (b) will agree that, in respect of any Senior Secured Obligations then or thereafter owing to it and the Intercreditor Secured Parties it represents, it shall not benefit from or receive any security or guarantees from the Borrower or any Affiliate thereof other than its interest in the Shared Collateral and any Exclusive Collateral or any such guarantees that are in respect of all Senior Secured Obligations on a *pari passu* basis. For the avoidance of doubt, the Borrower shall be permitted to guarantee the Issuer's obligations under the Notes in accordance with the terms of the Indenture and, so long as the Borrower guarantees the Issuer's obligations under the Notes, the Borrower shall be permitted to guarantee the obligations of the Special Purpose Debt Entity under the applicable SPDE Facility. In furtherance of the foregoing, if any Intercreditor Secured Party shall receive or be entitled to demand or otherwise call upon any guaranty, security or other assurance of payment in respect of the Senior Secured Obligations owed to such Intercreditor Secured Party other than any Exclusive Collateral or any such guarantees that are in respect of all Senior Secured Obligations on a *pari passu* basis, such Intercreditor Secured Party shall receive any proceeds thereof in trust for all the Intercreditor Secured Parties (to be shared promptly and ratably with the other Intercreditor Secured Parties in accordance with the Intercreditor Agreement) and shall exercise its rights to demand or call upon such guaranty, security or other assurance of payment as directed by the Required Pari Passu Holders (determined without regard to the Voting Party Percentage of such Intercreditor Secured Party).

***Voting and Decision Making***

Except as otherwise expressly provided in the Intercreditor Agreement, each Intercreditor Secured Party shall be entitled to vote in each Intercreditor Vote conducted under the Intercreditor Agreement, represented by its respective Designated Representative.

Each Designated Representative (for itself, each Intercreditor Secured Party on whose behalf it executes the Intercreditor Agreement and any other Person claiming through it) will agree under the Intercreditor Agreement that no Intercreditor Secured Party shall, except in accordance with the provisions of the Intercreditor Agreement, take any Enforcement Action (it being agreed, for the avoidance of doubt, that no acceleration in respect of a Secured Obligation Event of Default or termination or suspension of a commitment under a Pari Passu Indebtedness Document shall be deemed to be an Enforcement Action for any purposes of the Intercreditor Agreement).

Except as otherwise set forth in the Intercreditor Agreement, the Intercreditor Secured Parties may make all decisions, determine the acceptability of and rely on certificates, execute Modifications and grant waivers as are contemplated by, and subject to the terms and conditions of, the Pari Passu Indebtedness Documents to which they are a party.

Each Designated Representative shall vote on behalf of the Pari Passu Holders it represents voting as a single class, as instructed by such Pari Passu Holders in accordance with the Pari Passu Indebtedness Documents to which they are a party. Except as otherwise provided in the Intercreditor Agreement, each Designated Representative will have a number of votes in any Intercreditor Vote equal to the portion of the Senior Debt Exposure (in Dollar amounts) owing to (or committed by) the Pari Passu Holders represented by such Designated Representative. In calculating the Voting Party Percentage consenting to, approving, waiving or otherwise providing direction with respect to a decision, the number of votes cast by any Designated Representative in favor of the proposed consent, approval, Modification, direction or other action (such number, the "Numerator") shall be divided by the total number of votes entitled to be cast with respect to such matter (such number, the "Denominator").

Notwithstanding any provision to the contrary in any Pari Passu Indebtedness Document, none of (a) the Borrower or any Affiliate of the Borrower that from time to time holds any Senior Secured Obligations or (b) any Pari Passu Holder that has agreed, directly or indirectly, to vote or otherwise act at the direction or subject to the approval or disapproval of any Person identified in the foregoing clause (a) shall be entitled to participate in any Intercreditor Vote or any vote under any Pari Passu Indebtedness Document (each of the parties referred to in clauses (a) and (b), a "Non-Voting Senior Creditor") and each Designated Representative, in determining the percentage of votes cast by the Pari Passu Holders acting through it, shall disregard the principal amount of the Senior Secured Obligations that are held by Non-Voting Senior Creditors in both the Numerator and the Denominator of the calculation of any Voting Party Percentage of the Pari Passu Holders acting through it. Except as otherwise provided in the Intercreditor Agreement, each Pari Passu Holder will have a number of votes in any Intercreditor Vote equal to the portion (in Dollar amounts) of the Senior Debt Exposure owing to that Pari Passu Holder (in Dollar amounts).

For purposes of determining the Voting Party Percentage held by such Pari Passu Holders, any portion of the Senior Debt Exposure denominated in a currency other than Dollars shall be converted by the Designated Representative of the Pari Passu Holders holding such portion of the Senior Debt Exposure so denominated using the spot exchange rate from such currency to Dollars provided to the Intercreditor Collateral Agent by its treasury department, on the date of such determination.

***Defaults and Remedies***

None of the Intercreditor Secured Parties shall have any independent power to take Enforcement Action or otherwise enforce or to exercise any rights, discretions or powers in respect of the Shared Collateral except through the Intercreditor Collateral Agent in accordance with the Intercreditor Agreement.

Promptly after any Designated Representative obtains knowledge of the occurrence, cessation or rescission of any Secured Obligation Event of Default under any Pari Passu Indebtedness Document to which it is a party, such Designated Representative shall notify the Intercreditor Collateral Agent in writing thereof (such notice, a "Notice of Default"); *provided*, *however*, that each class of creditors party to any Pari Passu Indebtedness Document will be entitled to seek acceleration of the obligations under such Pari Passu Indebtedness Document upon the occurrence of the Secured Obligation Event of Default in accordance with the terms of the applicable Pari Passu Indebtedness Document. Promptly, and in any event within (2) Business Days, after any Designated Representative obtains knowledge that the Senior Secured Obligations under any Pari Passu Indebtedness Document to which it is a party has been accelerated in accordance with the terms thereof, such Designated Representative shall notify the Intercreditor Collateral Agent in writing thereof. Upon receipt by the Intercreditor Collateral Agent of any such Notice of Default or notice of acceleration as described in the preceding sentence, the Intercreditor Collateral Agent will promptly send a copy thereof to each Designated Representative and each other party to the Intercreditor Agreement.

At any time after the occurrence and during the continuance of a Secured Obligation Event of Default notified through a Notice of Default, any Designated Representative in respect of a Pari Passu Indebtedness Document under which a Intercreditor Secured Obligation Event of Default has occurred and is continuing may serve a notice (such notice, a "Remedies Initiation Notice") on the Intercreditor Collateral Agent which describes such Secured Obligation Event of Default with respect to which such Designated Representative is seeking to pursue Enforcement Action as well as the various Enforcement Actions (the "Proposed Remedies") that such Designated Representative instructs the Intercreditor Collateral Agent to pursue.

If the Intercreditor Collateral Agent receives any Remedies Initiation Notice from any Designated Representative pursuant to the Intercreditor Agreement, and if such notice has not been withdrawn by such Designated Representative prior to the end of the fifth (5th) Business Day after the day on which the Intercreditor Collateral Agent receives such notice, the Intercreditor Collateral Agent shall promptly after

such fifth (5th) Business Day provide each Designated Representative with a copy of such notice and inform each of them of the date (such date, which shall be a Business Day earlier than the Step Down Date, the "Remedies Commencement Date") on which the Intercreditor Collateral Agent will commence the exercise of the Proposed Remedies if so directed by the Designated Representatives representing the Required Pari Passu Holders. Unless the Remedies Initiation Notice was executed by the Designated Representatives representing the Required Pari Passu Holders (in which case the Remedies Initiation Notice must be accompanied by evidence reasonably satisfactory to the Intercreditor Collateral Agent certifying that the Required Pari Passu Holders are providing such Remedies Initiation Notice), the Intercreditor Collateral Agent shall submit such Remedies Initiation Notice to the other Designated Representatives, requesting instructions as to whether the Intercreditor Collateral Agent (a) should exercise the Proposed Remedies in accordance with the applicable Intercreditor Security Document or (b) exercise other Enforcement Actions in accordance with the applicable Intercreditor Security Document. If the Intercreditor Collateral Agent is instructed by the Designated Representatives representing the Required Pari Passu Holders to take such Enforcement Action specified in clauses (a) or (b) of the preceding sentence, the Intercreditor Collateral Agent shall commence the exercise of the Enforcement Action so instructed on the Remedies Commencement Date; otherwise, the Intercreditor Collateral Agent shall take no Enforcement Action with respect to the Secured Obligation Event of Default specified in the Remedies Initiation Notice. Notwithstanding the foregoing, in no event shall the Intercreditor Collateral Agent be required to act at the direction of the Designated Representatives representing the Required Pari Passu Holders unless it has received indemnity or security satisfactory to it in connection with such action.

If at any time more than one group of Pari Passu Holders constituting Required Pari Passu Holders deliver conflicting instructions to the Intercreditor Collateral Agent directing the Intercreditor Collateral Agent to exercise any Enforcement Action, the Intercreditor Collateral Agent shall abide by the instructions provided by the Required Pari Passu Creditors representing the greatest Voting Party Percentage among such groups of Pari Passu Holders.

If the Required Pari Passu Holders elect to take any Enforcement Action, then, subject to the terms of the Intercreditor Agreement, the Intercreditor Collateral Agent shall exercise the Enforcement Actions provided therein (*provided* that the relevant Intercreditor Security Documents permit such Enforcement Action) on the Remedies Commencement Date, and the proceeds of any collection, recovery, receipt, appropriation, realization or sale of any or all of the Shared Collateral and any other proceeds resulting from such exercise shall be for the benefit of all Intercreditor Secured Parties and allocated among them pursuant to the provisions of the Intercreditor Agreement.

***Allocation of Collateral Proceeds***

Upon the exercise of any Enforcement Action as directed by the Required Pari Passu Holders, the proceeds of any collection, recovery, receipt, appropriation, realization or sale of any or all of the Shared Collateral shall be applied to the Senior Secured Obligations in the following order (it being agreed that the Intercreditor Collateral Agent shall apply such amounts in the following order promptly or by such time as may be mutually acceptable to the Intercreditor Collateral Agent and the Required Pari Passu Holders after the receipt thereof); *provided* that, such amounts shall not be so applied until such time as the amount of the Senior Secured Obligations shall have been certified by each relevant Designated Representative to the Intercreditor Collateral Agent in accordance with the Intercreditor Agreement:

> *first*, on a *pro rata* basis, to the payment of all fees and other out-of-pocket costs, expenses, indemnities and/or other amounts due to the Pari Passu Agents in their capacities as such (including costs and expenses incurred in connection with any realization or enforcement of the Shared Collateral taken in accordance with the terms of the Intercreditor Agreement);

*second*, on a *pro rata* basis, to the payment of all fees and other out-of-pocket costs, expenses, indemnities and/or other amounts due to any Pari Passu Holder (other than amounts paid at priority first to the Pari Passu Agents);

*third*, on a *pro rata* basis, to the payment of any interest due and payable to any Pari Passu Holder;

*fourth*, on a *pro rata* basis, to the payment of all principal due and payable to the Pari Passu Holders;

*fifth*, on a *pro rata* basis, to the payment of all other Senior Secured Obligations due and payable to the Pari Passu Holders; and

*sixth*, the balance, if any, after all of the Senior Secured Obligations have been paid in full in cash to the Borrower or as otherwise required by applicable law;

*provided*, *however*, that the foregoing order of application shall not be altered as a result of any Liens under any of the Intercreditor Security Documents failing to secure all of the Senior Secured Obligations, and the Intercreditor Secured Parties shall agree that proceeds of Shared Collateral from all sources shall be applied to ensure that the foregoing order of application is observed.

***Amendments and Modifications***

Solely with respect to certain fundamental actions described below (the "Fundamental Actions"), (a) no Modification shall be agreed to by any Intercreditor Secured Party under any Pari Passu Indebtedness Document, (b) no instruction shall be given to the Intercreditor Collateral Agent under or with respect to any Pari Passu Indebtedness Document and (c) no discretion shall be exercised by any Intercreditor Secured Party under or with respect to any Pari Passu Indebtedness Document, unless, in each case, and in all cases subject to the provisions described in the final two paragraphs under "—Voting and Decision Making," an Intercreditor Vote is taken in accordance with the Intercreditor Agreement and the Designated Representatives representing the Required Pari Passu Holders authorize the Intercreditor Collateral Agent to agree to such Modification, give such instruction or exercise such discretion, as the case may be; *provided* that any such Modification, instruction or exercise of discretion with respect to any Fundamental Action that by its terms materially and adversely affects the rights of Pari Passu Holders under one class of Pari Passu Indebtedness (the "Affected Class") in a manner different than such Modification, instruction or exercise of discretion affects Pari Passu Holders of other classes of Pari Passu Indebtedness, then, in addition to requiring the authorization by the Designated Representatives representing the Required Pari Passu Holders, such Modification, instruction or exercise of discretion with respect to such Fundamental Action shall require the consent of the Pari Passu Holders of such Affected Class, voting as a single class in accordance with the terms of the Pari Passu Indebtedness Document to which they are a party:

(i) any Modification of the Intercreditor Security Documents that has the effect of releasing Shared Collateral from the Lien of any of the Intercreditor Security Document or releasing funds that consist of Shared Collateral held by the Intercreditor Collateral Agent, in each case other than as expressly permitted in accordance with the terms of the Intercreditor Security Documents;

(ii) except as otherwise described in this "—Amendments and Modifications" section, any Modification of any provision of the Intercreditor Agreement;

(iii) any Modification of any Pari Passu Indebtedness Document by any Pari Passu Holder or Designated Representative that would reasonably be expected to (A) result in a breach of or default or acceleration under any Pari Passu Indebtedness Documents governing any other Pari Passu Indebtedness (unless such breach or default is waived by the applicable agent therefor in accordance with such Pari Passu Indebtedness

Documents), (B) materially and adversely affect the rights and remedies of the other Pari Passu Holders (unless consented to by the affected Pari Passu Holders or the applicable agent therefor) or (C) materially and adversely affect the Shared Collateral (it being understood that the sharing of the Shared Collateral with the Pari Passu Holders pursuant to the terms of the Pari Passu Indebtedness Documents and the Intercreditor Agreement shall be deemed in all cases not to have such a material and adverse effect);

(iv) any Modification of any Intercreditor Security Document which would permit the assignment by the Borrower of its obligations under any Intercreditor Security Document other than as expressly permitted under such Intercreditor Security Document (prior to such Modification);

(v) any Modification to any Intercreditor Security Document that alters the relative priority of payments, the application of proceeds as among the Pari Passu Holders of more than one class of Pari Passu Indebtedness or the relative priority of payments on the Senior Secured Obligations set forth in the Intercreditor Agreement; or

(vi) any Modification of any Pari Passu Indebtedness Document by any Pari Passu Holder or Designated Representative that would violate the terms of the Intercreditor Agreement.

Except as otherwise provided in the Intercreditor Agreement, (a) no Modification shall be agreed to by the Intercreditor Collateral Agent, (b) no instruction shall be given to the Intercreditor Collateral Agent under or with respect to any Intercreditor Security Document and (c) no authority shall be exercised by the Intercreditor Collateral Agent under or with respect to any Intercreditor Security Document unless, in each case, an Intercreditor Vote is taken in accordance with the procedures described in "—Voting and Decision Making" and the Required Pari Passu Holders authorize the Intercreditor Collateral Agent or Designated Representative, as applicable, to agree to such Modification, provide the Intercreditor Collateral Agent with such instruction or authorize the Intercreditor Collateral Agent to exercise such authority, as the case may be; *provided* that the Intercreditor Collateral Agent shall, at the request of any Designated Representative and without the need for a prior determination through an Intercreditor Vote, agree to such Modifications (i) in regard to ambiguities, inconsistencies, errors, matters or questions arising under the Intercreditor Agreement or the other Pari Passu Indebtedness Documents that (A) are necessary or desirable to reflect the clear intent of the parties, (B) will not be inconsistent with the Intercreditor Agreement (for example, errant cross-references and misspelled defined terms) and (C) will not materially adversely affect the interests of any of the Intercreditor Secured Parties, (ii) to add guarantees with respect to, or additional collateral to secure, all Senior Secured Obligations on a pari passu basis, to modify any Notes Security Document (other than any Notes Security Document in respect of Exclusive Notes Collateral) to provide that the Liens thereunder secure all of the Senior Secured Obligations (as opposed to the Senior Secured Notes Obligations only) and to replace the Notes Collateral Agent with the Intercreditor Collateral Agent as a party thereto, or to confirm and evidence the release, termination or discharge of any such guarantee or Shared Collateral when such release, termination or discharge is permitted by the Intercreditor Agreement, (iii) evidence and provide for the succession of a new Intercreditor Collateral Agent or any successor to a Designated Representative, and (iv) reflect the accession of any Designated Representative representing Pari Passu Holders in respect of Pari Passu Indebtedness incurred after the execution date of the Intercreditor Agreement.

In executing any Modification pursuant to the proviso of the immediately paragraph, the Intercreditor Collateral Agent shall be entitled to receive and shall be fully protected in relying upon an Officer's Certificate from the Designated Representative requesting such Modification stating that all conditions precedent under the Intercreditor Agreement to such Modification have been complied with and an opinion of counsel stating that all conditions precedent and covenants under the Intercreditor Agreement

in respect of such Modification have been complied with, and that such Modification is authorized or permitted by the Intercreditor Agreement.

**Shareholders Undertaking Agreement**

In addition to the Notes Collateral, on or prior to the date that is 90 days after the Issue Date, the Shareholders of the Borrower, the Shareholders of the Issuer and the Notes Collateral Agent will enter into a shareholders undertaking agreement (the "Shareholders Undertaking Agreement") in the form attached to the Indenture, to be governed under the laws of the State of New York, pursuant to which:

(a) each of the Shareholders of the Borrower will agree to deposit, into the Issuer Collections Account, any Expropriation Compensation received by it and, if and to the extent applicable, into the Borrower Compensation Account, any proceeds directly received by it in lieu of the Borrower from a Casualty Event or Disposition, in each case to be held on behalf of the Borrower and applied in accordance with the Loans Agreement as described under "The Loans Agreement and the Loans—Accounts and Priority of Payments";

(b) each of the Shareholders of the Borrower will agree to deposit, into the Issuer Collections Account, all proceeds of any buyout or other repurchase of the Concession Contract pursuant to the terms of the Concession Contract (including Clause 18.4 thereof); and

(c) each of Shareholders of the Borrower and the Shareholders of the Issuer, as applicable, will agree not to, directly or indirectly, grant any Lien, pledge, charge, security interest or encumbrance of any kind or nature on the Capital Stock of the Borrower or the Capital Stock of the Issuer, as applicable, except, for Liens (a) on the Notes Collateral in favor of the Senior Secured Notes Parties to secure any obligations of the Issuer under the Notes Documents, (b) on the Notes Collateral that are Permitted Liens and (c) on the Capital Stock of the Borrower and any proceeds thereof securing Indebtedness of a Special Purpose Debt Entity, to the extent the proceeds thereof are used by such Special Purpose Debt Entity solely to extend Pari Passu Indebtedness to the Borrower, and so long as the holders of such Indebtedness of the Special Purpose Debt Entity have entered into the Intercreditor Agreement.

**Accounts and Priority of Payments**

The Issuer Accounts will consist of the Lender Debt Service Payment Account, the Lender Debt Service Reserve Account and the Issuer Collections Account (collectively, the "Issuer Accounts") and will be established and maintained in accordance with the Indenture and the Issuer Security and Accounts Agreement, which will provide for the establishment of, deposits into and withdrawals from the Issuer Accounts, as described below.

***Lender Debt Service Payment Account***

Prior to the Issue Date, the Issuer will establish the Lender Debt Service Payment Account as a segregated secured account with the Notes Account Bank in the name of the Issuer denominated in Dollars. The Lender Debt Service Payment Account will be funded (a) with any amounts received by the Issuer, in its capacity as Lender, from the Borrower under the Loans Agreement and the other Finance Documents, including all payments of principal, premium, if any, interest and other payments received by the Issuer, in its capacity as Lender, from the Borrower under the Master Accounts Agreement (as described in the Loans Agreement), (b) from the Lender Debt Service Reserve Account, (c) from the Issuer Collections Account and (d) at the option of the Issuer, from the Capital Contribution Account. Amounts on deposit in the Lender Debt Service Payment Account will be used to pay Debt Service in respect of the Notes and any other amounts due and payable by the Issuer under the Indenture or the Notes, in each case, on any date when such amounts are due.

The Notes Collateral Agent shall withdraw all or any portion of the amount on deposit in the Lender Debt Service Payment Account, on each Scheduled Payment Date or any other date when any amounts are due and payable by the Issuer under the Indenture or the Notes, for purposes of making payments in respect of the Notes in the following order of priority:

(a) first, to pay fees and expenses and indemnities, if any, then due and payable to the Indenture Trustee and the Notes Agents;

(b) second, to pay all accrued and unpaid interest (including Notes Additional Amounts, if any) due on the Notes;

(c) third, to pay any principal payment (including Notes Additional Amounts, if any, in respect thereof) due on such Scheduled Payment Date on the Notes; and

(d) fourth, to pay any other amounts due under the Indenture or on the Notes.

***Lender Debt Service Reserve Account***

Prior to the Issue Date, the Issuer will establish the Lender Debt Service Reserve Account as a segregated secured account with the Notes Account Bank in the name of the Issuer denominated in Dollars. To the extent that there are insufficient funds in the Lender Debt Service Payment Account on any Scheduled Payment Date, Offer to Purchase Date, redemption date, upon acceleration or otherwise to make any required payments under the Indenture and the Notes, the Notes Collateral Agent will, to the extent that funds are available (including as a result of any drawing on any DSRA Reserve L/C credited thereto), transfer an amount equal to such deficiency from the Lender Debt Service Reserve Account to the Lender Debt Service Payment Account.

The Lender Debt Service Reserve Account will initially be funded on the Issue Date with one or more irrevocable and unconditional standby letters of credit in favor of the Notes Collateral Agent (each a "DSRA Reserve L/C") issued by an Acceptable Financial Institution, for credit thereto in an amount equal to the then-applicable Required Balance of the Lender Debt Service Reserve Account, to be delivered by the Shareholders of the Borrower or any Affiliate thereof. The Shareholders of the Borrower (or such Affiliate or Affiliates) may (but shall not be required to) from time to time deliver additional DSRA Reserve L/Cs for credit to the Lender Debt Service Reserve Account, and the amounts available to be drawn under any DSRA Reserve L/C credited to the Lender Debt Service Reserve Account shall be taken into account for purposes of determining the balance standing to the credit of the Lender Debt Service Reserve Account from time to time.

Each DSRA Reserve L/C shall include the following terms:

(a) such DSRA Reserve L/C shall expire no earlier than the date that is twelve months from the date of issuance thereof;

(b) unless (A) such DSRA Reserve L/C is renewed or replaced by another DSRA Reserve L/C or (B) the Borrower deposits or causes to be deposited in the Lender Debt Service Reserve Account funds in an amount sufficient to cause the balance thereof to be no less than the Required Balance thereof, in each case at least 60 days prior to the expiration date of such DSRA Reserve L/C, the Notes Collateral Agent shall be permitted to, under the terms of such DSRA Reserve L/C, and shall, draw on the entire face amount of such DSRA Reserve L/C;

(c) upon the issuer of such DSRA Reserve L/C ceasing to be an Acceptable Financial Institution, the Notes Collateral Agent shall be permitted under the terms of such DSRA Reserve L/C to, and shall, draw on the entire face amount of such DSRA Reserve L/C, unless a replacement DSRA Reserve L/C has been issued by an Acceptable Financial Institution within 30 days from such event;

(d) none of the Issuer, the Borrower or the Notes Collateral Agent shall have any reimbursement or other obligation to the issuer of the DSRA Reserve L/C, and such issuer shall irrevocably waive any claim or other rights against the Issuer, the Borrower and the Notes Collateral Agent that may arise from the issuance, existence or performance of its obligations under the DSRA Reserve L/C, including any and all rights of subrogation, whether or not such claim, remedy or right arises in equity or under contract, statute or common law;

(e) the DSRA Reserve L/C shall be subject to International Standby Practices 1998 (ISP 98) as set out in International Chamber of Commerce Publication No. 590, as amended, modified, replaced or supplemented and in effect from time to time and, to the extent not inconsistent therewith, governed by and construed in accordance with the law of the State of New York; and

(f) the DSRA Reserve L/C will be available to be drawn in all cases in which the Issuer Security and Accounts Agreement provides for a transfer of funds from the Lender Debt Service Reserve Account and the funds then available in the Lender Debt Service Reserve Account are not sufficient to make such transfer.

Upon delivery of any DSRA Reserve L/C, there shall also be delivered to the Notes Collateral Agent an Officer's Certificate of the Issuer stating that all conditions precedent and covenants under the Financing Transaction Documents with respect to the delivery of such DSRA Reserve L/C have been complied with.

***Issuer Collections Account***

Prior to the Issue Date, the Issuer will establish the Issuer Collections Account as a segregated secured account with the Notes Account Bank in the name of the Issuer denominated in Dollars. The Issuer Collections Account will be funded with (a) on the Issue Date, the net proceeds of the Notes and the Upfront Fee received by the Issuer from the Borrower, (b) with any credits, refunds or reimbursements from the government of Ecuador received by the Issuer or the Borrower as a result of any Taxes paid, withheld or deducted by the Borrower, (c) any amounts required to be deposited therein in accordance with the Shareholders Undertaking Agreement, (d) any Expropriation Compensation received by the Borrower, (e) amounts on deposit in the Lender Debt Service Payment Account or the Lender Debt Service Reserve Account to the extent they exceed the Required Balance for such account and (f) any proceeds of an Excess Loans Optional Prepayment.

Amounts on deposit in the Issuer Collections Account will be used, on the Issue Date, for the purchase of the Assigned Loans as described under "The Loans Agreement and the Loans—Optional Prepayment of the Existing Loans by means of Assignment" and, together with the amounts constituting the Upfront Fee deposited in the Issuer Collections Account, to make the New Loans to the Borrower as described under "The Loans Agreement and the Loans."

Funds on deposit in the Issuer Collections Account shall be available to (a) cover insufficiencies in the Lender Debt Service Payment Account or, at the option of the Issuer, the Lender Debt Service Reserve Account, (b) in the case of amounts therein constituting Expropriation Compensation Amounts, (i) within the period of sixty (60) days from the receipt of such Expropriation Compensation by the Borrower or its Shareholders, for transfer to or at the direction of the Borrower for application as required under paragraph (o)(i) under "The Loans Agreement and the Loans—Covenants—Affirmative Covenants," (ii) for application to the redemption of the Notes to the extent required under "—Redemption of the Notes—Expropriatory Action" or (iii) to the extent such amounts are not required to be applied in accordance with the preceding subclauses (i) or (ii), for transfer to the Offshore Collection Account, and (c) to make Issuer Restricted Payments in accordance with the immediately following paragraph. Any transfer to or at the direction of the Borrower (other than transfers to the Lender Debt Service Payment Account) of funds in the Issuer Collections Account constituting Expropriation Compensation shall be deemed to be a

repayment or prepayment of Issuer Subordinated Indebtedness by the Issuer, and any transfer of such funds to the Lender Debt Service Payment Account shall be deemed to be simultaneously a repayment or prepayment of Issuer Subordinated Indebtedness by the Issuer and a payment by the Borrower under the Loans Agreement in the same amount.

On any date within a Restricted Payment Period, after making any payments required to be made from the Lender Debt Service Payment Account in accordance with the Issuer Security and Accounts Agreement, the Issuer shall be permitted to apply funds on deposit in the Issuer Collections Account, other than any such funds constituting Expropriation Compensation Amounts, as the Issuer may specify in the Issuer Restricted Payment Certificate delivered in connection with such application, to make Issuer Restricted Payments (including to transfer such funds to the Capital Contribution Account for application at any time thereafter for any lawful purpose), subject to the satisfaction of each of the conditions described under "—Covenants—Limitation on Issuer Restricted Payments" below with respect to such application.

***Capital Contribution Account***

The Issuer has established, in its own name, a Capital Contribution Account, denominated in Euros and maintained at the Capital Contribution Account Bank, for the purpose of receiving and maintaining capital contributions from its Shareholders. The Capital Contribution Account will not be an "Issuer Account." The Issuer shall have exclusive control over and exclusive right of withdrawal from its Capital Contribution Account and such account and any amount standing to the credit thereof from time to time will not be pledged, hypothecated, transferred, assigned, granted or subject to any flawed asset arrangement in any way whatsoever under the Notes Documents to or in favor of the Senior Secured Notes Parties.

The Issuer and its Shareholders shall have the right at any time to deposit into the Capital Contribution Account any cash proceeds from any issuances of Capital Stock by the Issuer permitted under the Indenture or any Subordinated Indebtedness incurred by the Issuer.

The Capital Contribution Account shall be funded solely with (a) cash proceeds from any issuances of Capital Stock by the Issuer or Subordinated Indebtedness incurred by the Issuer, in each case in accordance with the immediately preceding paragraph, and (b) transfers from the Issuer Collections Account constituting Issuer Restricted Payment permitted to be made in accordance with "—Covenants—Limitation on Issuer Restricted Payments."

The Issuer may use funds on deposit in the Capital Contribution Account to cover insufficiencies in the Lender Debt Service Payment Account or the Lender Debt Service Reserve Account or for any other purpose in its sole discretion. For the avoidance of doubt, any payments or transfers made or declared by the Issuer from funds on deposit in the Capital Contribution Account shall not constitute Issuer Restricted Payments.

***Investments***

Amounts on deposit in any Issuer Account, in whole or in part, may, so long as no Event of Default shall have occurred and be continuing, be invested in Permitted Investments at the direction of the Issuer. From the Issue Date until a different investment instruction is delivered by the Issuer to the Notes Account Bank, amounts on deposit in the Lender Debt Service Reserve Account shall be invested in Citibank, N.A.'s Dollars on Deposit in Custody Account and amounts on deposit in the other Issuer Accounts shall remain uninvested.

***Disposition of Accounts upon Retirement of the Notes***

After the payment in full of the principal and interest on the Notes outstanding, and after the payment in full of all fees, charges, expenses and non-contingent indemnities of the Indenture Trustee and the Notes Agents and all other amounts required to be paid under the Notes Documents, the Issuer will instruct the

Notes Account Bank to transfer all amounts remaining in any of the Issuer Accounts (including interest income on Permitted Investments) in accordance with the instructions of the Issuer (as directed by the Shareholders of the Issuer).

**Payments on the Notes**

Payments of interest, principal, Make-Whole Premium (if applicable) and Notes Additional Amounts (if any) on the Notes will be paid to each Holder on a *pro rata* basis; it being understood that, with respect to any tender or purchase offer described in "—Offers to Purchase the Notes" below, the Issuer's purchase of any Notes participating in such tender will be made on a *pro rata* basis only among such participating Notes.

***Interest***

Interest on the outstanding principal of the Notes will accrue at a rate equal to 12.000% per annum from the Issue Date, or from the most recent Scheduled Payment Date, as applicable, and will be payable semi-annually in arrears on each Scheduled Payment Date commencing on September 15, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Notes will be payable on each Scheduled Payment Date to the applicable holder of record as of the most recent Record Date.

***Principal***

The Issuer will make payments of principal and premium, if any, in respect of the aggregate principal on the Notes to Holders out of (a) payments in respect of principal arising as a result of repayment in accordance with the repayment schedule set out under "The Loans Agreement and the Loans—Principal and Maturity—Principal," at maturity or earlier as a result of an acceleration or prepayment of the Loans received by the Lender from the Borrower pursuant to the Loans Agreement, and (b) any payments of premium or other amounts payable in connection with any prepayment of the principal of the Loans as provided in the Loans Agreement. Installments of principal will be payable on each Scheduled Payment Date *pro rata* to the registered Holder thereof on the immediately preceding Record Date.

The Notes will mature on March 15, 2033.

**Source of Available Funds**

The Notes will be payable from the periodic payments the Issuer receives from (a) the Borrower pursuant to and in respect of the Loans Agreement, in its capacity as Lender, and (b) any proceeds from the Notes Collateral.

**Payment Procedures**

Payments in respect of the Notes will be made at the Corporate Trust Office of the Indenture Trustee in New York by the Indenture Trustee or at the specified office of any Paying Agent appointed by the Issuer for such purpose; *provided* that, so long as the Notes are held in the name of a nominee of DTC, the Indenture Trustee, or such Paying Agent, will make such payments to the Depositary Trust Company ("DTC") or its nominee, as the case may be, in accordance with DTC's applicable procedures.

**Redemption of the Notes**

***Optional Redemption***

At any time prior to March 15, 2024, the Issuer may redeem all, but not less than all, of the Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to (a) 100% of the principal amount of the Notes to be redeemed plus (b) accrued and unpaid interest and Notes Additional Amounts,

if any, to, but not including, the Redemption Date plus (c) the Make-Whole Premium at the Redemption Date. This notice will specify the Redemption Date, the components of the redemption price to be payable to such Holders and the place(s) of payment of such amounts. See "—Redemption Procedures."

At any time on or after March 15, 2024, the Issuer may, at its option, redeem all, but not less than all, of the Notes, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest and Notes Additional Amounts, if any, on the Notes to be redeemed to, but not including, the Redemption Date, if redeemed during the twelve-month period beginning on March 15 of each of the years indicated below:

| **Year** | **Percentage** |
|---|---|
| 2024 | 106.000% |
| 2025 | 106.000% |
| 2026 | 104.000% |
| 2027 | 103.000% |
| 2028 | 102.000% |
| 2029 and thereafter | 101.000% |

"Make-Whole Premium" means, with respect to a Note on any applicable Redemption Date, an amount equal to the excess, if any, of (a) the sum of the present value at such date of (i) the redemption price of such Notes on March 15, 2024 (such redemption price being set forth in the table above) and (ii) each remaining scheduled payment of interest (excluding accrued and unpaid interest to the Redemption Date) and principal (exclusive of the Redemption Date) due on such Notes through and including March 15, 2024, computed using a discount rate equal to the Treasury Rate *plus* 50 basis points, over (b) the principal amount of such Note. The Issuer shall determine the Make-Whole Premium and the Indenture Trustee shall have no duty to verify such determination.

"Treasury Rate" means, with respect to any Redemption Date, the rate per annum, as determined by an Independent Investment Banker, equal to the semi-annual equivalent yield to maturity or interpolated maturity (if there is no equivalent maturity) (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Issuer.

"Comparable Treasury Price" means, with respect to any Redemption Date (a) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (b) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means either of Citigroup Global Markets Inc. or Santander Investment Securities Inc., or any of their respective Affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Issuer; *provided*, *however*, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the quotation agent by such Reference Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such Redemption Date.

The Issuer shall be permitted to carry out an optional redemption and deliver an optional redemption notice to the Indenture Trustee and the Indenture Trustee will deliver such notice to the Holders; *provided* that such notice shall provide that (a) the amounts prepaid under the Loans shall be sufficient to redeem the Notes, and the Notes shall be redeemed, in whole but not in part and (b) the date of redemption shall be the same as the date of the prepayment, in each case, as set forth in such Optional Prepayment Notice; *provided further* that notwithstanding anything to the contrary in the Indenture or the Notes Documents, the Issuer shall have the right to optionally redeem the Notes in full, but not in part, upon receipt of sufficient funds from the Borrower or a third party, whether or not such funds were received pursuant to the Loans Agreement. The amounts required to effect such optional redemption and the procedures of such optional redemption shall be the same as the amounts required and procedures listed in this section and "—Redemption Procedures," respectively, in each case adjusted as necessary.

***Optional Redemption for Changes in Taxes Related to the Notes***

If, as a result of any change in or amendment to the Applicable Laws of a Relevant Taxing Jurisdiction, or any amendment to or change in an official interpretation, administration or application of such Applicable Laws, which change or amendment or change in official position becomes effective on or after the Issue Date, with respect to a successor, after the date a successor assumes the obligations under the Notes, (a) the Issuer has or will become obligated to pay Notes Additional Amounts after taking all reasonable measures to avoid these requirements or (b) in respect of the Issuer's obligation to make any payment under the Notes, the Issuer would no longer be entitled to claim a deduction in respect of computing its tax liabilities in Spain (as the case may be), or such entitlement is materially reduced, the Issuer may, at its option, redeem all, but not less than all, of the Notes, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest, if any, to, but excluding, the applicable redemption date, upon publication of irrevocable notice not less than 30 days nor more than 60 days prior to the applicable redemption date. No notice of such redemption may be given earlier than 60 days prior to the earliest date on which the Issuer would, but for such redemption, be obligated to pay the Notes Additional Amounts.

In the event that the Issuer elects to so redeem the Notes, it will deliver to the Indenture Trustee: (a) a certificate of an Authorized Officer of the Issuer stating that the Issuer is entitled to redeem the Notes pursuant to the Indenture and setting forth a statement of facts showing that the condition or conditions precedent to the right of the Issuer to so redeem have occurred or been satisfied; and (b) an opinion of counsel to the effect that the Issuer has or will become obligated to pay Notes Additional Amounts or would no longer be entitled to claim a deduction in respect of computing its tax liabilities in Spain or such entitlement is materially reduced, as the case may be, but, in each case, as a result of any change in or amendment to the Applicable Law of a Relevant Taxing Jurisdiction and that all governmental approvals necessary for the Issuer to effect the redemption have been obtained and are in full force and effect.

***Mandatory Redemption Upon Optional Prepayment of Loans***

In the event that any notice is delivered by the Borrower to the Issuer in connection with the Borrower exercising its right to prepay amounts due under the Loans pursuant to the provisions described under "The Loans Agreement and the Loans—Optional Prepayments—Optional Prepayment" (an "Optional Prepayment Notice") other than in the case of an Excess Loans Optional Prepayment, the Issuer will be required to carry out and consummate a redemption in accordance with the terms as described under "—Optional Redemption" above and (a) the amounts prepaid under the Loans shall be sufficient to redeem

the Notes, and the Notes shall be redeemed, in whole but not in part and (b) the date of redemption shall be the same as the date of prepayment, in each case, as set forth in such Optional Prepayment Notice.

***Mandatory Redemption for Changes in Taxes Related to the Loans***

If the Borrower exercises its right to prepay, in whole but not in part, all amounts due under the Loans pursuant to the provisions described under "The Loans Agreement and the Loans—Optional Prepayments—Optional Prepayment for Changes in Taxes," the Issuer shall redeem all of the Notes, upon not less than 30 nor more than 60 days' notice to Holders (with a copy to the Indenture Trustee) (*provided* that (a) such notice shall only be given by the Issuer if it receives from the Borrower a copy of a notice of the Borrower's exercising its right to prepay (an "Optional Prepayment upon Change in Tax Notice"), in whole but not in part, all of the Loans pursuant to the provisions described under "The Loans Agreement and the Loans—Optional Prepayments—Optional Prepayment for Changes in Taxes," (b) such notice shall provide that the Redemption Date shall be the same as the date of prepayment set forth in such Optional Prepayment upon Change in Tax Notice and (c) the Issuer and the Indenture Trustee shall have received a copy of the opinion delivered to the Lender and the Administrative Agent by the Borrower as described under "The Loans Agreement and the Loans—Optional Prepayments—Optional Prepayment for Changes in Taxes"), at a redemption price in U.S. Dollars equal to the sum of: (x) 100% of the principal amount of the Notes plus (y) accrued and unpaid interest and Notes Additional Amounts, if any, on the Notes to but not including the Redemption Date. The Indenture will provide that no premium will be payable by the Issuer with respect to any such redemption. If such redemption price (or portion thereof) is paid by (or on behalf of) the Issuer, then the Indenture Trustee will apply such amounts (including, for the avoidance of doubt, with respect to any prepayment in whole but not in part, amounts on deposit in the Issuer Accounts) to make such payment to the applicable Holders.

***Redemption Procedures***

Upon receipt of (a) a prepayment notice from the Borrower (other than in respect of an Excess Loans Optional Prepayment) and/or (b) the amounts required to make payment in respect of principal, accrued and unpaid interest, premium (if any) and Notes Additional Amounts, if any, on the corresponding principal amount of Notes to be redeemed (the "Redemption Amounts"), the Administrative Agent shall promptly pay over the Redemption Amounts so received from the Borrower or a third party to the Notes Account Bank for deposit into the Lender Debt Service Payment Account. As described herein, the Notes Collateral Agent, upon instruction from the Issuer, shall withdraw such Redemption Amounts received into the Lender Debt Service Payment Account and any amounts on deposit in the Lender Debt Service Reserve Account (not taking into account the undrawn amount then available under any DSRA Reserve L/C, if any, credited to the Lender Debt Service Reserve Account outstanding as of such date) for distribution therefrom to the Holders of the Notes being redeemed pursuant to such redemption. The funds available to be used to so redeem the Notes shall be limited to funds in respect of the amounts actually received from the Borrower; *provided* that notwithstanding anything to the contrary in the Indenture or the Notes Documents, the Issuer shall have the right to redeem the Notes in full, but not in part, upon receipt of sufficient funds, whether or not such funds were received from the Borrower pursuant to the Loans Agreement. For the avoidance of doubt, no corresponding redemption of Notes shall be permitted to be undertaken in connection with an Excess Loans Optional Prepayment.

Any Redemption Date must be a Business Day in New York.

Notice of any redemption will be sent at least 30 but not more than 60 days before the Redemption Date to each Holder to be redeemed at its registered address or otherwise in accordance with the procedures of the Note Depository. The notice of redemption of the Notes shall be given by the Indenture Trustee in the name and at the expense of the Issuer, upon the Issuer's written request at least five Business Days (unless a shorter period is acceptable to the Indenture Trustee) prior to the date the notice of redemption is

to be delivered to the Holders of Notes to be redeemed, which shall include all of the information required to be set forth in the notice of redemption. All notices of redemption shall state:

- the Redemption Date (which, if applicable, shall be the same as the relevant corresponding prepayment date pursuant to the Loans Agreement);
- the provisions pursuant to which such redemption is being made;
- the redemption price and the amount of accrued interest payable, if any;
- that the Issuer is redeeming the outstanding Notes in whole; and
- any conditions to the redemption.

Once the notice of redemption is sent to the Holders, the Notes called for redemption shall become irrevocably due and payable at the redemption price on the Redemption Date; *provided*, *however* that any redemption of Notes at the Issuer's option may, if so provided in the applicable redemption notice, be made subject to the satisfaction of one or more conditions precedent; *provided further* that the consummation of any related optional prepayment of Loans shall be subject to the same condition or conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the Redemption Date so delayed. If any such redemption is delayed or terminated, the Issuer will provide prompt written notice of such delay or termination to the Indenture Trustee and the holders.

Notwithstanding the immediately preceding paragraph, no notice of redemption that is provided pursuant to the Indenture as described under "—Redemption of the Notes—Redemption for Changes in Taxes Related to the Notes" or "—Redemption of the Notes—Redemption for Changes in Taxes Related to the Loans" may be revocable or made subject to the satisfaction of one or more conditions. The Issuer will pay the redemption price for any Note, together with accrued and unpaid interest and Notes Additional Amounts, if any, thereon, to, but excluding, the applicable Redemption Date. On and after the Redemption Date, interest will cease to accrue on Notes called for redemption as long as the Issuer has deposited or caused to be deposited in the Lender Debt Service Payment Account with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of any Notes, such redeemed Notes will be cancelled by the Indenture Trustee in the manner described in "—Purchase by the Issuer; Cancellation" below.

For the avoidance of doubt, if a redemption is being undertaken in connection with an optional prepayment of Loans as described under "The Loans Agreement and the Loans—Prepayments of the Loans—Procedures and Notice of Optional Prepayment" and (a) such optional prepayment is made subject to the satisfaction of one or more conditions precedent, the satisfaction of such condition or conditions precedent shall be required to be applicable to such optional redemption as well, or (b) such optional prepayment is delayed or terminated for any reason, such optional redemption shall similarly be delayed or terminated on the same basis as such optional prepayment.

Notwithstanding the foregoing provisions of this "—Redemption of the Notes" section, the Issuer is not prohibited from acquiring the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise. However, any Notes the Issuer acquires are subject to the conditions and restrictions set forth in "—Notices; Meetings of Holders; Voting" and "—Purchase by the Issuer; Cancellation."

***Mandatory Loan Redemption Event***

Other than as provided under this "—Redemption of the Notes" or under "—Offers to Purchase the Notes," in the event of any other prepayment of the Loans (other than an Excess Loans Optional Prepayment), for any reason, except for the repayment of the Loans following an acceleration thereof, the Issuer shall redeem such portion of the Notes (including accrued interest and Notes Additional Amounts through the date of such redemption) equal to the aggregate principal amount of Loans being repaid or prepaid using the proceeds of any deposit received in the Lender Debt Service Payment Account with respect to such repayment or prepayment, as applicable, within five Business Days of receiving such deposit (a "Mandatory Loan Redemption Event").

**Offers to Purchase the Notes**

Upon the receipt by the Issuer of an Offer to Purchase Instruction from the Borrower as described in "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments," the Issuer shall make an Offer to Purchase by giving notice (an "Offer to Purchase Notice") to each holder (with a copy to the Indenture Trustee), in accordance with DTC's applicable procedures and as set out in "—Offer to Purchase Procedures," offering to purchase on the Offer to Purchase Date all or a portion of the Notes properly tendered and not withdrawn, which date will be no earlier than 30 days and no later than 60 days from the date such Offer to Purchase Notice is given. The Indenture Trustee shall deliver an Offer to Purchase Notice to the Holders upon written request of the Issuer delivered to the Indenture Trustee in an Officer's Certificate delivered to the Indenture Trustee at least five Business Days prior to the date such notice is to be delivered (or such shorter period as the Indenture Trustee may agree).

Upon the Issuer's delivery to the Holders through the Indenture Trustee of an Offer to Purchase Notice, each Holder will have the right to tender in the offer all or any portion of such Holder's Notes. The Issuer will: (a) subject to the next paragraph, accept (except to the extent such would violate Applicable Law) for purchase all (or, as applicable, the relevant portion of) Notes that have been tendered in (but not withdrawn from) such offer, and (b) pay each applicable Holder for its Notes a purchase price as described below, subject to receipt, by the Issuer, from the Borrower of the required prepayment amount under the Loans and any additional amounts required to be paid by the Borrower in connection therewith. Any such Notes so purchased by the Issuer will be immediately cancelled by the Indenture Trustee in the manner described in "—Purchase by the Issuer; Cancellation" below.

The paying agent will promptly deliver to each Holder properly tendered payment of the purchase price for such Notes in accordance with the Offer to Purchase, and the Indenture Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of at least U.S.$200,000 or an integral multiple of U.S.$1,000 in excess thereof. The Issuer will publicly announce the results of the Offer to Purchase on or as soon as practicable after the Offer to Purchase Date.

The Issuer will provide prompt notice (and in any event no later than three Business Days prior to the Offer to Purchase Date) to the Indenture Trustee, the Borrower and the Administrative Agent of the aggregate principal amount of Notes validly tendered and not validly withdrawn by the fourth Business Day prior to the Offer to Purchase Date, and upon such notice, the Borrower will be required to prepay the Loans on the Offer to Purchase Date in such aggregate principal amount of the Notes that have validly tendered into the Offer to Purchase and not withdrawn (including any accrued and unpaid interest, if any, and any other amounts payable under the Indenture, if any), subject to any limitations set out in "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments."

If the Issuer purchases only a portion of an outstanding Note in connection with an Offer to Purchase, the Issuer will, promptly upon cancellation of such original Note, issue in the name of the Holder thereof a

new Note in a principal amount equal to the portion thereof not purchased. The unpurchased portion of any Note will not be less than the minimum denomination of a Note specified in "—General."

***Change of Control Offer to Purchase***

In the event of the Issuer has received a Change of Control Notice from the Borrower in connection with a Change of Control Triggering Event, the Issuer will deliver an Offer to Purchase Notice to each Holder (with a copy to the Indenture Trustee) in accordance with DTC's applicable procedures and the Indenture and will make an Offer to Purchase all or a portion of the Notes outstanding on the Offer to Purchase Date, at a purchase price equal to 101% of the outstanding principal amount of the Notes, together with accrued and unpaid interest and Notes Additional Amounts thereon, if any, to, but excluding, the Offer to Purchase Date.

***Early Termination Offer to Purchase***

If the Issuer has received a Termination Notice from the Borrower in connection an Early Termination Offer, the Issuer will deliver an Offer to Purchase Notice to each Holder (with a copy to the Indenture Trustee) in accordance with DTC's applicable procedures and the Indenture and will make an Offer to Purchase all of the Notes outstanding on the Offer to Purchase Date (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled Payment Date), without any premium, at a purchase price equal to 100% of the outstanding principal amount of the Notes to be purchased, together with accrued and unpaid interest and Notes Additional Amounts thereon, if any, to, but excluding, to the Offer to Purchase Date.

***Disposition of Assets***

If the Issuer has received an Excess Disposition Notice from the Borrower pursuant to the Loans Agreement, the Issuer will deliver an Offer to Purchase Notice to each Holder (with a copy to the Indenture Trustee) in accordance with DTC's applicable procedures and the Indenture and will make an Offer to Purchase Notes in a maximum principal amount as described under "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Disposition of Assets Prepayment" outstanding on the Offer to Purchase Date (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled Payment Date) that may be purchased with the Remaining Disposition Amount received in the form of cash or Cash Equivalents and are transferred to the Issuer as a prepayment of the Loans as described under "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Disposition of Assets Prepayment," without any premium, at a purchase price equal to 100% of the outstanding principal amount of the Notes to be purchased, together with accrued and unpaid interest and Notes Additional Amounts thereon, if any, to, but excluding, to the Offer to Purchase Date.

***Casualty Event***

If the Issuer has received a Casualty Event Notice from the Borrower pursuant to the Loans Agreement, the Issuer will deliver an Offer to Purchase Notice to each Holder (with a copy to the Indenture Trustee) in accordance with DTC's applicable procedures and the Indenture and will make an Offer to Purchase Notes in a maximum principal amount as described under "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Casualty Event Prepayment" on the Offer to Purchase Date (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled Payment Date) that may be purchased with the Remaining Insurance Payment Amount received in the form of cash or Cash Equivalents and are transferred to the Issuer as a prepayment of the Loans as described under "The Loans Agreement and the Loans—Prepayments of the

Loans—Mandatory Prepayments—Casualty Event Prepayment," without any premium, at a purchase price equal to 100% of the outstanding principal amount of the Notes to be purchased, together with accrued and unpaid interest and Notes Additional Amounts, if any, to, but excluding, the Offer to Purchase Date.

***Expropriatory Action***

If the Issuer has received an Expropriation Notice from the Borrower pursuant to the Loans Agreement, the Issuer will deliver an Offer to Purchase Notice to each Holder (with a copy to the Indenture Trustee) in accordance with DTC's applicable procedures and the Indenture and will make an Offer to Purchase Notes in a maximum principal amount as described under "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Expropriatory Action Prepayment" on the Offer to Purchase Date (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled Payment Date) that may be purchased with the Remaining Expropriation Compensation Amount deposited by the Borrower or any Affiliate thereof in the Issuer Collections Account as described under "The Loans Agreement and the Loans—Prepayments of the Loans—Mandatory Prepayments—Expropriatory Action Prepayment," without any premium, at a purchase price equal to 100% of the outstanding principal amount of the Notes to be purchased, together with accrued and unpaid interest and Notes Additional Amounts, if any, to, but excluding, the Offer to Purchase Date.

***Offer to Purchase Procedures***

An Offer to Purchase by the Issuer provided above must be made by written offer, which will specify the principal amount of Notes subject to the offer and the purchase price. The offer must specify an expiration date (the "expiration date") not less than 20 Business Days or more than 30 Business Days after the date of the offer (or such other time period as may be required by Applicable Law) and a settlement date for purchase (the "purchase date") not more than five Business Days after the expiration date. The offer must include information concerning the business of the Issuer, which the Issuer believes in good faith will enable the Holders to make an informed decision with respect to the Offer to Purchase. The offer will also contain instructions and materials necessary to enable Holders to tender Notes pursuant to the Offer to Purchase.

A Holder may tender all or any portion of its Notes pursuant to an Offer to Purchase, subject to the minimum denomination requirement and the requirement that any portion of a Note tendered must be in a multiple of U.S.$1,000 principal amount. Holders are entitled to withdraw Notes tendered up to the close of business on the expiration date. On the purchase date, the purchase price will become due and payable on each Note accepted for purchase pursuant to the Offer to Purchase, and interest on Notes purchased will cease to accrue on and after the purchase date.

If an Offer to Purchase is for less than all of the outstanding Notes and Notes in an aggregate principal amount in excess of the purchase amount are tendered and not withdrawn pursuant to the Offer to Purchase, then the Issuer will purchase Notes having an aggregate principal amount equal to the purchase amount on a *pro rata* basis, with adjustments so that only Notes in multiples of U.S.$1,000 principal amount will be purchased.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other Applicable Law in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any Applicable Law conflict with provisions of this covenant, the Issuer will comply with such Applicable Law and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such Applicable Law or Rule 14e-1, as applicable.

Solely in connection with a Change of Control Offer, in the event that the Holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept a Change of Control Offer and the Issuer

purchases all the Notes held by such Holders, the Issuer will have the right, on not less than 30 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to such Change of Control Offer described above, to redeem all of the Notes that remain outstanding following such purchase at the purchase price equal to that in the Change of Control Offer plus, to the extent not included in the Change of Control Offer payment, accrued and unpaid interest and Notes Additional Amounts, if any, on the Notes that remain outstanding, to the Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant interest payment date).

The Issuer will not be required to make any Offer to Purchase pursuant to the terms of the Indenture if (1) a third party makes the Offer to Purchase in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase, or (2) notice of redemption for all outstanding Notes has been given pursuant to the Indenture as described above under the caption "—Redemption of the Notes—Optional Redemption" or "—Redemption of the Notes—Mandatory Redemption Upon Optional Prepayment of Loans," unless and until there is a default in payment of the applicable redemption price.

Each Holder (except as otherwise required by law) will be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive Note issued in respect of it) and no Person will be liable for so treating the Holder.

Payments for all Notes tendered and accepted in such an Offer to Purchase will be payable from amounts received under or in respect of the Loans Agreement for the applicable events described in "The Loans Agreement and the Loans—Mandatory Prepayments" and there is no assurance that the Issuer would be able to make payments for, whether due to the lack of sufficient funds or otherwise. While the Issuer may seek to obtain financing in order to make such payments, it may not be able to do so and its failure to make such payments when due would constitute an Event of Default.

**Limitations on Remedies**

The obligations of the Issuer under the Notes and the Indenture are, from time to time and at any time, payable from amounts received under the Loans Agreement and any proceeds from the Notes Collateral. Following realization or collection of amounts received under the Loans Agreement and any proceeds from the Notes Collateral and application of proceeds thereof in accordance with the terms of the Indenture, none of the Holders or the Indenture Trustee will be entitled to take any further action to recover any sums due but remaining unpaid with respect to the Notes and all claims in respect of which will be extinguished and shall not thereafter revive

**Modification of the Indenture and the Financing Transaction Documents**

***Amendments without Consent of the Holders***

The Borrower, the Issuer, the Administrative Agent, the Indenture Trustee and/or the applicable Agent may, from time to time and at any time, without notice to or the consent of the Holders or any other Person enter into a written amendment of or supplement to, or instruct the Issuer to amend or supplement, as applicable, any Financing Transaction Document to which it is a party for one or more of the following purposes:

(a) to: (i) add additional covenants or representations and warranties of the Issuer for the benefit of some or all of the Holders and/or the Indenture Trustee and/or any other Notes Agent or of the Borrower for the benefit of the Lender and/or the Administrative Agent and/or any other Loans Agent; (ii) add guarantees with respect to some or all of the Notes or the Loans or additional collateral to secure some or all of the Notes or the Loans or to

confirm and evidence the release, termination or discharge of any guarantee or collateral with respect to some or all of the Notes or the Loans when such release, termination or discharge is permitted by the Finance Documents or the Notes Documents, as applicable, (iii) surrender any right and/or power conferred upon the Borrower or, with respect to the Notes Documents, any right and/or power conferred upon the Issuer, (iv) add any Rating Agency for the Notes, (v) evidence and provide for the succession of a new Indenture Trustee, the Notes Account Bank and/or any other Agent, (vi) issue Additional Notes in accordance with the terms of the Indenture, (vii) comply with any applicable rules or regulations of any securities exchange on which any Notes issued under the Indenture are listed, (viii) conform the text of any Finance Documents or Notes Documents to any provision of this "Description of the Notes" section, the "The Loans Agreement and the Loans" section or the "Description of Notes Security Documents" section to the extent that such provision was intended to be verbatim recitation of a provision of the applicable Finance Documents or Notes Documents, which intent may be evidenced by an Officer's Certificate to that effect, (ix) change the listing venue of the Notes to a regulated market, multilateral trading facility or other organized market in a member country of the OECD or equivalent third country trading facility (including, for the avoidance of doubt, the Singapore Exchange Securities Trading Limited), and/or (x) to permit or facilitate the issuance of Notes in definitive form; and

(b) to make such other modifications in regard to ambiguities, inconsistencies, errors, matters or questions arising under the Notes Documents as the Issuer or under the Finance Documents as the Lender and the Borrower may deem necessary or desirable that will not be inconsistent with the provisions of the Notes Documents or Finance Documents, as applicable and that will not adversely affect in any material respect the interests of any of the Holders that have not consented thereto; *provided* that an Officer's Certificate will be required to be addressed and delivered to the Indenture Trustee or Administrative Agent, as applicable, to the effect such amendment does not in any material respect adversely affect the interests of any of the Holders that have not consented thereto;

***Amendments with Consent of the Holders***

Pursuant to the terms of the Loans Agreement and the Indenture, the Lender, or the Administrative Agent on behalf of the Lender, will provide written notice to the Indenture Trustee for the benefit of the Holders promptly of any and all written notices it receives relating to the Finance Documents or the Notes Documents, as applicable, including any request by the Borrower for amendment, supplement or waiver or any other affirmative action with respect to the Borrower and the Finance Documents or the Notes Documents, as applicable, and at least 15 Business Days prior to effectiveness of any such amendment, supplement or waiver. Other than as provided above under "—Amendments Without Consent of the Holders," the Lender shall not agree to any modification of the terms of the Finance Documents to which it is a party without having first received directions from the Indenture Trustee, acting upon the written instructions of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding and, if the Intercreditor Agreement is then in effect, subject to any conditions set forth therein, if applicable.

The Financing Transaction Documents may be amended with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, Notes) and, if the Intercreditor Agreement is then in effect, subject to any conditions set forth therein, if applicable, and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, Notes). However, without the consent of each Holder of outstanding Notes adversely affected thereby (and, if the

Intercreditor Agreement is then in effect, subject to any conditions set forth therein, if applicable), no amendment, supplement or waiver may:

(a) other than in connection with the partial prepayment or repurchase of the Loans in compliance with the Loans Agreement, reduce the principal amount or the rate of interest on, or change the stated maturity of any payment of principal or installment of interest on the Loans, or change the currency in which the Loans are payable or impair the Lender's right to institute suit for the enforcement of any such payment;

(b) other than in connection with the partial redemption or repurchase of the Notes in compliance with the Indenture, reduce the principal amount or the rate of interest on, or change the stated maturity of any payment of principal or installment of interest on the Notes, or change the currency in which the Notes are payable or impair the Indenture Trustee's right to institute suit for the enforcement of any such payment;

(c) reduce the amount payable upon prepayment or repurchase of the Loans or change the time at which the Loans may be prepaid or repurchased (other than with respect to notice periods in connection with a prepayment of the Loans);

(d) reduce the amount payable upon redemption or repurchase of the Notes or change the time at which the Notes may be redeemed or repurchased (other than with respect to notice periods in connection with a redemption of the Notes);

(e) alter the ranking of the Borrower's payment obligations under the Finance Documents or the Issuer's payment obligations under the Notes Documents in a manner that adversely affects the rights of the Holders of such Notes;

(f) reduce the percentage of principal amount of the outstanding Notes the consent of whose Holders is required for any amendment, supplement or waiver;

(g) except to the extent expressly permitted by the Indenture or the other Notes Documents, permit the creation of any Lien prior to or *pari passu* with the Lien of the Notes Security Documents with respect to the Notes Collateral, terminate (except as specifically contemplated by the Indenture and the Notes Security Documents) the Lien of or deprive the Lender or any Holder of the Notes of the security afforded by the Lien of the Notes Security Documents;

(h) materially increase the discretionary authority of the Indenture Trustee under the Indenture; or

(i) make any change in the preceding amendment and waiver provisions.

Following the receipt of the consent of each Holder of outstanding Notes to any of the above, the Issuer may amend the Notes Documents to which it is a party and the Borrower may amend the Finance Documents to which it is a party and, if applicable, issue a new Promissory Note to reflect the amended terms of the Loans Agreement.

The Indenture Trustee will forward all notices received to Holders in accordance with the procedures as described under "—Notices; Meetings of Holders; Voting" of any proposed amendment, supplement or waiver to the Notes or the Indenture described in this section. After an amendment, supplement or waiver described in the preceding paragraph becomes effective, the Issuer is required to give to the Holders a notice briefly describing such amendment, supplement or waiver. However, the failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of the amendment, supplement or waiver.

The consent of the Holders is not necessary to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment, supplement or waiver.

Notwithstanding anything herein, no amendments that would adversely affect the Indenture Trustee or any Agent may be entered into without the consent of the Indenture Trustee or such affected Agent, as applicable.

In executing an amendment or supplement to any Financing Transaction Document, the Indenture Trustee, Administrative Agent or such other Agent, as applicable, shall be entitled to receive and fully protected in relying upon an Officer's Certificate stating that all conditions precedent under the Financing Transaction Documents to such amendment or supplement have been complied with (delivered by the Borrower in the case of Finance Documents and delivered by the Issuer in the case of Notes Documents) and an opinion of counsel stating that all conditions precedent and covenants under the Financing Transaction Documents to such amendment or supplement have been complied with, and that such amendment or supplement is authorized or permitted by the Financing Transaction Documents.

**No Personal Liability**

Each of the Issuer and the owners of the shares of the Issuer and the Borrower will represent and warrant in the applicable Notes Security Document that it is the legal owner of the applicable Notes Collateral free and clear of all Liens, and none of the Issuer or the owners of the shares of the Issuer and the Borrower have made any other representation or warranty of any kind (other than in the applicable Notes Security Documents) and none of them or the Indenture Trustee will assume responsibility with respect to (a) any statements, representations or warranties made by the Borrower in or in connection with the Loans Agreement and the other Finance Documents or these listing particulars, including the accuracy or completeness of the information set forth herein or in any other document used in connection therewith or herewith, (b) the execution, legality, validity, enforceability, genuineness, sufficiency or value of any of the Loans Agreement and the other Finance Documents, (c) the financial condition of the Borrower or its Affiliates or any other Person for the performance or observance by any such Person of any of its obligations under any of the Finance Documents, or (d) the legality of the sale of the Notes or the effects of such sale.

In addition, there will be no recourse for the payment of any amount owing in respect of the Indenture or the Notes against any trustee, officer, director, authorized signatory, employee or shareholder of the Holders, the Indenture Trustee, the Administrative Agent, the Borrower, the Initial Purchasers, or any of their respective Affiliates, any of their respective directors, officers, employees, agents or representatives, or any of their successors or assigns for any amounts payable under the Indenture or the Notes. Each Holder by accepting any Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. None of the Issuer, the Indenture Trustee or any successor trustee will be personally liable under any circumstances, except for its own bad faith, willful misconduct or gross negligence (as conclusively determined by a court of competent jurisdiction), or as otherwise provided in the Indenture.

**Notices; Meetings of Holders; Voting**

As long as any global Notes are outstanding, notices to be given to Holders will be given to the Note Depository, in accordance with its applicable policies as in effect from time to time. If the Issuer issues Notes in definitive form, notices to be given to Holders will be sent by mail to the respective addresses of the Holders as they appear in the register of Notes, and will be deemed given when mailed. For so long as any Notes are listed on the Luxembourg Stock Exchange and in accordance with the rules and regulations of the Luxembourg Stock Exchange, the Issuer will publish all notices to Holders in a newspaper with general circulation in Luxembourg, which is expected to be the Luxemburger Wort, or

alternatively the Issuer may also publish a notice on the website of the Luxembourg Stock Exchange (www.bourse.lu).

A meeting of Holders may be held at any time and from time to time to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Indenture to be made, given or taken by such Holders. The Indenture Trustee may at any time call a meeting of the Holders for any such purpose to be held at such time and at such place as the Indenture Trustee will reasonably determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, will be given by the Indenture Trustee to each Holder not less than 10 (or such lesser period as may be agreed by every Holder) nor more than 60 days before the date fixed for the meeting.

In case at any time the Issuer or Holders holding at least 10% of the aggregate principal amount of the Notes then outstanding will have requested the Indenture Trustee to call a meeting of the Holders for any such purpose, by written request setting forth in reasonable detail the action proposed to be taken at such meeting, the Indenture Trustee will call such a meeting for such purposes by giving notice thereof to such Holders.

Notwithstanding anything in the Indenture or in the other Notes Documents to the contrary, in determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any request, demand, authorization, direction, notice, consent, waiver or other act under the Indenture, any such vote or determination will exclude (in both the numerator and denominator of any applicable calculation), the principal amount of the Notes (or beneficial interests therein) which are owned by the Issuer, the Borrower, the Shareholders of the Issuer or of the Borrower or any of their respective Affiliates, and the Notes (or beneficial interests therein) which are owned by each such Person shall be deemed not to be outstanding for the purpose of any such vote or determination; *provided* that for the purposes of determining whether the Indenture Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent and waiver or other act, only Notes (or beneficial interests therein) for which a responsible officer of the Indenture Trustee has received written notice of such ownership (which for definitive notes, will be conclusively evidenced by the security register) shall be so excluded; and *provided further* that if the Issuer, the Borrower, the Shareholders of the Issuer or of the Borrower or any of their respective Affiliates own all of the Notes (or beneficial interests therein), then such Persons will not be excluded from any such vote or determination with respect to which such Persons are the only Holders. For the purpose of clarification, and subject to any transfer restrictions that may apply to the Notes, neither the Issuer, the Borrower nor any of their respective Affiliates is prohibited by the Notes Documents from being a Holder; *provided* that, promptly after its becoming a Holder, such Person will so notify the Indenture Trustee and, in the case of the Issuer, comply with its obligations described in "—Purchase by the Issuer; Cancellation."

The Indenture will provide that, notwithstanding anything else in the Indenture to the contrary, with respect to any global Note held through the Note Depository (or a nominee thereof), each Person holding a beneficial interest in such global Note may be considered to be a Holder of its portion of the Notes for purposes of voting on the matter relating thereto (for example, such Person may consent to any waiver or amendment directly without requiring the participation of the applicable clearing system or its nominee and may attend and vote at meetings of Holders); it being understood that the Indenture Trustee must have received from (or on behalf of) such Person evidence satisfactory to the Indenture Trustee (in its sole discretion) that such Person holds the beneficial interests in such global Note that it purports to vote, and such evidence of ownership may include a securities position or participant list or other information obtained from the applicable clearing system.

**Purchase by the Issuer; Cancellation**

To the extent permitted under Applicable Law, the Issuer, the Borrower and their respective Affiliates may at any time and from time to time purchase Notes (or a beneficial interest therein) by means other than redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise at any price; *provided* that, notwithstanding anything else in the Notes Documents to the contrary, if a Default or Event of Default exists, then neither the Issuer nor the Borrower will purchase any Notes (or beneficial or similar interests therein) unless such purchase is made on a *pro rata* basis among all Holders or is made in connection with the Borrower's retention obligations under the U.S. Risk Retention Rule.

Any Notes (or any portion thereof or any beneficial interests therein) that are acquired by the Issuer or its Subsidiaries will be cancelled. In order to effect such cancellation, the Issuer will, by no later than 30 days after its acquisition of such Notes (or beneficial interests therein), send to the Indenture Trustee a notice that it owns such Notes (or beneficial interests therein) (including, to the extent applicable, indicating the amounts of each global Note so acquired) and that the indicated principal amount thereof is to be cancelled (which ownership the Issuer will evidence to the reasonable satisfaction of the Indenture Trustee). In addition, if the Issuer holds any definitive Notes, then (with such notice) such Notes will be required to be delivered to the Indenture Trustee for cancellation. Upon receipt of any such notice and reasonably satisfactory evidence, the Indenture Trustee will promptly cause such principal amount to be cancelled (including, if applicable, accepting applicable instructions at the depositary and/or any other applicable clearing system; it being understood that the Issuer will also cause such Note clearing system, if necessary, through any applicable participants or members therein, to reflect such cancellation and (to the extent required) arrange for its interests in a global Note to be delivered "free for cancellation") in accordance with its standard procedures. Upon any such cancellation, the remaining scheduled principal amounts of the Notes will be reduced on a *pro rata* basis and the calculation of interest (and other calculations under the Notes Documents) will take into effect such cancellation.

Notwithstanding the preceding paragraph, any Notes (or any portion thereof or any beneficial interests therein) that are acquired by the Issuer in the manner described in "—Offers to Purchase the Notes" above will be immediately cancelled by the Indenture Trustee in accordance with its standard procedures. By no later than three Business Days prior to the selected purchase date, the Issuer will notify the Indenture Trustee of the portion of the principal balance of the Notes that it will be so purchasing (and, to the extent applicable, the amounts of each global Note being so purchased) and immediately after such purchase: (a) will confirm to the Indenture Trustee (or revise) such notice and (b) provide the Indenture Trustee reasonably satisfactory evidence of the consummation of such purchase. Upon receipt of evidence reasonably satisfactory to the Indenture Trustee as to the consummation of such purchase, the Indenture Trustee will promptly cause the applicable amount of the principal balance to be canceled (including, if applicable, to notify the Note Depository and/or any other applicable clearing system) in accordance with its standard procedures. Upon any such cancellation, the remaining scheduled payments on the Notes will be reduced on a *pro rata* basis and the calculation of interest (and other calculations under the Notes Documents) will take into effect such cancellation.

**Notes Additional Amounts**

All payments by (or on behalf of) the Issuer with respect to the Notes will be made free and clear of, and without any deduction or withholding for or on account of, any Taxes imposed, assessed, levied or collected by (or on behalf of) any Relevant Taxing Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

In such event, the Issuer will pay such additional amounts (the "Notes Additional Amounts") as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction, except that no such Notes Additional Amounts be payable:

(a) in respect of any Tax assessed or imposed by any Relevant Taxing Jurisdiction to the extent that such Tax would not have been assessed or imposed but for any present or former connection between the Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Holder, if such recipient is an estate, a trust, a partnership or a corporation) and the Relevant Taxing Jurisdiction, including such recipient (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein, or having or having had a permanent establishment therein other than solely due to its participation in the transactions effected by the Financing Transaction Documents and the receipt of payments thereunder;

(b) in respect of any estate, inheritance, gift, capital gains, personal property, excise, sales, value-added, transfer or other similar Tax;

(c) to the extent that any such Tax would not have been imposed but for the failure of the Holder of such payment to comply with any certification, identification, information, documentation or other reporting requirement to the extent: (i) such compliance is required by Applicable Law as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Tax and (ii) at least 30 days before the Scheduled Payment Date with respect to which the Issuer will apply this clause (c), the Issuer will have notified such Holder, in accordance with the procedures set out under "—Notices; Meetings of Holders; Voting," that such Holder will be required to comply with such requirement;

(d) in respect of Notes surrendered (if surrender is required) more than 30 days after the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Indenture Trustee on or prior to such due date, the date on which notice is given to the applicable recipients that the full amount has been received by the Indenture Trustee, except to the extent that payments under such Notes would have been subject to withholding and the applicable recipient would have been entitled to such Notes Additional Amounts, on surrender of such Notes for payment on the last day of such period of 30 days;

(e) with respect to any payment to a Holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that such payment would be required to be included in the income, for tax purposes, of a beneficiary or settlor or with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to the benefits of such Notes Additional Amount had such beneficiary, settlor, member or beneficial owner been the holder; or

(f) due to any combination of the circumstances described in clauses (a) through (e).

Notwithstanding anything to the contrary in this "—Notes Additional Amounts" section, the Issuer shall not be required to pay any amount in respect to any Taxes that would otherwise be payable by the Issuer under this "—Notes Additional Amounts" in respect to any Holder with respect to any Taxes imposed under Sections 1471 through 1474 of the Code, any successor law or regulation implementing or complying with, or introduced in order to conform to, such sections or any intergovernmental agreement or any agreement entered into pursuant to Section 1471(b)(1) of the Code.

In the event that amount attributable to a Notes Additional Amount is actually paid with respect to the Notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Holder of the Notes, and as a result thereof such Holder is entitled to make a claim for a refund of such excess from the Relevant Taxing Jurisdiction imposing such withholding tax, such Holder shall, by accepting the Notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund of such excess to the Issuer. However, by making such assignment, the Holder makes no representation or warranty that the Issuer will be entitled to receive such a refund and incurs no other obligation with respect thereto (for the avoidance

of doubt, the Holder will not assume any obligation to perform any action or claim before the Spanish Tax Authorities), and in no event will such assignment place such Holder in a less favorable net after-tax position than the Holder would have been in if the tax in respect of which such Notes Additional Amount were paid and giving rise to such refund had not been deducted, withheld or otherwise imposed and the Notes Additional Amount with respect to such Tax had never been paid. The Issuer will inform the Indenture Trustee of its intent to claim the refund within 30 Business Days of the Issuer's determination that it is entitled to receive such refund.

Whenever in the Indenture or the other Notes Documents or this "Description of the Notes" section there is mentioned in any context, the payment of principal, interest, Make-Whole Premium or any other amounts under or with respect to the Notes, such payment will be deemed to include payment of Notes Additional Amounts to the extent that, in such context, Notes Additional Amounts are, were or would be payable in respect thereof.

**Tax Administration**

The Issuer will comply with all applicable withholding tax requirements (including, without limitation, any United States backup withholding tax requirements). The Issuer will file (or cause to be filed) any required forms with all applicable tax authorities and, unless an exemption from withholding and backup withholding tax is properly established by a Holder, will remit amounts withheld with respect to the Holder to the applicable tax authorities. If an amount required to be withheld was not withheld, the Issuer may reduce subsequent distributions by the amount of such required withholding. As provided under "— Notes Additional Amounts," and subject to certain limitations therein and pursuant to the Loans Agreement, the Borrower is obligated to make additional payments to the Lender (in the form of interest through the Applicable Rate or otherwise) in respect of any such Taxes in an amount sufficient to provide the Holders with aggregate amounts equal to the amounts that such Holders would have received had no such Tax been imposed. The Issuer will notify the Administrative Agent (who shall promptly notify the Borrower) that such Notes Additional Amounts are payable and, promptly upon receipt of the same from the Lender or the Administrative Agent on behalf of the Lender will cause such Notes Additional Amounts to be paid over to Holders.

**Covenants**

For so long as any of the Notes are outstanding, the Issuer will comply with the terms of the covenants set forth below.

***Payment Obligations under the Notes Documents***

The Issuer shall duly and punctually pay all amounts owed by it, and comply with all its other obligations, under the terms of the Notes, the Indenture and the other Notes Documents.

***Performance Obligations under the Finance Documents and the Notes Documents***

The Issuer will agree to duly and punctually perform, comply with and observe all obligations and agreements to be performed by it set forth in the Loans Agreement, the Indenture, the Notes and the other Finance Documents and Notes Documents to which it is a party.

***Further Assurances***

The Issuer will (and will procure that each of the Borrower, the Shareholders of the Borrower and the Shareholders of the Issuer) do and perform, from time to time, any and all acts (and execute any and all documents) as may be necessary or as reasonably requested by the Notes Collateral Agent in order to effect the purposes of the Notes Security Documents, and, without limiting the above, the Issuer will, at its own cost, take all actions required by Applicable Law or reasonably requested by the Notes Collateral

Agent to establish, maintain, preserve, protect, renew and perfect each Lien created or purported to be created by the Notes Security Documents in full force and effect and enforceable as first priority Liens (subject only to Permitted Liens) in accordance with its terms, including, as applicable: (a) the making and delivery of all filings and recordations, (b) if applicable, the attachment to the Notes Collateral in conspicuous places of nameplates or other similar method of clearly indicating the Lien of the Notes Collateral Agent for the ratable benefit of the Senior Secured Notes Parties, (c) the making payments of fees and other charges, (d) the issuing and, if necessary, filing or recording of supplemental documentation, including continuation statements, (e) the discharging of all claims or other Liens adversely affecting the rights of any Senior Secured Notes Party in any Collateral (other than Permitted Liens), (f) publishing or otherwise delivering notice to third parties and (g) taking all other actions required by Applicable Law or reasonably requested by the Notes Collateral Agent to ensure that all after-acquired Property intended to be covered by such Liens, on the Issue Date and at all times thereafter, in each case, pursuant to the terms of the Notes Security Documents, is subject to a valid and enforceable first priority Lien (subject only to Permitted Liens) in favor of the Notes Collateral Agent for the benefit of the Senior Secured Notes Parties.

No later than the 90th day after the Issue Date, the Issuer will have caused its Shareholders to have entered into the Shareholders Undertaking Agreement in accordance with the terms as described under "—Shareholders Undertaking Agreement" and will take all other actions required by Applicable Law in connection with the execution and delivery of such Shareholders Undertaking Agreement, including causing the delivery of customary opinions of counsel. The Notes Collateral Agent shall execute and deliver the Shareholders Undertaking Agreement upon the written request of the Issuer delivered in the form of an Officer's Certificate (upon which the Notes Collateral Agent shall conclusively rely) stating that the Shareholders Undertaking Agreement is in accordance with the terms of the Indenture and that all conditions and covenants under the Indenture have been complied with.

***Use of Proceeds***

On the Issue Date, the Issuer will cause the proceeds of the Notes issued thereon (after payment of taxes, commissions, fees and other transaction expenses and costs of issuance) to be deposited into the Issuer Collections Account and will cause such proceeds in the Issuer Collections Account to be used to irrevocably purchase and assume all of the Existing Loans and, together with the Upfront Fee, which will be deposited in the Issuer Collections Account, to make one or more New Loans to the Borrower pursuant to the Loans Agreement.

***Information***

The Issuer will promptly give to the Indenture Trustee and the Notes Collateral Agent such information in its possession that such Person may reasonably request for the purpose of the discharge of the trusts, powers, rights, duties, authorities and discretions vested in it under the Indenture, under any other Notes Document or by operation of Applicable Law.

***Securities Act Information***

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144A(a)(3) under the Securities Act, the Issuer will, to the extent applicable and upon request of any Holder, deliver the information specified in Rule 144A(d)(4) under the Securities Act: (a) to such Holder and (b) to a prospective purchaser of such Note (or a beneficial interest therein) who is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) designated by such Holder, in each case in order to permit compliance by such Holder (or prospective purchaser) with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, the Issuer is subject to the reporting requirements of Section 12 or 15(d) of the Exchange Act or is included in the list of foreign private issuers that claim exemption from the registration

requirements of Section 11(g) of the Exchange Act (and therefore is required to furnish the SEC certain information pursuant to Rule 12(g)3-2(b) thereunder).

***Maintenance of Approvals***

The Issuer will duly obtain and maintain in full force and effect all governmental approvals, consents or licenses applicable to it of any Governmental Authority under the laws of Spain or any other jurisdiction having jurisdiction over the Issuer, the Issuer's business or any of the transactions contemplated in the Finance Documents (including without limitation, any authorization required to obtain and transfer Dollars or any other currency, which at that time is legal tender in the United States in connection with the Indenture, the Notes or validity or enforceability thereof), except, in each case, to the extent that any failure to maintain any such approval, consent or license could not reasonably be expected to have a material adverse effect on the Issuer or the rights of the Holders.

***Maintenance of Books and Records***

The Issuer will maintain books, accounts and records as may be necessary to comply with Applicable Law and to enable its financial statements, if any, to be prepared in accordance with the Accounting Principles applicable to it and it will allow the Indenture Trustee, by prior written request, access to copies of those books, accounts and records at reasonable times.

***Corporate Existence***

The Issuer will maintain in effect its corporate existence under the laws of Spain and take all actions to maintain all rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its business, activities or operations, except, in each case, to the extent that any failure to maintain any such right, privilege, title to property or franchise could not reasonably be expected to have a material adverse effect on the Issuer or the rights of the Holders; *provided* that nothing herein shall limit the ability of the Issuer to reincorporate under the laws of Ecuador, the United States or any country which is a member country of the OECD if, as a result of any amendment to or other change in (or change in the official interpretation of) the Applicable Laws of Ecuador, Spain or any other Taxing Jurisdiction, which amendment or change becomes effective on or after the Issue Date, the Issuer is required (or, in the case of a successor with a different Taxing Jurisdiction than the Issuer, on or after the date such successor assumes the obligations under the Notes), after taking all reasonable measures to avoid these requirements, to pay Notes Additional Amounts in excess of those that it would pay as of the Issue Date on or in respect of the Indenture or the Notes; and *provided further* that the Issuer shall have delivered to the Indenture Trustee an opinion of counsel of recognized standing in such Taxing Jurisdiction (or a letter from an internationally recognized accounting firm), to the effect that the conditions contained in this paragraph are satisfied as a result of such amendment or other change.

***Limitation on Subsidiaries and Consolidations, Merger, Conveyance or Transfer***

The Issuer will not establish or acquire any subsidiaries or enter into any one or a series of transactions to consolidate, amalgamate or merge with or into any other Person, or convey, lease or transfer either all or substantially all of its Properties to any other Person, except, in each case, for any such transaction entered into with any Person that is an Affiliate.

***Limitation on Indebtedness***

The Issuer will not issue, assume or guarantee any obligations or Indebtedness of any kind or nature whatsoever (other than the Notes) except as required under the Indenture, except that the Issuer may incur Indebtedness:

(a) in the form of Additional Notes, *provided* that (i) the first payment date in respect thereof shall be the first Scheduled Payment Date following the issuance of such Additional

Notes and (ii) the proceeds of such Additional Notes incurred are used to make additional loans to the Borrower and Further Disbursements, which loans (x) shall constitute Pari Passu Indebtedness of the Borrower permitted to be incurred by the Borrower under clause (b) or (m) of the definition of "Permitted Indebtedness" and (y) shall be in principal amount, have a maturity date and have Scheduled Payment Dates with respect to principal and interest and maturity identical to those of the Additional Notes;

(b) constituting Subordinated Indebtedness that is provided by one or more of the Issuer's Shareholders or its Affiliates (other than the Borrower); *provided* that (i) such Subordinated Indebtedness is governed under the laws of the State of New York and (ii)(A) such Shareholder or Affiliate providing such Subordinated Indebtedness shall have entered into the Issuer Subordinated Lender Security Agreement with the Notes Collateral Agent (or shall have acceded thereto in accordance with the terms thereof), such that the rights of such Shareholder or Affiliate under such Subordinated Indebtedness are subject to a first priority Lien in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties, in accordance with the Issuer Subordinated Lender Security Agreement and (B) the Issuer shall have delivered to the Notes Collateral Agent customary opinions of counsel in each applicable jurisdiction as to the due authorization and due execution of the Issuer Subordinated Lender Security Agreement (or accession thereto) by such Shareholder or Affiliate and the legality, validity and enforceability of the Issuer Subordinated Lender Security Agreement and the creation and perfection of the Lien thereunder, and an Officer's Certificate from an Authorized Officer of the Issuer certifying that the Issuer Subordinated Lender Security Agreement (or accession thereto) has been duly authorized and executed by such Shareholder or Affiliate, that the Issuer Subordinated Lender Security Agreement is legal, valid and enforceable in accordance with its terms and effective to create the Lien purported to be created thereunder, and that such Lien has been perfected as a first priority Lien in favor of the Notes Collateral Agent for the benefit of the Senior Secured Notes Parties;

(c) constituting Issuer Subordinated Indebtedness; and

(d) all of the net proceeds of which are used to repay the Notes, in whole but not in part, substantially concurrently with the incurrence of such Indebtedness.

***Negative Pledge***

Except as provided in this paragraph, the Issuer will not grant or suffer to exist any Lien, pledge, charge, security interest or encumbrance of any kind or nature on any of its Property or any of the Notes Collateral except as required under the Indenture or the Notes Security Documents or by Applicable Law. Additionally, the Issuer may grant or permit to exist (x) in respect of any of its Property not constituting Notes Collateral, any of the Liens described below, other than Liens under clauses (f) or (g) below, (y) in respect of any Issuer Accounts, Liens described in clause (d) below, or (z) in the case of any Notes Collateral (other than any Exclusive Notes Collateral), Liens described in clauses (f) or (g) below:

(a) Liens securing taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and adequate reserves therefor shall have been made in accordance with Accounting Principles;

(b) statutory Liens, such as carriers', warehousemen's, mechanics', materialmen's, repairmen's Liens and other similar Liens imposed by Applicable Law and arising in the ordinary course of business for sums not yet due or that are being contested in good faith by appropriate proceedings;

(c) Liens, pledges or deposits made in the ordinary course of business in connection with workers' compensation claims, unemployment insurance or other similar social security legislation Liens arising by virtue of any statutory or common law provisions relating to banker's liens, rights of set-off or similar rights arising in connection with deposit accounts in the ordinary course of business (in each case, other than for an obligation for borrowed money);

(d) Liens arising by virtue of any statutory or common law provisions relating to banker's liens, rights of set-off or similar rights arising in connection with deposit accounts;

(e) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default or Default that are being contested in good faith by appropriate proceedings (or if the period within which such proceeding may be initiated shall not have expired);

(f) Liens securing Indebtedness permitted to be incurred by the Borrower (and any Permitted Refinancing Indebtedness incurred in respect thereof) under clause (b) or (m) of the definition of "Permitted Indebtedness," or securing Indebtedness of a Special Purpose Debt Entity incurred solely for purposes of extending such Permitted Indebtedness to the Borrower, in each case to the extent such Indebtedness secured by such Liens constitutes Pari Passu Indebtedness;

(g) Liens securing Indebtedness described under clause (m) of the definition of "Permitted Liens," to the extent such Indebtedness secured by such Liens constitutes Pari Passu Indebtedness; and

(h) in the case of any Property of the Borrower, any Permitted Liens.

***Limitation on Issuer Restricted Payments***

The Issuer shall not declare or pay any Issuer Restricted Payments, unless each of the following conditions is satisfied, both immediately prior to and after giving effect to such declaration or payment:

(a) no Notes Default or Notes Event of Default has occurred and is continuing at the time of and immediately following the making of such proposed transfer;

(b) (i) the Debt Service Coverage Ratio of the Borrower shall not be less than 1.25:1.00 for the six-month period ending with the last day of the fiscal quarter that most recently ended (taken as one accounting period and calculated on a pro forma basis to give effect to such transfer and the incurrence of any Indebtedness prior to the date of such transfer) and (ii) the Debt Service Coverage Ratio of the Borrower for the six-month period beginning with the first day after the fiscal quarter that most recently ended (taken as one accounting period and calculated on a pro forma basis to give effect to such transfer and the incurrence of any Indebtedness prior to the date of such transfer) will not be less than 1.25:1.00;

(c) the available balance in the Lender Debt Service Reserve Account and the Debt Service Payment Account is not less than then-applicable Required Balance for each such account, as applicable;

(d) such Issuer Restricted Payment is made during a Restricted Payment Period from funds on deposit in the Issuer Collections Account; and

(e) the Issuer has delivered to the Notes Account Bank a certificate of an Authorized Officer of the Issuer certifying as to the satisfaction of the foregoing conditions (including, as applicable, computations in reasonable detail demonstrating such satisfaction) (each such certificate, an "Issuer Restricted Payment Certificate").

Notwithstanding the above, (i) the Issuer shall be permitted to make any Issuer Restricted Payment consisting of a repayment to the Borrower of Issuer Subordinated Indebtedness with amounts on deposit in any Issuer Account so long as the conditions set forth in clauses (a) and (c) above are satisfied, both immediately prior to and after giving effect to such repayment and (ii) for the avoidance of doubt, any payments or transfers made or declared by the Issuer from funds on deposit in the Capital Contribution Account shall not constitute Issuer Restricted Payments.

***Compliance with Laws***

The Issuer will comply at all times with all Applicable Laws of any Governmental Authority having jurisdiction over the Issuer, the Issuer's business or any of the transactions contemplated in the Financing Transaction Documents to which it is a party, except where the failure by the Issuer to comply could not reasonably be expected to have a material adverse effect on the Issuer or on the rights of the Holders.

***Limitation on Nature of Business***

The Issuer will not be permitted to engage in any lines of business other than (a) acting as Lender and issuing the Notes (including any Additional Notes) and (b) those matters that are reasonably related and ancillary to the ownership of, and enforcement of the Issuer's rights with respect to, the same.

***Payments of Taxes and Other Claims***

The Issuer will pay (or cause to be paid) any tax, assessment or other governmental charge levied or imposed upon the Issuer except to the extent (a) any such Taxes or claims are being diligently contested by appropriate proceedings in good faith and with respect to which adequate reserves in accordance with the applicable Accounting Principles have been established or (b) where any failure to do so could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Issuer or have a material adverse effect on the rights of the Holders.

***Ranking***

The Issuer will ensure that the Notes will constitute general senior, direct, unconditional and unsubordinated obligations of the Issuer and will rank *pari passu* in right of payment, without any preferences among themselves, with all other present and future unsubordinated obligations of the Issuer (other than obligations preferred by statute or Applicable Law).

***Limitations on Issuer Sale and Leaseback Transactions***

The Issuer will not enter into any Sale and Leaseback Transaction.

***Notice of Default or Event of Default***

Promptly, and in any event within five Business Days after the Issuer obtains Knowledge of the occurrence of a Default or Event of Default, the Issuer will furnish written notice of the same to the Indenture Trustee, stating the event or condition that caused the Default or Event of Default, that such event or condition has occurred and describing it and any action being or proposed to be taken by the Borrower with respect thereto. Upon receipt of such notice from the Issuer, the Indenture Trustee will promptly give such notice to the Holders.

***Tax Credits***

The Issuer will cooperate with any request by the Borrower and take all reasonable action to claim any credits, refunds or reimbursements from the government of Ecuador due to the Issuer or the Borrower as a result of any Taxes paid, withheld or deducted by the Borrower. The Issuer shall deposit the proceeds of any such credits, refunds or reimbursements into the Issuer Collections Account.

**Events of Default**

The following will constitute an "Event of Default" under the Indenture (each a "Notes Event of Default"):

(a) default in the payment when due (on the maturity date, upon prepayment or otherwise) of the principal of, or premium, if any, on, any Notes;

(b) default in the payment of any interest, or other amount on, or with respect to, the Indenture or the Notes within 30 days after the due date therefor;

(c) the Issuer fails to redeem any or all of the Notes to the extent required under "—Redemption of the Notes—Mandatory Redemption Upon Prepayment of the Loans," "—Mandatory Redemption for Changes in Taxes Related to the Loans" or "—Mandatory Loan Redemption Event" or fails to undertake an Offer to Purchase all or a portion of the Notes to the extent required under "Offers to Purchase the Notes";

(d) the Issuer defaults in the performance or observance by it of any covenant or provision (other than those referenced elsewhere under this "—Events of Default") under the Indenture or any other Notes Document and such default continues unremedied for 30 days after notice to the Issuer by the Indenture Trustee at the direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding; *provided* that if the Issuer is taking action reasonably likely to cure such default, a Notes Event of Default pursuant to this clause (4) will accrue only if such default remains unremedied for 60 days;

(e) (i) there is commenced against the Issuer a Bankruptcy Proceeding which remains undismissed or unstayed for 60 days; (ii) the Issuer commences a Bankruptcy Proceeding; (iii) a receiver, liquidator, judicial manager, compulsory or interim manager, trustee, custodian, sequestrator, conservator or similar official takes and holds possession of any substantial part of the Property of the Issuer and such proceeding or petition shall continue undismissed for 60 days; or (iv) the Issuer is unable to or admits in writing its inability to pay its debts as they become due;

(f) any security interest or other Lien purported to be created by or under the Notes Security Documents in the Notes Collateral fails or ceases to be a validly perfected security interest or a valid transfer of rights, as applicable, in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties; except to the extent that such failure is remediated within 30 days after the Issuer obtains Knowledge of such failure and in accordance with the Notes Documents;

(g) the Indenture, the Notes, any other Notes Document or the Intercreditor Agreement (if any) (or any provision thereof) is declared to be void, invalid or unenforceable against any party thereto by any Governmental Authority having jurisdiction over any party thereto or the subject matter thereof, or the performance of the obligations thereunder of any party thereto becomes unlawful under Applicable Law, unless, other than in the case of the Indenture, the Notes or the Intercreditor Agreement (if any), both (i) the Indenture Trustee has received a certificate from the Issuer certifying that such event has not had and could not reasonably be expected to have a Material Adverse Effect, and (ii) such Notes Document is replaced with a valid and enforceable agreement or agreements on terms and conditions substantially similar (including, if applicable, with the same priority) to those of the Notes Document being replaced within 60 days of such Notes Document being declared void, invalid or unenforceable or the performance of the obligations thereunder becoming unlawful;

(h) failure by the Shareholders of the Borrower, the Shareholders of the Issuer and the Notes Collateral Agent to enter into the Shareholders Undertaking Agreement in accordance with the terms as described under "—Shareholders Undertaking Agreement" on or prior to the 90th day after the Issue Date;

(i) at any time following the earlier to occur of (i) the consummation of the Corporate Reorganization or (ii) twelve months after the Issue Date or, solely if the Sponsors are taking action reasonably likely to consummate the Corporate Reorganization within such time period, eighteen months after the Issue Date, the indirect ownership of the Issuer and the Borrower shall not be substantially similar; or

(j) the occurrence or existence of any Loan Event of Default.

If an Event of Default (other than (i) an Event of Default constituting of a Loan Event of Default as specified in clause (f) under "The Loans Agreement and the Loans—Events of Default" or (ii) an Event of Default described in clause (e) above) has occurred and is continuing, the Indenture Trustee or the Holders of at least 25% in principal amount of outstanding Notes may declare the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Issuer (and the Indenture Trustee if given by the Holders) specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default (x) constituting a Loan Event of Default as specified in clause (f) under "The Loans Agreement and the Loans—Events of Default" or (y) as described in clause (e) above occurs, then, in each case, the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Indenture Trustee or any Holder of a Note. Upon receipt by the Issuer of a "notice of acceleration" delivered in connection with any Loan Event of Default, the Issuer shall promptly issue a "notice of acceleration" to the Borrower under the Loans Agreement.

At any time after a declaration of acceleration has occurred and before a judgment for payment of the money due has been obtained, the Required Holders, by written notice to the Issuer (with a copy to the Indenture Trustee), may rescind and annul such declaration and its consequences if the rescission would not conflict with any judgment or decree of a court of competent jurisdiction, all existing Events of Default, other than the nonpayment of the principal of the Notes and interest on the Notes that have become due solely by the declaration of acceleration, have been cured or waived, and no such rescission shall affect any subsequent Default or impair any right consequent thereon.

The funding of the Lender Debt Service Payment Account and the Lender Debt Service Reserve Account under the Issuer Security and Accounts Agreement (other than the initial funding of the Lender Debt Service Reserve Account) is to be done by the Borrower from amounts available for such funding in accordance with the Master Accounts Agreement, and a failure by the Borrower to make such a funding (other than the initial funding of the Lender Debt Service Reserve Account or the funding of the Lender Debt Service Reserve Account to its Required Balance as of each Semi-Annual Transfer Date) shall not itself be an Event of Default under the Indenture if it is exclusively the result of insufficient funds being available for such funding in accordance with the Master Accounts Agreement.

**Purchase**

The Borrower and its Affiliates may at any time and from time to time purchase any Note in the open market or otherwise at any price.

**Unclaimed Money**

Subject to Applicable Law, the Indenture will provide that any amounts deposited with the Indenture Trustee or any Paying Agent for the payment of principal, Notes Additional Amounts, if any, and interest on the Notes that remain unclaimed for two years after such amounts have become due and payable will

be paid to the Issuer upon Issuer's written request, and all liability of the Indenture Trustee or such Paying Agent with respect to such funds will thereupon cease.

**Defeasance and Discharge**

The Issuer may discharge most of its obligations under the Notes and the Indenture by irrevocably depositing with the Indenture Trustee money and/or U.S. Government Obligations in such amounts as shall be, in the written opinion of an independent auditor delivered to the Indenture Trustee, sufficient to pay principal of, premium, if any, and interest (including any Notes Additional Amounts) on the Notes to maturity or redemption (provided any such redemption date shall be irrevocably designated by an Officer's Certificate of the Issuer delivered to the Indenture Trustee on or prior to the date of deposit and shall be accompanied by an irrevocable request that the Indenture Trustee give notice of redemption to the Holders not less than 30 nor more than 60 days prior to such redemption date in accordance with the Indenture and including a form of such redemption notice including all information required to be set forth therein), subject to meeting certain other conditions.

The Issuer may also elect to:

(a) discharge most of its obligations in respect of the Notes and the Indenture, not including obligations related to the defeasance trust or to the replacement of Notes or its obligations to the Indenture Trustee ("legal defeasance"); or

(b) discharge its obligations under most of the covenants under the Indenture (and the events listed in clauses (a) through (d) and (f) through (j) (other than a Loan Event of Default under clause (f) under "The Loans Agreement and the Loans—Events of Default") under "—Events of Default" will no longer constitute Events of Default) ("covenant defeasance");

by causing the deposit in trust with the Indenture Trustee money and/or U.S. Government Obligations in such amounts as shall be, in the written opinion of an independent auditor delivered to the Indenture Trustee, sufficient to pay principal of, premium, if any, and interest (including any Notes Additional Amounts) on the Notes to maturity or redemption and by meeting certain other conditions, including delivery to the Indenture Trustee of either a ruling received from the Internal Revenue Service or an opinion of counsel (which, in the case of legal defeasance, is based on a change in U.S. federal income tax law) to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount, and in the same manner and at the same times as would otherwise have been the case. The defeasance would in each case be effective when 123 days have passed since the date of the deposit of money and/or U.S. Government Obligations in trust. In connection with any defeasance or discharge under the Indenture, the Issuer shall deliver to the Indenture Trustee an Officer's Certificate and an opinion of counsel stating that all conditions precedent and covenants under the Indenture to such defeasance or discharge have been complied with.

**The Indenture Trustee**

Citibank, N.A. is the Indenture Trustee under the Indenture and has been appointed by the Issuer as registrar, Paying Agent, transfer agent and depositary bank with respect to the Notes. The Indenture Trustee may have normal banking relationships with the Borrower in the ordinary course of business. The address of the Indenture Trustee is 388 Greenwich Street, New York, New York 10013.

**Paying Agents; Transfer Agents; Registrars**

The Issuer has initially appointed the Indenture Trustee as registrar, Paying Agent, and transfer agent. The Issuer may at any time appoint new paying agents, transfer agents and registrars. However, the

Issuer will at all times maintain a paying agent in New York City until the Notes are paid. The Issuer will provide prompt notice of the termination, appointment or change in the office of any Paying Agent, transfer agent or registrar acting in connection with the Notes.

**Listing**

An application has been made to the Luxembourg Stock Exchange for the listing and quotation of the Notes on the Euro MTF Market ("Euro MTF"); however, the Notes have not yet been listed and the Issuer cannot assure the Holders that they will be approved for listing and quotation on the Euro MTF or that the listing will be maintained. Each of the Issuer, the Indenture Trustee and the Notes Collateral Agent are (without the need for any approvals, consents or instructions from any Holders, but in accordance with all other provisions applicable thereto) authorized to join in the execution of any amendment (including amendment and restatement of any Notes Document(s)) to the extent required to provide for such a listing. Promptly after such a listing, the Issuer will so notify the Indenture Trustee, which will provide notice thereof to each of the Holders.

In the event that the Notes are admitted to listing on the Luxembourg Stock Exchange, the Issuer will use commercially reasonable efforts to maintain such listing. If the Issuer determines that it is unduly burdensome to maintain a listing on the Luxembourg Stock Exchange, the Issuer may delist the Notes from the Luxembourg Stock Exchange and, in the event of such delisting, the Issuer will use commercially reasonable efforts to seek an alternative admission to listing, trading and/or quotation for the Notes on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as the Issuer may decide. Although the Issuer cannot assure you as to the liquidity that may result from a listing on the Luxembourg Stock Exchange, delisting the Notes from the Luxembourg Stock Exchange may have a material effect on the ability of Holders to resell the Notes in the secondary market.

**Governing Law**

The Indenture and the Notes will be governed by the laws of the State of New York.

**Certain Definitions**

"Abandonment" means a period of 90 consecutive days during which the Borrower voluntarily ceases to operate or maintain all or substantially all of the Airport, other than a result of the occurrence of an Event of Force Majeure with respect to the Airport so long as the Borrower is diligently proceeding to mitigate the consequences of any such Event of Force Majeure and has delivered to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying to the same and stating what actions it is taking to mitigate the consequences of such event.

"Acceptable Financial Institution" means any commercial bank located in an OECD member country and having an Acceptable Rating.

"Acceptable Rating" shall mean a credit rating of at least "Baa2" (or the then-equivalent grade) from Moody's or "BBB" (or the then-equivalent grade) from S&P or Fitch.

"Account Banks" means the Loans Account Bank and the Notes Account Bank.

"Accounting Principles" means IFRS or such other system of internationally recognized accounting principles as may be applicable to any Person. On the Issue Date, the Accounting Principles applicable to the Issuer shall be Spanish GAAP.

"Additional Amounts" has the meaning set forth under "The Loans Agreement and the Loans—Additional Amounts."

"Adjusted EBITDA" means, with respect to the Borrower and for any period, the aggregate profit (loss) of the Borrower for the period as determined in accordance with applicable Accounting Principles, plus the following (without duplication): (a) amortization of intangible assets for the Borrower for such period, (b) financial costs for the Borrower for such period, and (c) equipment depreciation for the Borrower for such period, less interest revenue for the Borrower for such period, in each case, as set out in the financial statements of the Borrower required to be delivered under paragraph (a) under "The Loans Agreement and the Loans—Covenants—Reporting Covenants."

"Administrative Agent" means Citibank, N.A., not in its individual capacity but solely in its capacity as Administrative Agent under the Loans Agreement, or any successor thereto in such capacity.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person; and for purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person will mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliate Operating Agreement" means an agreement entered into on terms that are no less favorable to the Borrower than an agreement that could have been obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person that is not an Affiliate, and otherwise entered into in accordance with the provisions set forth in paragraph (i) under "The Loans Agreement and the Loans—Covenants—Negative Covenants" pursuant to which an Affiliate of the Borrower is providing an essential service or supply of equipment to the Airport required to comply with the Concession Contract, the payments under which constitute O&M Expenses.

"Agents" means, collectively, the Notes Agents and the Loans Agents and, in each case, any successor thereto.

"Airport" means the Quito International Airport.

"Annual Budget" means, with respect to any fiscal year, an annual budget and operating and maintenance plan (including a statement of cash flows) of the Borrower prepared substantially in the form specified in, and updated by the Borrower in accordance with, the Loans Agreement.

"Applicable Law" means foreign, federal, state, regional, local or municipal laws, rules, orders, judgments, regulations, resolutions, statutes, ordinances, codes or published decrees of any Governmental Authority (including any determination of a court or other Governmental Authority) which is binding whether in effect on the Issue Date or thereafter, in each case applicable to a Person or its assets or business (including, in the case of the Borrower, to the Airport and the performance of its obligations under the Transaction Documents).

"Application Period" has the meaning set forth in "The Loans Agreement and the Loans—Covenants—Negative Covenants—(i) Insurance."

"Assignment of Fiduciary Trust Rights" means the Cesión de Derechos Fiduciarios, entered or to be entered into by and among the Borrower, the Existing Lenders, the Onshore Borrower Trustee, the Administrative Agent and the Lender, whereby the fiduciary rights of the Existing Lenders in the Onshore Borrower Trust Agreement are assigned to the Lender, such agreement to (a) be entered into in the form of a public deed governed by the law of Ecuador, (b) become effective on the Issue Date and (c) be in proper form for registration thereof as required under the Loans Agreement.

"Auditors" means Deloitte & Touche, Ecuador Cía Ltda., or other independent accounting firm of recognized international standing as selected by the Borrower.

"Authorized Officer" means: (a) with respect to the Borrower, a member of the Board of Directors, the treasurer, the assistant treasurer, the secretary or an equivalent duly appointed officer of the Borrower or

any attorney-in-fact of the Borrower from time to time, (b) with respect to the Issuer, a member of the Board of Directors (administrador) or the secretary to the Board of Directors, (c) with respect to any Person other than the Issuer or Borrower that is a corporation or a sociedad anónima, a member of the board of directors (or equivalent governing body) or chief executive officer, the president, any vice president, the chief financial officer, the treasurer, the assistant treasurer, the secretary or an equivalent duly appointed officer of such Person, (d) with respect to any Person that is a partnership, a member of the board of directors (or equivalent governing body), vice president, treasurer, chief financial officer, assistant treasurer, nominee of the managing partner, attorney-in-fact, secretary or assistant secretary of a general partner of such Person and (d) with respect to any Person that is a limited liability company or a compañía de responsabilidad limitada, the manager, the managing member or a duly appointed officer of such Person.

"Bankruptcy Proceeding" means, as to any Person, (a) any proceeding under the applicable bankruptcy laws or any other insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization, moratorium or similar case or proceeding in connection therewith, relative to such Person or to its assets, whether conducted in or under the Applicable Laws of the jurisdiction where such Person is organized or otherwise or (b) any liquidation, dissolution or other winding up of such Person, whether partial or complete and whether voluntary or involuntary and whether or not involving insolvency or bankruptcy.

"Base Case Model" means the Borrower's financial projections for the Airport prepared by the Independent Engineer based on reasonable methodology and assumptions and certified as reasonable in the opinion of the Independent Engineer.

"Blockage Event" shall mean (a) any acceleration of the Loans; or (b) the occurrence of a Loan Event of Default and the delivery to the Onshore Borrower Trustee of a Remedies Instruction directing the Onshore Borrower Trustee in accordance with Section 8 of Schedule 3 to the Onshore Borrower Trust Agreement to apply funds in the Onshore Borrower Trust Accounts in a manner different from that set forth in the other applicable provisions of Schedule 3 to the Onshore Borrower Trust Agreement, which Remedies Instruction has not been rescinded by the Administrative Agent.

"Board of Directors" means, with respect to any Person that is a corporation or a sociedad anónima, the Board of Directors or similar governing body of such Person or any committee thereof duly authorized to act on behalf of such Board of Directors, and with respect to the Borrower, the General Director, the Administrative Director, the Financial Director and the Commercial Director, collectively.

"Borrower Account" means each of the Offshore Borrower Accounts and the Onshore Borrower Trust Accounts.

"Borrower Compensation Account" means the Borrower Compensation Account established and maintained pursuant to the Master Accounts Agreement.

"Borrower Reserve Accounts" means the Income Tax Reserve Account, the Capital Expenditure Reserve Account and the EPS Reserve Account.

"Borrower Share Pledge Agreement" means the commercial share pledge agreement (contrato de prenda comercial sobre acciones), dated on or prior to the Issue Date, by and among the Shareholders of the Borrower, the Borrower and the Notes Collateral Agent, under which all the Capital Stock of the Borrower and the other Property described therein shall be subject to a first priority security interest in favor of the Notes Collateral Agent for the benefit of the Senior Secured Notes Parties.

"Borrower Subordinated Lender Security Agreement" means the Borrower Subordinated Lender Security Agreement by and among each Shareholder of the Borrower or Affiliate thereof from time to time providing Subordinated Indebtedness to the Borrower, and the Notes Collateral Agent.

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are not authorized or required to close in New York, New York; Madrid, Spain or Quito, Ecuador and with respect to payments or withdrawals from any Account, a day on which the financial institution at which such Account is located is open for business.

"Capital Contribution Account" means an account established in the name of the Issuer, denominated in Euros and maintained at the Capital Contribution Account Bank.

"Capital Contribution Account Bank" means Bankinter, S.A., a financial institution (bank) organized and existing under the laws of Spain, or any successors, assigns or replacements.

"Capital Expenditure" means, for any period, any expenditure made or proposed to be made by the Borrower to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements) during such period computed in accordance with Accounting Principles, whether such expenditure is included for the Airport in the Annual Budget, proposed in connection with any Enhancement Plan, or becomes necessary in accordance with Good Industry Practices to address any requirements for apron extension or any geotechnical, environmental, operational or other issues that arise at the Airport.

"Capital Expenditure Reserve Account" means the Capital Expenditure Reserve Account established and maintained pursuant to Master Accounts Agreement.

"Capital Stock" means, with respect to any Person, any and all shares (whether common or preferred), interests, participations, partnership interests or other equity or ownership interests in such person (however designated and whether or not voting) and any warrants, rights or options to purchase any of such equity or ownership interests.

"Capitalized Lease Obligations" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property (other than operating leases of Property not exceeding U.S.$5.0 million (as adjusted for inflation according to the Inflation Index) (or the equivalent thereof in other currencies) in any calendar year) which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under the Accounting Principles and, for purposes of the Indenture, the amount of such obligations will be the capitalized amount thereof, determined in accordance with the Accounting Principles.

"Cash Equivalents" means, with respect to any Person:

(a) United States Dollars, Euros or money in other currencies received in the ordinary course of business;

(b) Government Securities;

(c) demand deposits, certificates of deposit, time deposits or bankers' acceptances maturing within one year from the date of acquisition thereof issued by (i) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, (ii) any member State of the European Union, (iii) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than US$250.0 million, (iv) with respect to Cash Equivalents made by any Person whose principal place of business is in a jurisdiction other than the United States, Ecuador or such member state of the European Union, a bank operating in such other jurisdiction that has a long-term local currency rating of "A" or higher from Fitch, "A2" or higher from Moody's or "A" or higher from S&P;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) entered into with any financial institution meeting the qualifications specified in clause (c) above;

(e) any commercial paper rated (on the date of acquisition thereof) "A-1" (or the equivalent) or higher from S&P or "F-1" (or the equivalent) or higher from Fitch;

(f) direct obligations issued or unconditionally guaranteed by the United States or issued by any agency thereof and backed by the full faith and credit of the United States;

(g) time deposits, overnight bank deposits, or certificates of deposit with a financial institution with a Credit Rating of at least "A" by Fitch or "A" by S&P;

(h) investments in money market funds that have a rating in the highest investment category granted thereby by a recognized credit rating agency at the time of acquisition, including any fund for which the Indenture Trustee or the Administrative Agent serves as an investment advisor, administrator, shareholder servicing agent, custodian or sub-custodian, notwithstanding that the Administrative Agent or an affiliate of the Administrative Agent charges and collects fees and expenses from such funds for services rendered pursuant to the Master Accounts Agreement;

(i) (i) marketable direct obligations issued or unconditionally guaranteed by Ecuador which mature in less than one year, (ii) demand deposits, time deposits or certificates of deposit with maturities not exceeding one year from the date of acquisition thereof by the Borrower of financial institutions regulated by the Superintendency of Companies, Securities and Insurance of Ecuador (Superintendencia de Compañías, Valores y Seguros de la República del Ecuador), the commercial paper or other short-term unsecured debt obligations of which (or in the case of a bank that is the principal subsidiary of a holding company, the holding company) are rated the highest rating of any Ecuadorian bank and maturing within 90 days (unless the short-term rating is not less than P-1 by Moody's or A-1 by S&P in which case maturing within one year from the date of acquisition thereof by the Borrower) and (iii) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (ii) above, and maturing within one year from the date of acquisition thereof by the Borrower; or

(j) money market funds which invest substantially all of their assets in investments of the type described in clauses (a) through (i) above.

"Cash Flow Available for Debt Service" means, for any period, (a) the amounts deposited in the Offshore Collection Account, less (b) the sum of, without duplication, (i) all amounts deposited in such period from the Offshore Collection Account into the EPS Reserve Account, the Income Tax Reserve Account, the Onshore O&M Expense Account, the Ecuador Operator Account and the Offshore O&M Expense Account, (ii) O&M Expenses paid during such period (other than O&M Expenses paid or to be paid from amounts in the Onshore O&M Expense Account, the Ecuador Operator Account or the Offshore O&M Expense Account, and EPS Obligations to the extent such EPS Obligations have been paid out of reserves held in the EPS Reserve Account), (iii) Tax payments paid by the Borrower during such period except to the extent such tax payments have been paid out of reserves held in the Income Tax Reserve Account, and (iv) Capital Expenditures paid during such period, if any; *provided* that none of the amounts subtracted pursuant to any of subclauses (b)(iii), or (b)(iv) shall be less than zero.

"Casualty Event" means, with respect to any Property of the Borrower or otherwise relating to the Airport, any event that causes loss of or damage to such Property or that causes any portion of such Property to be rendered unfit for normal use.

"CCC" means Canadian Commercial Corporation, a Canadian crown corporation created by and existing pursuant to an Act of Parliament of Canada.

"CCR" means CCR S.A., a sociedade anônima organized under the laws of the Federative Republic of Brazil.

"Change of Control" means (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower, taken as whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than CCR, Odinsa or HASDC or any of their respective Affiliates, (b) other than CCR, Odinsa or HASDC, any person or group (each as used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Capital Stock of the Borrower, or (c) neither CCR nor Odinsa, individually, collectively or together with HASDC or any other direct or indirect shareholder in accordance with a shareholders' agreement or other voting arrangement, has the power to, directly or indirectly, direct the management and/or policies of the Borrower. For the avoidance of doubt, the Corporate Reorganization and any transfers, sales, conveyance, disposition or other similar transactions in furtherance thereof shall not constitute a Change of Control; *provided* that any such intermediate transactions shall take place substantially concurrently with other transactions in furtherance of the Corporate Reorganization, the effect thereof which shall not constitute any of clause (a)–(c) under this definition.

"Change of Control Triggering Event" means the occurrence of any Change of Control unless (a) a Ratings Reaffirmation has been provided on or prior to such Change of Control in connection therewith and (b) a Qualified Transferee (i) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of at least 50% of the total voting power of the Capital Stock of the Borrower subsequent to such Change of Control or (ii) has the power to direct the management and/or policies of the Borrower.

"Claim" means any and all (a) obligations, liabilities, losses or other claims; (b) actions, suits, demands, decrees, judgments, written warning notices, notices of noncompliance or violation, investigations, proceedings, removal or remedial actions or orders or other actions or proceedings (whether brought by a Governmental Authority or otherwise); (c) damages (foreseeable and unforeseeable, including consequential and punitive damages) or injuries (to Persons, Property or natural resources); and (d) Liens, Taxes, penalties, fees, out-or-pocket costs, expenses, disbursements, attorneys' or consultants' fees and other costs of defense.

"Concession Contract" means the First Amended and Restated Concession Contract dated June 22, 2005 between the Municipality (following the re-assumption of its competencies pursuant to the Master Municipality Agreement (Ecuadorian Documents)) and CCC, as novated in favor of the Borrower by the First Amended and Restated Novation Agreement dated June 22, 2005 among the Municipality (following the re-assumption of its competencies pursuant to the relevant Master Municipality Agreement (Ecuadorian Documents)), CCC and the Borrower, as amended, modified and/or supplemented by (a) the First Deed of Amendment on January 27, 2006 between the Municipality (following the re-assumption of its competencies pursuant to the relevant Master Municipality Agreement (Ecuadorian Documents)) and the Borrower, (b) the Effective Date Agreement dated as of January 27, 2006, among the Borrower, the Municipality (following the re-assumption of its competencies pursuant to the relevant Master Municipality Agreement (Ecuadorian Documents)), CCC, the Operator and the Ecuador Operator, (c) the Strategic Alliance Agreement, (d) the Second Deed of Amendment dated August 9, 2010, between the Municipality and the Borrower, (e) the Master Municipality Agreement (Ecuadorian Documents), and (f) the Third Deed of Amendment dated August 31, 2012, between the Municipality and the Borrower, and, in each case, as it may be further amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Contest" means with respect to any Tax, EPS Obligation or other liability of any Person, or any Lien imposed on any Property of such Person for such Tax, EPS Obligation or other liability (or any related

claim for labor, material, supplies or services) by any Governmental Authority for any such liability, for Taxes or EPS Obligations (each, a "Subject Claim"), a contest of the amount, validity or application of such Subject Claim pursued in good faith and by appropriate legal, administrative or other proceedings diligently conducted so long as (a) adequate reserves have been established with respect thereto in accordance with applicable Accounting Principles; (b) during the period of such contest the enforcement of such Subject Claim is effectively stayed and any Lien arising thereby shall be effectively removed of record by the posting of a surety bond or similar instrument permitted hereunder by a reputable surety company in an amount sufficient to assure the discharge of the Subject Claim and any actual or proposed deficiency, additional charge, penalty or expense arising from or incurred as a result of such contest; and (c) the failure to pay such Subject Claim under the circumstances described above could not otherwise reasonably be expected to have a Material Adverse Effect or result in the loss or forfeiture of any Property of such Person (and the verb "Contest" shall be construed accordingly).

"CORPAQ Usufruct Agreement" means the usufruct agreement dated as of March 15, 2006 by and between the Management Unit (as successor to Corporación Zona Franca y Aeropuerto del Distrito Metropolitano de Quito) and the Borrower, as amended by Public Deed dated January 17, 2013, and as it may be further amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Corporate Reorganization" means the process for the completion of the reorganization and restructuring of the corporate shareholding of the Borrower by its Shareholders and the Sponsors to obtain certain tax efficiencies and maximize shareholder value, pursuant to which the Capital Stock of the Borrower will be held, directly or indirectly, as follows: (a) HASDC will hold 7% of the Capital Stock of the Borrower, (b) CCR will hold 46.5% of the Capital Stock of the Borrower and (c) Odinsa will hold 46.5% of the Capital Stock of the Borrower; *provided* that after giving effect to the Corporate Reorganization, the Senior Secured Notes Parties shall continue to have a first priority Lien on 100% of the Borrower's Capital Stock in respect of the obligations under the Notes.

"CPC" means Companhia de Participações em Concessões, a company organized under the laws of the Federative Republic of Brazil.

"Credit Rating" means, as to any Person, an international credit rating in respect of the Dollar-denominated senior unsecured long-term debt of such Person, or with respect to an insurance provider, such Person's financial strength and ability to meet its ongoing insurance policy and contract obligations.

"Customs Services Agreement" means that certain agreement, dated as of March 15, 2004, by and among Ecuadorian Customs Corporation, the Municipality (following the re-assumption of its competencies pursuant to the Master Municipality Agreement (Ecuadorian Documents)) and the Borrower, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Debt Service" means, for any period, without duplication, (a) with respect to the Borrower, the aggregate amount of scheduled principal, interest, premium (if applicable), Additional Amounts (if any) and fees payable by the Borrower under the Finance Documents (other than the Onshore Borrower Trust Agreement) and all other Indebtedness of the Borrower ranking *pari passu* in right of payment with the Loans (assuming for such purposes that any commitments in respect of the applicable Indebtedness are fully drawn), other amounts scheduled pursuant to the Finance Documents (other than the Onshore Borrower Trust Agreement) to be payable during such period, and any amounts overdue under the Finance Documents (other than the Onshore Borrower Trust Agreement) and all other outstanding Indebtedness of the Borrower ranking *pari passu* in right of payment with the Loans, and, solely with respect to the calculation of Debt Service for purposes of any Debt Service Coverage Ratio test in connection with the incurrence of Indebtedness, any amounts payable under any Permitted Litigation Bonds of the Borrower (assuming for such purposes that any commitments in respect of such Permitted Litigation Bonds are fully drawn) and (b) with respect to the Issuer, the aggregate amount of scheduled

principal, interest, Make-Whole Premium (if applicable), Notes Additional Amounts (if any), fees and any other amounts payable by the Issuer under the Notes Documents, and any amounts overdue under the Notes Documents.

"Debt Service Coverage Ratio" means, for any period, the result obtained by dividing (a) Cash Flow Available for Debt Service for such period by (b) the Debt Service of the Borrower for such period, as derived, in each case, to the extent applicable, from (w) the financial statements as of the end of the most recent fiscal period for which annual or quarterly financial statements are required to have been delivered to the Administrative Agent in accordance with the provisions of the Indenture, if such period ended on or prior to the date of calculation, (x) the Borrower's records and statements from the Loans Account Bank, (y) the Annual Budget if such period will end after the date of calculation; *provided* that if no Annual Budget has been delivered for the applicable period, the Annual Budget for the last-available period shall be used for purposes of this calculation or (z) in the case of calculations through the Maturity Date, the most recently delivered Base Case Model.

"Debt Service Payment Account" means the Lender Debt Service Payment Account and any Pari Passu Debt Service Payment Account.

"Debt Service Reserve Account" means the Lender Debt Service Reserve Account and any Pari Passu Debt Service Reserve Account.

"Default" means an event or condition that, after notice or lapse of time or both, would constitute an Event of Default.

"Designated Representative" means (a) in the case of the holders of the Notes, the Indenture Trustee and (b) in the case of the holders of any Other Pari Passu Indebtedness, the Person entitled to cast votes in respect of such Other Pari Passu Indebtedness under the Intercreditor Agreement, as specified in the Intercreditor Agreement from time to time.

"DGAC" means the Dirección General de Aviación Civil (Board of Civil Aviation) of Ecuador.

"DGAC Agreements" means each of DGAC Equipment Agreement and the DGAC Services Agreement.

"DGAC Equipment Agreement" means that certain agreement dated April 27, 2004 between DGAC and the Borrower, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"DGAC Services Agreement" means that certain agreement dated October 22, 2003 between DGAC and the Borrower, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Disposition" means, with respect to any Property, any direct or indirect sale, assignment, exchange, conveyance, liquidation or lease or other transfer or disposition thereof, whether by agreement, operation of law or otherwise (and the verb "Dispose" shall be construed accordingly).

"Dispute Resolution Agreement" means that certain agreement dated as of August 24, 2005 by and among, inter alios, the Municipality (following the re-assumption of its competencies pursuant to the Master Municipality Agreement (New York Documents)), the Borrower, CCC, the Operator and HASDC, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Distribution Account" means the Distribution Account established and maintained pursuant to the Master Accounts Agreement.

"Dollar," "Dollars," and "U.S.$" means the lawful currency of the United States.

"DSCR Calculation Period" means, as of any date of determination, the period of twelve consecutive calendar months (taken as a single calculation period) ending on and including the most recently ended fiscal quarter of the Borrower.

"Ecuador" means the Republic of Ecuador.

"Ecuador Operator" means Quiama Quito Airport Management Ecuador S.A. (formerly ADC&HAS Management Ecuador S.A.).

"Ecuador Operator Account" means the account, denominated in Dollars, established and maintained in the name of the "Fideicomiso Mercantil Quiport Onshore Trust" pursuant to the Onshore Operator Trust Agreement ("Fideicomiso Mercantil Onshore Operator Trust"), dated as of May 3, 2016, among, inter alios, ADC & HAS Management Ltd., ADC & HAS Management Ecuador S.A., and Fiducia S.A., as Onshore Borrower Trustee.

"Ecuador Operator Agreement" means that certain airport services agreement, dated as of August 24, 2005, by and between ADC & HAS Management Ltd. and ADC & HAS Management Ecuador S.A., relating to the Airport, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Ecuadorian Withholding Tax" means the applicable income tax withholding in force at the time of each interest payment made by the Borrower under the Loans Agreement that is required to be withheld from any payment made outside Ecuador.

"Effective Date" means January 27, 2006.

"Encargo Fiduciario Account" means an account established in the name of Corporacion Quiport S.A., denominated in dollars and maintained with Produbanco in accordance with the Encargo Fiduciario Agreement (Offshore Transfers).

"Encargo Fiduciario (Regulatory) Account" means an account established in the name of Corporacion Quiport S.A., denominated in dollars and maintained with Produbanco in accordance with the Encargo Fiduciario Agreement (Regulatory).

"Encargo Fiduciario Agreement (Offshore Transfers)" means the Encargo Fiduciario Quiport Transferencia al Exterior, dated as of June 5, 2013, by the Borrower for the benefit of the Onshore Borrower Trustee.

"Encargo Fiduciario Agreement (Regulatory)" means the Encargo Fiduciario Quiport Organismos de Control, dated as of June 4, 2014, by the Borrower and the Onshore Borrower Trustee.

"Enforcement Action" means (a) the taking of any steps to foreclose, enforce or require the foreclosure or enforcement against any of the Shared Collateral in accordance with any Intercreditor Security Document, including the exercise of any right of set-off against the assets comprising the Shared Collateral in respect of any Senior Secured Obligations, or (b) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any trustee, liquidator, receiver, administrator or similar officer) in relation to a Bankruptcy Proceeding, or any suspension of payments or moratorium of any Indebtedness of the Borrower or any grantor of Shared Collateral or any analogous procedure or step in any jurisdiction.

"Enhancement Plan" means an enhancement plan prepared by the Borrower and approved in accordance with the requirements of the Concession Contract.

"Environmental Laws" means any and all Applicable Laws, in each case as now or hereafter in effect and applicable to the Borrower and/or the Airport, relating to the protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to

the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

"EPS Obligations" means any obligation of the Borrower to pay employee profit share amounts pursuant to Articles 97 and 100 of the Labor Code of Ecuador and other Applicable Law.

"EPS Reserve Account" means the EPS Reserve Account established and maintained pursuant to the Master Accounts Agreement.

"Event of Force Majeure" means any event, circumstance or condition of force majeure that would excuse any party's performance obligation under a Material Contract.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, or any similar statute then in effect, and all regulations relating thereto.

"Exclusive Collateral" means (a) in respect of the Notes, any Exclusive Notes Collateral and (b) in respect of any series of Other Pari Passu Indebtedness, one Pari Passu Debt Service Payment Account, one Pari Passu Debt Service Reserve Account, and one account of the relevant Special Purpose Debt Entity extending Indebtedness to the Borrower in connection therewith, if applicable, for collection of upfront fees and refunds of taxes or other withholdings in respect of payments to the Pari Passu Holders of such Other Pari Passu Indebtedness, and any cash or financial assets credited thereto from time to time, any Capital Stock of, or subordinated loans to, such Special Purpose Debt Entity, such Special Purpose Debt Entity's rights in respect of the Indebtedness it extended to the Borrower and any proceeds of the foregoing.

"Exclusive Notes Collateral" means, in respect of the Notes, any Notes Collateral under the Issuer Security and Accounts Agreement, the Issuer Share Pledge Agreement or the Issuer Subordinated Lender Security Agreement.

"Expropriation Compensation" means all value (whether in the form of cash, securities, Property, rights, claims or otherwise) paid or payable by any Governmental Authority in whole or partial settlement of claims, whether or not resulting from judicial proceedings and whether paid or payable within or outside Ecuador, as compensation for or in respect of Expropriatory Action, whether paid directly to the Borrower or to its Shareholders.

"Expropriatory Action" means, subject to the terms of Articles 6 and 15 of the Title I of the Unified Text of MICIP Legislation issued according to Executive Decree No. 3497 published in Official Register No. 744 of January 14, 2003 (the "Regulation"), any loss suffered by the Shareholders of the Borrower or the Borrower of the ownership, possession or control of (a) the Investments (as defined in the Investment Protection Agreement, which includes any and all transfers of capital and economic resources destined to develop and execute the Airport through the Borrower, including, without limitation, any contribution to the capital of the Borrower made by the Investors and indebtedness for money borrowed, and those made with the purpose of exercising any of the rights conferred by any of the Project Agreements (as defined therein) and any other right conferred by the Republic of Ecuador or any State Institution thereof (as defined therein), by law or under any contract, license or other administrative act relating to the Airport, registered with the Central Bank of Ecuador, or any of them or any part thereof, (b) the Airport, or any part thereof, (c) any Tangible Property (as defined in the Investment Protection Agreement, which includes the physical property specified in Article 6 of the Regulations belonging to the Borrower and used to maintain or operate the Airport, regardless of the condition thereof, or if made a part thereof or used in relation thereto, including but not limited to (i) the facilities not directly related to the construction, operation and maintenance of the Airport, as more fully described in and permitted by the Concession Contract, (ii) any plant, equipment, machinery, furnishings, vehicles, tools, spare parts, components, accessories, materials as well as any fittings on such physical property that cannot be removed therefrom without destroying or without causing an irreparable damage thereon, (iii) any raw materials, supplies and other goods, products and items, and (iv) all the money in cash, securities and

instruments deposited or that should be deposited in the accounts of the Borrower, (d) any Intangible Property (as defined in the Investment Protection Agreement, which includes intangible property set forth in Article 6 of the Regulations, including, without limitation, Intellectual Property (as defined therein), Contract Rights (as defined therein), Receivables (as defined therein), and similar immaterial or intangible property or rights, including, without limitation, the concession granted to the Borrower under the Concession Contract, in each case belonging to the Borrower and that are related to the Airport, or (e) any real and substantial benefit derived from any Investment (as defined therein), the Airport, or any part thereof, any Tangible Property (as defined therein) or any Intangible Property (as defined therein), in any case as a consequence of any action or series of actions of the Republic of Ecuador or any State Institution (as defined therein), including, among others, any action or series of actions involving appropriation of any Assets (as defined therein), including shares, or the noncompliance with or the unilateral termination of the Investment Protection Agreement or any Project Agreement (as defined therein).

"Fair Market Value" means, with respect to any Property, service or business, the price (after taking into account any liabilities relating to such Property, service or business) that could be negotiated in an arm's-length transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction.

"Finance Documents" means, collectively:

(a) the Loans Agreement;

(b) the Master Accounts Agreement;

(c) the Onshore Borrower Trust Agreement; and

(d) any other documents designated from time to time as a "Finance Document" by the Borrower and the Lender.

"Financing Transaction Documents" means, collectively, the Notes Documents and the Finance Documents.

"Fitch" means Fitch Ratings, Inc., or any successor thereto.

"Good Industry Practices" means those practices, methods, equipment, specifications and standards of safety and performance, as the same may change from time to time, as are (a) commonly used worldwide by airport operators performing operation or maintenance services on facilities of the type and size similar or comparable to the Airport; and (b) in the exercise of prudent and reasonable judgment and in light of the facts known or that should be known at the time are commonly considered good, safe and prudent practices worldwide in connection with the operation, maintenance and use of airports. Good Industry Practices are not intended to be limited to the optimum practice or method to the exclusion of all others, but rather to include reasonable and prudent practices and methods in light of the circumstances. In applying the standard to any matter under the Loans Agreement, equitable consideration should be given to the circumstances, requirements and obligations of the relevant parties.

"Government Securities" means direct obligations of, or obligations guaranteed by, the United States of America for the payment of which obligations or guarantee the full faith and credit of the United States is pledged and which have a remaining weighted average life to maturity of not more than one year from the date of investment therein.

"Government Services Agreement" means each of the Customs Services Agreement, the Police Services Agreement, the Military Services Agreement and the Public Health Services Agreement.

"Governmental Authority" means the government of the United States, of Ecuador or of any other nation, or of any political subdivision thereof, whether state, regional, or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other Person (including any federal or other

association of or with which any such nation may be a member or associated) exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government), in each case having jurisdiction over the Persons or matters in question.

"Governmental Authorization" means any authorization, consent, license, permit, waiver, exemption or approval of or filing or registration with any federal, provincial or municipal Governmental Authority necessary for (a) the ownership, operation and maintenance of the Airport and the business of the Borrower and/or generation of revenues by the Borrower, (b) the execution, delivery, performance and observance of the Finance Documents by the Borrower and (c) enabling the Lender (for itself or through the Administrative Agent) to exercise the rights expressed to be granted to it in the Finance Documents.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness of any other Person, including, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay); *provided* that the term "Guarantee" does not include endorsements of instruments for collection or deposit in the ordinary course of business.

"HASDC" means HAS Development Corporation, a non-profit company organized under the laws of the State of Texas, United States of America.

"Hedge Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions or any other derivative transaction or hedging arrangement.

"Holder" means Person in whose name a Note is registered in the register of Notes (or beneficial owner of the Notes).

"Icaros" means Icaros Development Corporation S.A.., a company organized under the laws of Uruguay.

"IFRS" means the International Financial Reporting Standards adopted by the International Accounting Standards Board or any successor thereto, as in effect from time to time.

"Income Tax Reserve Account" means the Income Tax Reserve Account established and maintained pursuant to the Master Accounts Agreement.

"Indebtedness" means, with respect to any Person at any time, without duplication: (a) all obligations, contingent or otherwise, of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all accounts payable and other balance sheet liabilities, contingent or otherwise, recorded in accordance with Accounting Principles (other than trade accounts payable or purchase money obligations incurred in the ordinary course of business (other than trade accounts or purchase money obligations which are due in more than 180 days or are overdue)), (d) all obligations of such Person as lessee under Capitalized Lease Obligations, (e) all obligations of such Person, contingent or otherwise, to reimburse any Person in respect of amounts paid under a letter of credit, letter of guaranty or similar instrument, (f) all obligations, contingent or otherwise, of such Person under Hedge Agreements or bankers' acceptances, (g) all Indebtedness of other Persons secured by a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person (*provided* that if such Person has not assumed or otherwise become liable in respect of such Indebtedness, such Indebtedness will be deemed to be the lesser of (x) the amount of such Indebtedness of such other Person and (y) an amount equal to the Fair Market Value of the Property to which such Lien relates as determined in good faith by such Person), and (h) all Indebtedness of other Persons of the type described in clauses (a) through (g) above that is Guaranteed by such Person. For purposes of this definition, the

amount of the obligations of such Person in respect of any Hedge Agreement at any time will be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedge Agreement were terminated at such time.

"Indenture Trustee" means Citibank, N.A., not in its individual capacity but solely in its capacity as trustee under the Indenture, or any successor thereto.

"Independent Engineer" means ALG Global, or such successor or replacement thereto appointed by the Borrower to act as independent engineer on behalf of the Lender pursuant to the Loans Agreement, so long as (a) the Administrative Agent shall have received a certificate of an Authorized Officer of the Borrower certifying that such successor or replacement being retained to perform the services of the removed or replaced Independent Engineer is properly qualified to perform such services at least to the same degree, extent and quality as the replaced or removed Independent Engineer and the same could not reasonably be expected to adversely affect the rights of the Lender and (b) the Administrative Agent (acting at the instruction of the Lender) has not provided an objection to such successor replacement within 30 days of receipt from the Borrower of the certificate specified in clause (a).

"Inflation Index" means the inflation index published by the Instituto Nacional de Estadisticas y Censos—INEC.

"Initial Purchasers" means Citigroup Global Markets Inc. and Santander Investment Securities Inc.

"Intercompany Loans" means Indebtedness of the Borrower held by its Affiliates pursuant to the Amended and Restated Base Subdebt Loan Agreement, dated as of April 26, 2006, among Quiport and Icaros, Black Coral, Aecon Investment and Alba, as amended by the Amendment of the Subordinated Obligor Loan Agreement, dated as of December 10, 2015, by and among Icaros, Black Coral, Aecon Investment, Alba and Quiport, and other agreements related to the transfer of Aecon's participation of subordinated debt to Odinsa. As of December 31, 2018, the total amount of these loans was U.S.$79.0 million.

"Intercreditor Secured Parties" means, collectively, the Senior Secured Notes Parties and each other Person that (a) is owed any obligation of the Borrower or a Special Purpose Debt Entity that is purported to be secured by the Shared Collateral in accordance with a Pari Passu Indebtedness Document and (b) is a party to the Intercreditor Agreement or is represented by a Designated Representative thereunder.

"Intercreditor Security Document" means any documents evidencing, creating or perfecting Liens on the Shared Collateral in favor of the Intercreditor Collateral Agent for the benefit of the Intercreditor Secured Parties to secure the Senior Secured Obligations.

"Intercreditor Vote" means, at any time, a vote conducted in accordance with the procedures set forth in "—Intercreditor Arrangement—Voting and Decision Making" among the Designated Representatives with respect to any particular decision or decisions at issue at such time that require such vote.

"Investment" means, with respect to any Person, any direct or indirect advance, loan, account receivable (other than an account receivable arising in the ordinary course of business and not more than 180 days past due), deposit or other extension of credit (including by means of any Guarantee or similar arrangement) or any capital contribution to (by means of transfers of property to others, payments for property or services for the account or use of others or otherwise), or any purchase or ownership of any Capital Stock in, bonds, notes, debentures or other securities of any other Person.

"Investment Protection Agreement" means that certain agreement, dated as of June 24, 2003, by and among, inter alios, Ecuador and the Borrower and the affirmation and amendment to the Investment Protection Agreement dated August 30, 2010, by and among, inter alios, Ecuador, the Borrower, Quiport Holdings S.A. Icaros Development Corporation S.A. Aecon Investment Corp., AG Concessions and Black Coral Investments Inc, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"ISD" means the Impuesto a la Salida de Divisas imposed under the Ley Reformatoria para la Equidad Tributaria en el Ecuador, published in the supplement of the Official Paper No. 242 dated December 29, 2007 and subsequent amendments.

"Issuer Accounts" means the Lender Debt Service Payment Account, the Lender Debt Service Reserve Account and the Issuer Collections Account.

"Issuer Collections Account" means the Issuer Collections Account established and maintained pursuant to the Issuer Security and Accounts Agreement.

"Issuer Restricted Payment" means:

(a) any dividend or other distribution (whether in cash, securities or other Property) with respect to the Capital Stock of the Issuer, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Capital Stock of the Issuer or any option, warrant or other right to acquire any Capital Stock of the Issuer;

(b) any transfer to the Capital Contribution Account from any Issuer Account or from funds otherwise required to be deposited in an Issuer Account in accordance with the Issuer Security and Accounts Agreement;

(c) any payment in respect of or any purchase, retirement or other acquisition by the Issuer of any Indebtedness owed to an Affiliate of the Issuer or any Indebtedness or deposit or similar transaction made to secure any loan or other financial obligation of any Affiliate of the Issuer or payment of fees or interest in respect of any of the foregoing;

(d) any payment on or with respect to, or purchase, redemption, defeasance or other acquisition or retirement for value of any Issuer Subordinated Indebtedness; or

(e) any loan to any Shareholder of the Issuer or any Affiliate thereof, other than the Loans under the Finance Documents (including any Further Disbursements as described under "—Covenants—Limitation on Indebtedness"),

excluding, in each case, any payments made or declared by the Issuer from funds on deposit in the Capital Contribution Account.

"Issuer Security and Accounts Agreement" means that certain Issuer Security and Accounts Agreement, to be dated as of the Issue Date, by and among the Issuer, the Indenture Trustee, the Notes Collateral Agent and the Notes Account Bank.

"Issuer Share Pledge Agreement" means the pledge agreement (contrato de prenda de acciones) under Spanish Law, dated on or prior to the Issue Date, by virtue of which all the Capital Stock in the Issuer is pledged with a first priority security interest in favor of the Notes Collateral Agent for the benefit of the Senior Secured Notes Parties.

"Issuer Subordinated Indebtedness" means, with respect to the Issuer, any unsecured Indebtedness of the Issuer (a) that is created under or evidenced by a document containing the terms of subordination required by the Indenture, providing for and otherwise evidencing the full subordination in right of payment and all other respects to the Notes and the Issuer's other obligations under the Notes Documents, which provisions shall specify that there shall be no cross-acceleration granted to holders of such Issuer Subordinated Indebtedness, (b) that is provided by the Borrower and (c) the proceeds of which are used to fund the Lender Debt Service Reserve Account to its Required Balance or to fund the Issuer Collections Account with any amounts constituting Expropriation Compensation.

"Issuer Subordinated Lender Security Agreement" means the Issuer Subordinated Lender Security Agreement by and among each Shareholder of the Issuer or Affiliate thereof from time to time providing Subordinated Indebtedness to the Issuer, and the Notes Collateral Agent.

"IT Services Agreement" means the information technology services agreement, dated as of June 1, 2018, by and between the Borrower and CPC.

"Knowledge" means, with respect to any Person, the actual knowledge of any of its Authorized Officers.

"Lender Debt Service Payment Account" means the Lender Debt Service Payment Account established and maintained pursuant to the Issuer Security and Accounts Agreement.

"Lender Debt Service Reserve Account" means the Lender Debt Service Reserve Account established and maintained pursuant to the Issuer Security and Accounts Agreement.

"Lien" means, with respect to any Property any mortgage, lien, pledge, charge, lease, easement, servitude, security interest, transfer in trust or encumbrance of any kind (including the equivalent of any of the foregoing under the Applicable Laws of Ecuador) in respect of such Property (other than an operating lease).

"Loan Default" means an event or condition that, after notice or lapse of time or both, would constitute a Loan Event of Default.

"Loans Agents" means, collectively, the Administrative Agent and the Loans Account Bank.

"Loans Account Bank" means Citibank, N.A., not in its individual capacity but solely in its capacity as account bank under the Master Accounts Agreement, or any permitted successor thereto in such capacity.

"Majority Pari Passu Holders" means, at any time, Pari Passu Holders holding a Voting Party Percentage greater than 50%.

"Management Unit" means Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regimenes Especiales, a public enterprise created pursuant to Municipal Ordinance No. 309 of April 16, 2010.

"Master Accounts Agreement" means that certain Third Amended and Restated Master Accounts Agreement, to be dated as of the Issue Date, by and among the Borrower, Citibank, N.A., as the Loans Account Bank, and Citibank N.A., as the Administrative Agent (or, solely for purposes of the Onshore Borrower Trust Agreement, as the "Offshore Collateral Agent").

"Master Municipality Agreement (Ecuadorian Documents)" means that certain Master Municipality Agreement (Ecuadorian Documents), dated February 3, 2011, by and among the Borrower, the Municipality, the Management Unit and the other parties thereto, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Master Municipality Agreement (Government Services Agreements)" means that certain Master Municipality Agreement (Government Services Agreements), dated February 3, 2011, by and among the Borrower, the Municipality, the Management Unit and the other parties thereto, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Master Municipality Agreement (New York Documents)" means that certain Master Municipality Agreement (New York Documents), dated January 31, 2011, by and among the Borrower, the Municipality, the Management Unit and the other parties thereto, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Master Municipality Agreements" means, collectively, the Master Municipality Agreement (Ecuadorian Documents), the Master Municipality Agreement (Government Services Agreements) and the Master Municipality Agreement (New York Documents).

"Material Adverse Effect" means a material adverse effect on: (a) the Airport or the business, assets, financial condition, operations or Property of the Borrower, (b) the legality, validity, binding effect, enforceability or continued effectiveness of any Material Contract or any material Governmental Authorization required to be maintained by the Borrower by Applicable Law or pursuant to any Transaction Document or otherwise necessary in connection with the operation and maintenance of the Airport, (c) the validity or priority (if applicable) of any Lien purported to be granted to any of the Senior Secured Notes Parties under any of the Notes Documents, or (d) the rights and remedies available to the Lender, the Senior Secured Notes Parties, the Administrative Agent, the applicable collateral agent or the Indenture Trustee under, the Financing Transaction Documents.

"Material Contracts" means

(a) the Concession Contract,

(b) the DGAC Agreements,

(c) the Dispute Resolution Agreement,

(d) the Government Services Agreements,

(e) the Investment Protection Agreement,

(f) the Master Municipality Agreements,

(g) the O&M Documents,

(h) the Strategic Alliance Agreement,

(i) the Usufruct Agreements,

(j) and each other agreement entered into by the Borrower with respect to the operations and maintenance of the Airport providing for projected gross annual revenues or expenses equal to or greater than the greater of (i) U.S.$10.0 million (as adjusted for inflation according to the Inflation Index) and (ii) 10.0% of Adjusted EBITDA for the most recently concluded DSCR Calculation Period for which financial statements are required to be delivered under the terms of the Loans Agreement.

"Maturity Date" means March 15, 2033.

"Military Services Agreement" means the agreement dated as of June 14, 2005, by and among the Director of Military Control, the Municipality (following the re-assumption of its competencies pursuant to the Master Municipality Agreement (Government Services Agreements)) and the Borrower, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Modification" means, with respect to any document, any amendment, supplement, waiver, consent or other modification to the terms and provisions thereof.

"Monthly Period" means a period commencing on the day succeeding a Monthly Transfer Date and ending on the next succeeding Monthly Transfer Date.

"Monthly Transfer Date" means the 15th day of each calendar month (or, if any such day is not a Business Day, the immediately succeeding Business Day).

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"Municipality" means the Municipality of Quito, Ecuador.

"Municipality Economic Benefit Participation" means the Municipality's participation in the economic benefits of the Airport, corresponding, as of the Issue Date, to 11% of the Regulated Charges (as defined in the Concession Contract) collected by the Borrower in its capacity as collector of the NQIA Surcharges with respect to each calendar, which participation may be amended, supplemented or modified in accordance with the Strategic Alliance Agreement and the Concession Contract.

"Municipality Usufruct Agreement" means the usufruct agreement dated as of January 30, 2006 by and between the Municipality and the Borrower, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Net Cash Proceeds" means, with respect to any Disposition by the Borrower: (a) the proceeds from such Disposition received initially in the form of cash or Cash Equivalents (whether paid immediately or on an instalment or other deferred basis) minus (b) the sum of (i) reasonable expenses incurred by the Borrower in connection with such Disposition, (ii) additional Taxes paid (or in good faith estimated to be payable) by the Borrower as a result of such Disposition and (iii) the amount of such cash or Cash Equivalents (if any) used to repay any Indebtedness secured by a Lien on the Property that was the subject of such Disposition, plus (to the extent that such does not exceed clause (b) with respect thereto, the amount of any reduction in Taxes (as in good faith estimated by the Borrower) as a result of such Disposition.

"New Loans Accounts" means an account established in the name of Corporacion Quiport S.A., number 02005253825, denominated in dollars, and maintained with Produbanco and any other account established in the name of Corporación Quiport S.A. solely for the purpose of registration of the New Loans with the Central Bank of Ecuador.

"Note Depository" means The Depository Trust Company, or any successor thereto, or such other clearing agency registered under the Exchange Act that is designated to act as a note depository for the Notes.

"Notes Account Bank" means Citibank, N.A, not in its individual capacity but solely in its capacity as account bank under the Issuer Security and Accounts Agreement, or any permitted successor thereto in such capacity.

"Notes Agents" means, collectively, the Indenture Trustee, the Notes Collateral Agent and the Notes Account Bank.

"Notes Collateral Agent" means Citibank, N.A., not in its individual capacity but solely in its capacity as collateral agent for the Senior Secured Notes Parties, or any permitted successor thereto in such capacity.

"Notes Documents" means, collectively

(a) the Indenture;

(b) the Notes issued on the Issue Date;

(c) any Additional Notes;

(d) the Notes Security Documents;

(e) the Shareholders Undertaking Agreement (upon effectiveness on or prior to the 90th day after the Issue Date); and

(f) any other documents designated from time to time as a "Notes Document" by the Issuer.

"Notes Security Documents" means, collectively:

(a) the Issuer Security and Accounts Agreement;

(b) the Issuer Subordinated Lender Security Agreement;

(c) the Borrower Subordinated Lender Security Agreement (if any);

(d) the Issuer Share Pledge Agreement;

(e) the Borrower Share Pledge Agreement; and

(f) any other documents evidencing, creating or perfecting Liens on the Notes Collateral in favor of the Senior Secured Notes Parties to secure any obligations of the Issuer under the Notes Documents.

"NQIA" means the New Quito International Airport.

"NQIA Surcharges" has the meaning ascribed thereto in the Strategic Alliance Agreement.

"O&M Agreement" means the Operation and Maintenance Agreement dated as of August 24, 2005, between the Borrower and the Operator, and as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"O&M Documents" means, individually or collectively, (a) the O&M Agreement and (b) the Ecuador Operator Agreement.

"O&M Expenses" means, with respect to any period, each of the maintenance and operation costs to be incurred and paid by the Borrower for the Airport in such period, including such costs consisting of payments for insurance, consumables, payments under any lease, expenses payable to the Onshore Operator and Offshore Operator under the O&M Agreement, reasonable legal and accounting and other professional fees and expenses paid by the Borrower in connection with the management, maintenance or operation of the Airport, fees paid in connection with obtaining, transferring, maintaining or amending any Governmental Authorization, employee salaries, wages and other employment-related costs (including any EPS Obligations), and reasonable general and administrative expenses, and all Taxes; provided that O&M Expenses shall exclude all cases of non-cash charges, including depreciation or obsolescence charges or reserves therefore, amortization of intangibles or other bookkeeping entries of a similar nature, all interest charges and charges for the payment or amortization of principal of Indebtedness of the Borrower and all Capital Expenditures.

"Odinsa" means Odinsa S.A., a sociedad anónima organized under the laws of the Republic of Colombia.

"OECD" means the Organization for Economic Co-operation and Development.

"Listing Particulars" means these listing particulars.

"Officer's Certificate" means a certificate signed by the President, Chairman of the Board of Directors, any Vice Chairman of the Board of Directors, any Director, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer, the Chief Treasury Officer, the Chief Legal Officer, any Senior Vice President, or the Secretary of the Board of Directors of any Person, or in the case of the Trust, by any authorized signatory thereof, and delivered to the Indenture Trustee and Administrative Agent, as applicable.

"Offshore Collection Account" means the Offshore Collection Account established and maintained pursuant to the Master Accounts Agreement.

"Offshore Operator" means Quito Airport Management (QUIAMA) Ltd., or any other operator of the Airport and related rights and services granted to the Borrower pursuant to the Concession Contract.

"Onshore Borrower Trust Accounts" has the meaning ascribed to such term under "The Loans Agreement and the Loans—Accounts and Priority of Payments—Onshore Borrower Trust Accounts." For purposes of the Onshore Borrower Trust Agreement, the Onshore Borrower Trust Accounts are the "Onshore Accounts."

"Onshore Borrower Trust Agreement" means that certain irrevocable administrative guaranty and commercial trust agreement, dated March 24, 2006 (as amended, supplemented or modified from time to

time), by and among the Borrower, the Lenders (as assignee of the trust beneficiary rights of the Existing Lenders), and the Onshore Borrower Trustee.

"Onshore Borrower Trustee" means Fiducia S.A. Administradora de Fondos y Fideicomisos, a fund and trust management company, as trustee under the Onshore Borrower Trust Agreement.

"Onshore O&M Expense Account" means the Onshore O&M Expense Account established and maintained pursuant to the Onshore Borrower Trust Agreement.

"Onshore O&M Expenses" has the meaning ascribed thereto in the Onshore Borrower Trust Agreement.

"Onshore Project Revenues Collection Account" means the Onshore Project Revenues Collection Account established and maintained pursuant to the Onshore Borrower Trust Agreement.

"Onshore Operator" means Airport Management Ecuador QUIAMAECUADOR S.A. or any other operator of the Airport and related rights and services granted to the Borrower pursuant to the Concession Contract.

"Onshore Regulated Fees Collection Account" means the Onshore Regulated Fees Collection Account established and maintained pursuant to the Onshore Borrower Trust Agreement.

"Operator" means the Offshore Operator and the Onshore Operator, collectively.

"Operator Fee" shall be the fees, costs, expenses, reimbursements and other amounts payable to the Operator pursuant to the terms of the O&M Agreement; *provided* that the Operator Fee shall never be greater than 5% of the Operator Reference EBITDA for the most recently concluded DSCR Calculation Period for which financial statements are required to have been delivered pursuant to the Loans Agreement as calculated under the terms of the O&M Agreement (as in effect on the Issue Date).

"Operator Reference EBITDA" means, with respect to the Borrower for any period and solely for purposes of calculating the Operator Fee, Adjusted EBITDA of the Borrower for such period, plus the following (without duplication): (1) the municipality participation for the Borrower for such period, (2) employee profit sharing for the Borrower for such period, (3) operation and maintenance fee for the Borrower for such period, less recognition of MSIA contract liabilities for the Borrower for such period, in each case, as set out in the income statement of the Borrower prepared for such period or as set out in the Borrower's financial statements for the most recently completed fiscal year, if available, for the full fiscal year, if applicable.

"Organizational Documents" means, as to any Person, the articles of incorporation, bylaws, shareholders' agreements, limited liability company agreement, operating agreement or other organizational or governing documents of such Person.

"Original Common Terms Agreement" means that certain First Amendment and Restated Common Terms Agreement, dated as of May 23, 2006 (as amended, modified, supplemented and in effect on the day prior to the assignment of the loans thereunder to the Existing Lenders on December 20, 2018), by and among the Borrower, the lenders party thereto and the other parties thereto.

"Other Pari Passu Indebtedness" means, to the extent permitted to be incurred by the Borrower under the Loans Agreement, any secured Indebtedness of the Borrower satisfying each of the following requirements: (a) the Loans shall at all times rank at least *pari passu* in right of payment with such Indebtedness (or, in the case of an SPDE Facility, as defined below, with the Indebtedness extended by the relevant Special Purpose Debt Entity to the Borrower), (b) any Liens securing such Indebtedness shall also secure all Senior Secured Notes Obligations on a *pari passu* basis, (c) such Indebtedness shall not be secured by any Liens on the Exclusive Notes Collateral, (d) all scheduled payment dates with respect to such Indebtedness will be Scheduled Payment Dates, (e) such Indebtedness shall have a final maturity date no earlier than the final maturity date of, and have a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Notes and (f) the holders of such Indebtedness

secured by a Lien on the Shared Collateral shall have entered into or otherwise become a party to, and shall be bound by, the Intercreditor Agreement; *provided* that, to the extent additional Liens are granted to secure the Notes in connection with the incurrence of any Other Pari Passu Indebtedness, the Borrower shall deliver a signed copy of a customary opinion of counsel, addressed to the Indenture Trustee and the Notes Collateral Agent, dated the same date as each such Intercreditor Security Document entered into in connection therewith, to the effect that each such Intercreditor Security Document is valid, binding and enforceable and with respect to the creation and perfection of such Liens, and *provided, further*, that in the case of any such Permitted Indebtedness that is structured such that a Special Purpose Debt Entity incurs Indebtedness the proceeds of which are intended primarily to extend such Permitted Indebtedness to the Borrower (any such structure, an "SPDE Facility"), each of the conditions above shall apply to such Permitted Indebtedness and, other than the requirement set forth in clause (a) of this definition, the Indebtedness so incurred by such Special Purpose Debt Entity.

"Other Pari Passu Holder" means any holder of Other Pari Passu Indebtedness; *provided* that the Other Pari Passu Holders of any Other Pari Passu Indebtedness provided in the form of an SPDE Facility shall be the holders of the Indebtedness incurred by the relevant Special Purpose Debt Entity for purposes of extending such Other Pari Passu Indebtedness to the Borrower, regardless of whether the Liens on the Shared Collateral are securing the Indebtedness held or incurred by such Special Purpose Debt Entity.

"Pari Passu Agent" means the Indenture Trustee, the Notes Collateral Agent, the Notes Account Bank, the Administrative Agent, the Loans Account Bank, the Intercreditor Collateral Agent and any agent of a Pari Passu Holder (or the Special Purpose Debt Entity in connection therewith) that is also an Intercreditor Secured Party.

"Pari Passu Debt Service Payment Account" means, in respect of any Pari Passu Indebtedness, the account into which the Borrower is required to make payments of Debt Service due under such Pari Passu Indebtedness.

"Pari Passu Debt Service Reserve Account" means, in respect of any Pari Passu Indebtedness, any debt service reserve account required to be funded by the Borrower in accordance with the terms of such Pari Passu Indebtedness.

"Pari Passu Holder" means the holders of the Notes and any Other Pari Passu Holder.

"Pari Passu Indebtedness" means the Indebtedness under the Notes Documents and any Other Pari Passu Indebtedness.

"Pari Passu Indebtedness Document" means the Notes Documents and each other document evidencing Pari Passu Indebtedness, in each case other than any Intercreditor Security Document.

"Paying Agent" means the Indenture Trustee, not in its individual capacity but solely in its capacity as Paying Agent under the Indenture, or any successor thereto, or such other Person appointed by the Issuer to make payments on the Notes.

"Permitted Business" means any business or operations and maintenance of the Airport in accordance with the Concession Contract (as in effect as of the Issue Date) and any activities that are similar, reasonably related, incidental or ancillary thereto or otherwise permitted or required under the Concession Contract (as in effect as of the Issue Date).

"Permitted Disposition" means any Disposition of:

(a) Property leased, transferred or disposed of in the ordinary course of business and having a fair market value not in excess of U.S.$5.0 million (as adjusted for inflation according to the Inflation Index) (or the equivalent thereof in other currencies) in the aggregate for all such transfers or Dispositions in any calendar year;

(b) Property that is obsolete, worn out or defective, is used in connection with the operation of the Airport and is promptly replaced (if applicable) by new or refurbished equipment of equal or greater value or Property no longer used in connection with the operation of the Airport;

(c) payments and Disposals permitted under the Finance Documents; and

(d) Property that is required to be made under Concession Contract or other Material Contracts.

"Permitted Indebtedness" means:

(a) Indebtedness under the Finance Documents and under the Intercompany Loans existing or incurred or to be incurred on the Issue Date (*provided* that the proceeds from the New Loans shall be used, in part, to repay such Intercompany Loan within five Business Days of the Issue Date);

(b) any other Indebtedness incurred after the Issue Date upon the satisfaction of the following conditions:

i. the Debt Service Coverage Ratio is not less than 1.40:1.00 for the twelve-month period ending with the fiscal quarter most recently ended (taken as one accounting period and pro forma for the incurrence of such Indebtedness);

ii. (A) the Debt Service Coverage Ratio is not less than 1.40:1.00 for each DSCR Calculation Period through the Maturity Date (in each case taken as one accounting period and pro forma for the incurrence of such Indebtedness) and (B) the average Debt Service Coverage Ratio is not less than 1.50:1.00 for the period beginning with the first day after the fiscal quarter that most recently ended through the Maturity Date (taken as one accounting period and pro forma for the incurrence of such Indebtedness); *provided* that, with respect to a period of time commencing on a date of determination occurring after the last date of the final full DSCR Calculation Period preceding the Maturity Date, the Debt Service Coverage Ratio for such period will be calculated as the ratio of (x) Cash Flow Available for Debt Service for a period of equal length immediately preceding the relevant date of determination to (y) the projected Debt Service payable by the Borrower for such period;

iii. the Borrower has obtained, and provided confirmation to the Administrative Agent and the Indenture Trustee, of Ratings Reaffirmations and in no event shall any rating by each such Rating Agency then rating the Notes be lower than B- (Fitch) / B3 (Moody's) or the equivalent threshold of such Rating Agency;

iv. no Loan Default or Loan Event of Default has occurred and is continuing at the time of the incurrence of, and immediately after giving effect to, the incurrence of such Indebtedness and the application of proceeds therefrom;

v. all scheduled payment dates with respect to such Indebtedness will be the Scheduled Payment Dates and such Indebtedness shall have a final maturity date equal to or later than the final maturity date of, and have a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Loans and the Notes;

vi. the Borrower will have delivered an updated Base Case Model, certified as reasonable in the opinion of the Independent Engineer, to the Administrative Agent and Indenture Trustee; and

vii. the Administrative Agent and the Indenture Trustee will have received a certificate from an Authorized Officer of the Borrower certifying that each condition set forth in this paragraph (b) is satisfied;

(c) Indebtedness consisting of trade credit from suppliers of goods or services incurred in the ordinary course of business (including (i) trade accounts payable within 180 days and non-contingent obligations of the Borrower to reimburse any other Person in respect of amounts paid under a letter of credit or similar instrument issued for the benefit of the Borrower in respect of such trade accounts, in each case to the extent not overdue, (ii) the Operator Fee and (iii) the trade account payable of the Borrower with the Public Metropolitan Company of Airport Services and Free Trade Zone Areas and Special Areas (Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regímenes Especiales—EPMSA; *provided* that any amounts payable under this clause (iii) at any time in excess of U.S.$5.0 million shall reduce the capacity available for the Borrower's incurrence of Indebtedness under clause (m) of this definition on a dollar-for-dollar basis) other than Indebtedness for borrowed money;

(d) Subordinated Indebtedness that is provided by one or more of the Shareholders of the Borrower or Affiliates thereof; *provided* that (i) such Subordinated Indebtedness is governed under the laws of the State of New York and (ii)(A) such Shareholder or Affiliate providing such Subordinated Indebtedness shall have entered into the Borrower Subordinated Lender Security Agreement with the Notes Collateral Agent (or shall have acceded thereto in accordance with the terms thereof), such that the rights of such Shareholder or Affiliate under such Subordinated Indebtedness are subject to a first priority Lien in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties, in accordance with the Borrower Subordinated Lender Security Agreement and (B) the Borrower shall have delivered to the Notes Collateral Agent customary opinions of counsel in each applicable jurisdiction as to the due authorization and due execution of the Borrower Subordinated Lender Security Agreement (or accession thereto) by such Shareholder or Affiliate and the legality, validity and enforceability of the Borrower Subordinated Lender Security Agreement and the creation and perfection of the Lien thereunder, and an Officer's Certificate from an Authorized Officer of the Borrower certifying that the Borrower Subordinated Lender Security Agreement (or accession thereto) has been duly authorized and executed by such Shareholder or Affiliate, that the Borrower Subordinated Lender Security Agreement is legal, valid and enforceable in accordance with its terms and effective to create the Lien purported to be created thereunder, and that such Lien has been perfected as a first priority Lien in favor of the Notes Collateral Agent for the benefit of the Senior Secured Notes Parties;

(e) Indebtedness in connection with bids, performance or surety bonds (or similar obligations) and related reimbursement obligations incurred in the ordinary course of business;

(f) any bond, letter of credit, cash deposit, surety or other similar instrument required by a Governmental Authority or Applicable Law to be delivered by or on behalf of the Borrower in connection with any material litigation, action, suit, claim, proceeding (in each case, whether administrative, judicial or otherwise), governmental investigation or arbitration at law or in equity, or appeal therefrom, or before or by any Governmental Authority, domestic or foreign (including in connection with any Environmental Laws) whether pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or any Property of the Borrower, in an amount not exceeding the minimum amount therefor required pursuant to Applicable Law or a decision by the Governmental Authority in such litigation, action, suit, claim, or proceeding that imposed on the

Borrower the obligation to deliver such bond, letter of credit, cash deposit, surety or other similar instrument (a "Permitted Litigation Bond");

(g) Indebtedness in respect of workers' compensation claims, payment obligations in connection with self-insurance, health insurance, unemployment insurance or other insurance obligations, social security benefits, or other statutory obligations, or similar requirements (including bankers acceptances and letters of credit in connection with any of the foregoing) in the ordinary course of business (in each case, other than for an obligation for borrowed money);

(h) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid in full by the close of business on the day such overdraft was incurred) drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within 30 days of incurrence;

(i) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the Disposition of any business, assets or entity, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or entity for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness will at no time exceed the gross proceeds actually received by the Borrower in connection with such Disposition;

(j) Indebtedness incurred to fund the working capital and other operating needs of the Borrower in an aggregate amount at any one time outstanding not to exceed the greater of (i) U.S.$10.0 million (as adjusted for inflation according to the Inflation Index) (or the equivalent thereof in other currencies) and (ii) 10% of Adjusted EBITDA for the most recently concluded DSCR Calculation Period for which financial statements are required to have been delivered pursuant to the Loans Agreement;

(k) Indebtedness under Hedge Agreements in the ordinary course of business and not for speculative purposes;

(l) Capitalized Lease Obligations and purchase money Indebtedness in an aggregate principal amount not to exceed U.S.$5.0 million (as adjusted for inflation according to the Inflation Index) (or the equivalent thereof in other currencies), at any one time outstanding;

(m) Indebtedness in an amount not to exceed the greater of (i) U.S.$35.0 million (as adjusted for inflation according to the Inflation Index) (or the equivalent thereof in other currencies) at any time outstanding and (ii) 25% of Adjusted EBITDA for the most recently concluded DSCR Calculation Period for which financial statements are required to have been delivered pursuant to the Loans Agreement; and

(n) Permitted Refinancing Indebtedness.

"Permitted Investments" means any (a) direct obligations issued or unconditionally guaranteed by the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within three months from the date of acquisition thereof; (b) commercial paper maturing no more than three months from the date of acquisition thereof and, at the time of acquisition, having a rating of A-1 (or the equivalent) or higher from S&P and P1 (or the equivalent) or higher from Moody's; (c) domestic U.S. and Eurodollar certificates of deposit, time and demand deposits or bankers' acceptances maturing within three months from the date of acquisition issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any commercial bank or trust company

organized and existing under the laws of the United States or any state thereof or the District of Columbia having senior unsecured long-term Indebtedness rated A (or the equivalent) or higher from S&P or A2 (or the equivalent) or higher from Moody's and having combined capital, surplus and undivided profits (less any undivided losses) of not less than U.S.$500 million; (d) money market mutual funds organized in the United States, rated with the highest rating of S&P or Moody's that invest exclusively in investments described in subclause (a), (b) or (c) above and (e) Issuer Subordinated Indebtedness; *provided, however*, in each case of the foregoing subclauses (a), (b), (c) and (d), that such obligations are payable in Dollars.

"Permitted Liens" means:

(a) Liens created pursuant to any Financing Transaction Document for the benefit of the Lender or the Senior Secured Notes Parties;

(b) until the date that is 90 days from the Issue Date, Liens existing on the Issue Date pursuant to the Original Common Terms Agreement and related documents, to the extent not securing any outstanding Indebtedness; *provided* that, if such Liens have not been fully released and discharged within 90 days from the Issue Date, such Liens will be permitted hereunder for an additional period of 90 days so long as the Borrower is diligently pursuing the release and discharge such Liens and has delivered to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying to the same and stating what actions it is taking to release and discharge such Liens;

(c) Liens to secure obligations in respect of bids, performance or surety bonds (or similar obligations) and related reimbursement obligations incurred in the ordinary course of business to the extent such indebtedness is Permitted Indebtedness;

(d) any Permitted Litigation Bond that constitutes Permitted Indebtedness and any Liens securing the obligations of the Borrower under such Permitted Litigation Bond;

(e) Liens securing Indebtedness permitted to be incurred (and any Permitted Refinancing Indebtedness incurred in respect thereof) under clause (b) or clause (m) of the definition of "Permitted Indebtedness," or securing Indebtedness of a Special Purpose Debt Entity incurred solely for purposes of extending such Permitted Indebtedness to the Borrower, in each case to the extent such Indebtedness secured by such Liens constitutes Pari Passu Indebtedness;

(f) Liens securing taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and adequate reserves therefor shall have been made in accordance with Accounting Principles;

(g) statutory Liens, such as carriers', warehousemen's, mechanics', materialmen's, repairmen's Liens and other similar Liens imposed by Applicable Law and arising in the ordinary course of business or in connection with the operation of the Airport, in each case, for sums not yet due or that are being contested in good faith by appropriate proceedings;

(h) Liens, pledges or deposits made in the ordinary course of business in connection with workers' compensation claims, unemployment insurance or other similar social security legislation Liens arising by virtue of any statutory or common law provisions relating to banker's liens, rights of set-off or similar rights arising in connection with deposit accounts in the ordinary course of business (in each case, other than for an obligation for borrowed money);

(i) Liens incurred to secure any purchase money obligations, so long as such Liens extend only to the Property being acquired;

(j) defects, easements, rights of way, restrictions, irregularities, encumbrances (other than for borrowed money) and clouds on title and statutory Liens that do not materially impair the value or use of the Property affected and that do not, individually or in the aggregate, materially impair the validity, perfection or priority of the Liens granted under the Notes Security Documents;

(k) Liens arising out of judgments, decrees, orders or awards not giving rise to a Loan Event of Default or Loan Default that are being contested in good faith by appropriate proceedings (or if the period within which such proceeding may be initiated shall not have expired);

(l) with respect to any Property acquired by the Borrower or otherwise incorporated into the Airport, (i) Liens consisting of the Liens described in clauses (i) or (n) of this definition, (ii) pre-existing Liens which are extinguished within 90 days of the date of acquisition of the relevant Property or incorporation of the same into the Airport or (iii) Liens not securing Indebtedness, in each case so long as such Liens are limited to the Property so acquired;

(m) any interest or title of a Person under any lease, concession or similar arrangement entered into by the Borrower in the ordinary course of business and covering only the Property subject to such lease, concession or similar arrangement; and

(n) Liens securing Permitted Indebtedness incurred in connection with the development of the Airport, or securing Indebtedness of a Special Purpose Debt Entity incurred solely for purposes of extending such Permitted Indebtedness to the Borrower, in each case to the extent such Indebtedness secured by such Liens constitutes Pari Passu Indebtedness; *provided* that the obligations secured by such Liens do not exceed the greater of (i) U.S.$10.0 million (as adjusted for inflation according to the Inflation Index) (or the equivalent thereof in other currencies) in the aggregate and (ii) 10% of Adjusted EBITDA for the most recently concluded DSCR calculation period for which financial statements are required to have been delivered pursuant to the Loans Agreement.

"Permitted Refinancing Indebtedness" means, any Indebtedness ("New Debt") that represents a replacement, renewal, refinancing, refunding, extension or modification of outstanding Permitted Indebtedness ("Original Debt") (plus the amount of any premium required to be paid under the terms of the instrument governing such Permitted Indebtedness and the amount of reasonable fees, expenses and defeasance costs, if any, incurred in connection with such replacement, renewal, refinancing or extension), *provided* that (a) the principal amount (or accreted value, if applicable) of the New Debt does not exceed the principal amount (or accreted value, if applicable) of the Original Debt except by an amount equal to any interest capitalized in connection with, any premium or other reasonable amount paid, and fees and expenses (including original issue discount and upfront fees) reasonably incurred, in connection with such New Debt; (b) such New Debt has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Original Debt; (c) if the Original Debt is subordinated in right of payment to the Loans obligations, such New Debt is subordinated in right of payment to the Loans obligations on terms not less favorable in all material respects to the Lender as those contained in the documentation governing the Original Debt; *provided further* that the restrictions set forth in this definition shall not apply if the Loans and the Notes would be repaid or redeemed, as applicable, in full, substantially concurrently with the incurrence of such Permitted Refinancing Indebtedness.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"Police Services Agreement" means that certain Agreement, dated as of November 4, 2004, by and between the National Police and the Borrower, as it may be further amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Project Revenues" means, in respect of any period of calculation, the sum, computed without duplication, of all cash revenues collected or received by or on behalf of the Borrower during such period for its own account from Airport Charges (as defined in the Concession Contract), other than the Municipality Economic Benefit Participation.

"Property" means, with respect to any Person, any right or interest in or to property or other assets (whether owned by such person or a third-party), contract rights and/or revenues of any kind whatsoever, whether real, personal or mixed, movable or immovable, tangible or intangible and whether existing or to be created in the future, including, any Capital Stock held in companies and ventures.

"Public Health Services Agreement" means that certain agreement dated as of August 2, 2004, by and among Provincial Health Director of Pichincha, the Municipality (following the re-assumption of its competencies pursuant to the Master Municipality Agreement (Government Services Agreements)) and the Borrower, as it may be amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Qualified Transferee" means any Person (whether directly or indirectly through one or more of its Subsidiaries or, in the case of a fund, one or more funds under management by the same fund manager) that is experienced in majority ownership or operation of concession-based demand risk transportation infrastructure assets.

"Quiport Holdco" means Quiport Holdings S.A., a company organized under the laws of Uruguay.

"Rating Agency" means, initially, each of S&P, Moody's and Fitch or, if any such Rating Agency shall not make a rating on the Notes publicly available, a nationally recognized statistical rating organization, as such term is defined in Section 3(a)(62) of the Exchange Act, selected by the Borrower which shall be substituted for such Rating Agency and its successors.

"Ratings Reaffirmations" means written confirmation from each Rating Agency then rating the Notes that a proposed action will not result in a withdrawal or reduction of its respective rating of the Notes to below its then-current rating of the Notes.

"Record Date" means, with respect to each Scheduled Payment Date, 5:00 p.m. (New York City time) on the 1st day (or, if such day is not a Business Day, on the next day that is a Business Day) of the calendar month in which such Scheduled Payment Date occurs.

"Redemption Date" means the date of any redemption of all or a portion of the principal balance of the Notes; *provided* that any Redemption Date must be a Business Day.

"Regulated Fees" has the meaning ascribed thereto in the Concession Contract.

"Regulation S" means Regulation S under the Securities Act, as amended from time to time.

"Relevant Taxing Jurisdiction" means any jurisdiction where the Issuer is organized, a resident for tax purposes or is subject to net income or franchise tax, Spain or any other jurisdiction from or through which payments under the Loans Agreement or the Notes are made, or any political subdivision thereof or any authority therein having power to tax.

"Remedies Instruction" means a written notice sent to the Onshore Borrower Trustee by the Offshore Collateral Agent, with prior instructions from the Lender, stating that a Loan Event of Default has occurred and directing the Onshore Borrower Trustee to take certain actions with respect thereto, including actions in connection with remedies set forth in Clause XII of the Onshore Borrower Trust Agreement.

"Required Balance" means:

(a) for each of the following Borrower Accounts, the following respective amounts:

(i) for the Capital Expenditure Reserve Account, as of the Issue Date and on any Monthly Transfer Date, an amount equal to the sum of (A) 100% of the aggregate amount of Capital Expenditures then due and payable and projected to be due and payable within the next six months in accordance with the then-current Annual Budget, plus (B) 50% of the aggregate amount of Capital Expenditures then due and payable and projected to be due and payable within the next six months following the six months in item (A) above in accordance with the then-current Annual Budget, and plus (C) 33.33% of the aggregate amount of Capital Expenditures then due and payable and projected to be due and payable within the next six months following the six months in item (B) above in accordance with the then-current Annual Budget;

(ii) for the Income Tax Reserve Account, as of any Monthly Transfer Date, an amount equal to the total amount of income or profit tax that would accrue (in accordance with Applicable Law) in respect of the Project Revenues generated at the Airport for the period from the Effective Date of the Concession Contract to the relevant Monthly Period immediately preceding the first day of such Monthly Transfer Date assuming that the financial statements of the Borrower submitted to applicable governmental instrumentalities for tax purposes were prepared for such period on the basis of Accounting Principles applicable to established operating entities (and not according to any specialized accounting practices for development stage enterprises) less any portion thereof for which a claim has been barred by all applicable statutes of limitations or other similar legal provisions;

(iii) for the EPS Reserve Account, as of the Issue Date and any Monthly Transfer Date, an amount equal to the total amount of the EPS Obligations that would accrue (in accordance with Applicable Law) in respect of each monthly period in accordance with the then-current Annual Budget and Applicable Law during the relevant Monthly Period immediately preceding such Monthly Transfer Date;

(iv) for the Onshore O&M Expense Account, as of any Monthly Transfer Date, an amount equal to the aggregate amount of O&M Expenses (other than O&M Expenses of the Ecuador Operator pursuant to the O&M Agreement) then due and payable and projected to be due and payable in Ecuador from the Onshore O&M Expense Account on or prior to the next Monthly Transfer Date in accordance with the then-current Annual Budget or as otherwise may be permitted to be paid pursuant to the Loans Agreement;

(v) for the Ecuador Operator Account, as of any Monthly Transfer Date, an amount equal to the aggregate amount of O&M Expenses of the Ecuador Operator pursuant to the O&M Agreement and projected to be due and payable from the Ecuador Operator Account on or prior to the next Monthly Transfer Date in accordance with the then-current Annual Budget or as otherwise may be permitted to be paid pursuant to the Loans Agreement;

(vi) for the Offshore O&M Expense Account, as of any Monthly Transfer Date, an amount equal to the aggregate amount of O&M Expenses then due and payable and projected to be due and payable outside of Ecuador from the Offshore O&M Expense Account on or prior to the next Monthly Transfer Date in accordance

with the then-current Annual Budget or as otherwise may be permitted to be paid pursuant to the Loans Agreement;

(b) for any Debt Service Payment Account, as of any Monthly Transfer Date, the sum of the following amounts:

(i) the aggregate amount of all accrued and unpaid fees, costs, expenses and indemnities and other than in respect of any Monthly Transfer Date that is a Semi-Annual Transfer Date, all other amounts constituting Debt Service, in each case (A) as it relates to the Lender Debt Service Payment Account, then due and payable with respect to the Notes and (B) as it relates to any Pari Passu Debt Service Payment Account, then due and payable pursuant to the relevant Pari Passu Indebtedness, plus

(ii) without duplication of item (i) above, all fees, cost, expenses and indemnities and other than in respect of a Monthly Transfer Date that is a Semi-Annual Transfer Date, all other amounts constituting Debt Service (A) as it relates to the Lender Debt Service Payment Account, with respect to the Notes, and (B) as it relates to any Pari Passu Debt Service Payment Account, with respect to the relevant Pari Passu Indebtedness, in each case expected to become due and payable prior to the Monthly Transfer Date immediately succeeding such Monthly Transfer Date, plus

(iii) without duplication of items (i) or (ii) above, (A) for any Monthly Transfer Date that is not a Semi-Annual Transfer Date, the product of (x) a fraction, the numerator of which is equal to six minus the number of Monthly Transfer Dates remaining until the next Semi-Annual Transfer Date (including the Monthly Transfer Date that is the next Semi-Annual Transfer Date), and the denominator of which shall be six, and (y) the aggregate amount of Debt Service (1) as it relates to the Lender Debt Service Payment Account, with respect to the Notes, and (2) as it relates to any Pari Passu Debt Service Payment Account, with respect to the relevant Pari Passu Indebtedness, in each case scheduled to be paid on the next Scheduled Payment Date, and (B) if such Monthly Transfer Date is a Semi-Annual Transfer Date, an amount necessary to fund such Debt Service Payment Account so that there are sufficient funds therein (taking into consideration the amounts then on deposit in such Debt Service Payment Account) to pay the aggregate amount of Debt Service (1) as it relates to the Lender Debt Service Payment Account, with respect to the Notes, and (2) as it relates to any Pari Passu Debt Service Payment Account, with respect to the relevant Pari Passu Indebtedness, in each case that is due and payable on the next Scheduled Payment Date;

(c) (i) for the Lender Debt Service Reserve Account, as of each Monthly Transfer Date occurring prior to the date that is twelve months from the Maturity Date, the aggregate amount of Debt Service payable on the Notes on the succeeding two Scheduled Payment Dates immediately following such date of determination; and (ii) as of any Monthly Transfer Date occurring on or after the date that is twelve months prior to the Maturity Date, the excess of (x) the remaining aggregate Debt Service payable on the Notes through the Maturity Date over (y) the amounts on deposit in the Lender Debt Service Payment Account; and

(d) for any Pari Passu Debt Service Reserve Account, as of each Monthly Transfer Date, the lower of (i) the amount then required to be funded into such account in accordance with the terms of the relevant Pari Passu Indebtedness and (ii) the aggregate amount of Debt

Service payable with respect to such Pari Passu Indebtedness on the succeeding two Scheduled Payment Dates immediately following such date of determination.

"Required Holders" means Holders of more than 50% of the aggregate principal amount of the outstanding Notes.

"Required Pari Passu Holders" means:

(a) with respect to any Modification, instruction or exercise of authority relating to a Fundamental Action, the Super Majority Pari Passu Holders;

(b) with respect to the election to exercise any Enforcement Action or any determination incidental thereto, (i) the Majority Pari Passu Holder or (ii) in respect of any class of Senior Secured Obligations (such series, the "Non-Controlling Pari Passu Series"), on and after the date (such date, the "Step Down Date") that is 180 days after the occurrence of both (A) a Secured Obligation Event of Default under the terms of such series of Senior Secured Obligations and (B) the Intercreditor Collateral Agent's and each other Designated Representative's receipt of written notice from the Designated Representative representing the Pari Passu Holders holding such Non-Controlling Pari Passu Series certifying that (I) a Secured Obligation Event of Default has occurred and is continuing in respect of such Non-Controlling Pari Passu Series and (II) that all of the Senior Secured Obligations in respect of such Non-Controlling Pari Passu are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of such series of Senior Secured Obligations, except at any time the Intercreditor Collateral Agent has commenced and is diligently pursuing any Enforcement Action with respect to the Shared Collateral, the Pari Passu Holders holding such Non-Controlling Pari Passu Series, voting as a single class in accordance with the terms of the Pari Passu Indebtedness Document to which they are a party; and

(c) with respect to each other action to be taken under the Intercreditor Agreement, the Majority Pari Passu Holders.

"Restricted Payment" means:

(a) any dividend or other distribution (whether in cash, securities or other Property) with respect to the Capital Stock of the Borrower, or any payment (whether in cash, securities or other Property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Capital Stock of the Borrower or any option, warrant or other right to acquire any Capital Stock of the Borrower;

(b) any payment in respect of or any purchase, retirement or other acquisition by the Borrower of any Indebtedness owed to an Affiliate of the Borrower or any Indebtedness or deposit or similar transaction made to secure any loan or other financial obligation of any Affiliate of the Borrower or payment of fees or interest in respect of any of the foregoing;

(c) any payment on or with respect to, or purchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness;

(d) any loan to any Shareholder of the Borrower or Affiliate, other than any Issuer Subordinated Indebtedness;

(e) any deposit or transfer into the Distribution Account from another Borrower Account or of funds otherwise required to be deposited into a Borrower Account in accordance with the Finance Documents; or

(f) any payment (whether in cash, securities or other Property) by the Borrower to any Affiliate of the Borrower with respect to the development, management or operation of the Airport (other than fees, costs, expenses or other amounts required to be paid pursuant to the terms of (x) the Material Contracts, including but not limited to the payment of the Operator Fee, (y) the IT Services Agreement (as in effect on the Issue Date) or (z) an Affiliate Operating Agreement);

excluding, in each case, (1) the repayment in full of the Intercompany Loans by the Borrower with the proceeds of the Loans on the Issue Date, (2) any payments or advances made by the Borrower to the Lender under and in accordance the Loans Agreement, (3) any Issuer Subordinated Indebtedness and (4) any payments made or declared by the Borrower from funds on deposit in the Distribution Account.

"Restricted Payment Period" means the 90-day period following each Scheduled Payment Date.

"Risk Retention Account" means the risk retention account established and maintained for the sole purpose of holding the U.S. Retention Interest.

"Sale and Leaseback Transaction" means with respect to any Person, any transaction involving any of the assets or properties of such Person whether now owned or hereafter acquired, whereby such Person sells or otherwise transfers such assets or properties and then or thereafter leases such assets or properties or any part thereof or any other assets or properties which such Person intends to use for substantially the same purpose or purposes as the assets or properties sold or transferred.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. or any successor thereto.

"Scheduled Payment Date" means the 15th day of each March and September, in each case following the Issue Date; *provided* that if any such date is not a Business Day, then such day will not be a payment date and such Scheduled Payment Date will be the next succeeding Business Day.

"Second Deed of Amendment" means the second deed of amendment to the Concession Contract dated August 9, 2010 among the Municipality, the Management Unit and the Borrower.

"Secured Obligation Event of Default" means any Event of Default or any event of default or analogous term under any Pari Passu Indebtedness Document the occurrence and continuance of which entitles the holders of the Pari Passu Indebtedness thereunder to accelerate the Senior Secured Obligations under such Pari Passu Indebtedness.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Semi-Annual Transfer Date" shall mean each Monthly Transfer Date occurring in the same calendar month as a Scheduled Payment Date.

"Senior Debt Exposure" means, as of any date of determination, the sum of (a) the aggregate outstanding principal amount of all Pari Passu Indebtedness and (b) the aggregate amount of unused commitments to extend Pari Passu Indebtedness.

"Senior Secured Notes Obligations" means all obligations under the Notes, the Indenture and the other Notes Documents.

"Senior Secured Notes Parties" means collectively, as of any date of the determination (a) each Holder; (b) the Indenture Trustee; (c) the Notes Collateral Agent; and (d) the Notes Account Bank.

"Senior Secured Obligations" means the Senior Secured Notes Obligations and all other obligations of the Borrower (or, if applicable, of the relevant Special Purpose Debt Entity) under any Pari Passu Indebtedness purported to be secured by the Shared Collateral.

"Shared Collateral" means any portion of the Notes Collateral and any other Property purported to secure any Other Pari Passu Indebtedness in accordance with the terms of such Other Pari Passu Indebtedness, excluding in each case any Exclusive Collateral.

"Shareholder" means, as of any date of determination, each Person holding shares of the Borrower or the Issuer, as applicable. As of the Issue Date, the Shareholders of the Borrower are Icaros and Quiport Holdco and the Shareholders of the Issuer are CPC, Odinsa and HASDC.

"Spain" means the Kingdom of Spain.

"Spanish GAAP" means the Spanish General Accounting Plan (Plan general de contabilidad) approved by Royal Decree 1514/2007 as in effect from time to time.

"Special Purpose Debt Entity" means a special purpose vehicle other than the Issuer formed by or on behalf of the Borrower for the sole purpose of incurring Indebtedness, the proceeds of which shall be onlent or otherwise provided to the Borrower in the form of Permitted Indebtedness.

"Sponsors" means CCR, Odinsa and HASDC.

"Strategic Alliance Agreement" means the Strategic Alliance Agreement dated August 9, 2010 among the Municipality, the Management Unit and the Borrower, as supplemented by the Implementation Agreement dated August 9, 2010 among the Municipality, the Management Unit and the Borrower, and as it may be further amended, amended and restated, supplemented, modified or otherwise replaced in accordance with the terms of the Loans Agreement.

"Subordinated Indebtedness" means, with respect to the Borrower or the Issuer, as applicable, any unsecured Indebtedness of the Borrower or the Issuer (other than Issuer Subordinated Indebtedness), as applicable, (a) that is created under or evidenced by a document containing the terms of subordination required by the Borrower Subordinated Lender Security Agreement or the Issuer Subordinated Lender Security Agreement, as applicable, providing for and otherwise evidencing the full subordination in right of payment and all other respects to, in the case of the Borrower, the Loans and the Borrower's other obligations under the Finance Documents (other than the Onshore Borrower Trust Agreement) and, in the case of the Issuer, the Senior Secured Notes Obligations, which shall in each case specify that there shall be no cross-acceleration granted to holders of such Subordinated Indebtedness, and (b) the incurrence of which is permitted under, in the case of the Borrower, paragraph (a) of "The Loans Agreement and the Loans—Covenants—Negative Covenants" or, in the case of the Issuer, "—Covenants—Limitation on Indebtedness."

"Subsidiary" of any Person means any corporation, association, partnership or other entity of which more than 50% of the Capital Stock is owned or controlled, directly or indirectly, by such Person and/or by any Subsidiary of such Person.

"Super Majority Pari Passu Holders" means, at any time, Pari Passu Holders holding a Voting Party Percentage greater than 66 2/3%.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments or other similar charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Transaction Documents" means, collectively, the Financing Transaction Documents and the Material Contracts.

"UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Notes Collateral.

"Upfront Fee" means an upfront fee funded by the Borrower to the Issuer, on or prior to the Issue Date, deposited in the Issuer Collections Account, which Upfront Fee, together with a portion of the proceeds of the Notes, will be used, in part, to make the New Loans to the Borrower.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the option of the issuer thereof.

"Usufruct Agreements" means each of the Municipality Usufruct Agreement and the CORPAQ Usufruct Agreement.

"Voting Party Percentage" means, in connection with any proposed decision or action under the Intercreditor Agreement, the actual percentage, as determined pursuant to "—Intercreditor Arrangement—Voting and Decision Making," of allotted votes of the Pari Passu Holders entitled to vote with respect to such decision or action cast in favor of such decision or action.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness.

## The Loans Agreement and the Loans

*The following is a description of the material provisions of the Loans Agreement among Quiport, the Lender and the Administrative Agent. The following information does not purport to be a complete description of the Loans Agreement and is subject to, and qualified in its entirety by reference to, such document, a copy of which may be obtained by contacting the Indenture Trustee at the address set forth under "Available Information." Capitalized terms, used in this section but not defined herein are as defined under "The Description of the Notes—Certain Definitions."*

### General

International Airport Finance, S.A., acting as lender (in such capacity, the "Lender"), will use a portion of the net proceeds of the Notes to irrevocably purchase and assume all of the Existing Lenders' rights and obligations (whether past, present or future, actual or contingent, or direct or indirect) in their respective capacities as lenders under the Omnibus Amendment and Restatement to Original Common Terms Agreement and Facility Agreements (the "Existing Loans Agreement") dated as of December 20, 2018, among Corporación Quiport S.A. (the "Borrower" or "Quiport") and Citibank, N.A. ("Citi"), Banco Santander, S.A. ("Santander Spain") and Banco Santander (Brasil) S.A., Luxembourg Branch (together with Citi and Santander Spain, the "Existing Lenders" and each an "Existing Lender"), in each case as a lender, and Citibank, N.A., as Administrative Agent in an aggregate principal amount of U.S.$65,950,077.48 (the "Existing Loans"), plus accrued and unpaid interest as of the Issue Date, plus any funding losses or breakage costs payable under the Existing Loans Agreement, and any other cost, fee, expense or other obligation due and payable thereunder. Immediately upon the assignment of the Existing Loans to the Lender (such assigned Existing Loans, the "Assigned Loans"), the Lender, the Borrower and the Administrative Agent will amend and restate the Existing Loans Agreement pursuant to an Amendment and Restatement to the Original Common Terms Agreement and Facility Agreements (the "Loans Agreement"), the material provisions of which are set out in this "The Loans Agreement and the Loans." See "—Optional Prepayment of the Existing Loans by means of Assignment." In addition, the Lender will use the remaining portion of the net proceeds of the Notes, together with the Upfront Fee, to make one or more loans (the "New Loans," and together with the Assigned Loans, the "Loans") to the Borrower pursuant to the Loans Agreement in an aggregate principal amount of U.S.$333,001,118.52. On the Issue Date, the aggregate principal amount of the Loans will be U.S.$400,000,000, equal to the principal amount of the Notes issued on the Issue Date. The Borrower shall apply or direct the proceeds of the New Loans (x) to repay the Intercompany Loans in full on the Issue Date, (y) to make a retained dividend distribution to the Shareholders of the Borrower upon the completion of the Corporate Reorganization and (z) for certain general corporate purposes. See "Use of Proceeds." Once repaid, the Loans may not be reborrowed. The Loans will be unsecured and unsubordinated obligations of the Borrower. The Loans Agreement will provide that principal of, and premium, if any, and interest (including Additional Amounts, if any) on, the Loans are payable only in Dollars.

### Trust Beneficiary Rights

The Lender will benefit from an assignment of the trust beneficiary rights in respect of the Onshore Borrower Trust Agreement pursuant to the Assignment of Fiduciary Trust Rights, except for the Municipality's interest over the NQIA Surcharges (as defined in the Strategic Alliance Agreement). See "The Concession—Onshore Borrower Trust Agreement."

Solely for purposes of the transfers to and from the Offshore Borrower Accounts pursuant to the Onshore Borrower Trust Agreement, the Administrative Agent shall be referred to as the "Offshore Collateral Agent." For the avoidance of doubt, none of the Onshore Borrower Trust Accounts or any amount standing to the credit thereof, at any time and from time to time, will be subject to a security interest in respect of the Loans or the Notes.

**Optional Prepayment of the Existing Loans by means of Assignment**

In accordance with the terms of the Existing Loans Agreement, at the request of the Borrower, any optional prepayment of the Existing Loans may be made by means of an assignment of all of the Existing Loans to one or more eligible assignees designated by the Borrower in the relevant notice of prepayment, subject to the satisfaction of each of the following conditions: (a) the assignment price for such assignment must include any and all amounts that would be payable by the Borrower under the Existing Loans Agreement and related documents if the Borrower was instead giving effect to a voluntary prepayment of the Existing Loans Agreement Loans, (b) such eligible assignee will not become a party to the Existing Loans Agreement or any Finance Documents and the Loans assigned to it will simultaneously be documented as a separate and independent facility, and (c) each Existing Lender has received all such documentation and information, in form, scope and substance reasonably satisfactory to such Existing Lender, requested by it as being necessary to satisfy all applicable "know your customer" or similar requirements as well as any requirements of bank regulatory authorities and applicable anti-corruption and anti-money laundering laws and regulations with respect to such eligible assignees. Such assignment is subject to each Existing Lender's receipt of (x) all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering laws, rules and regulations, that such Existing Lender requests in connection with such assignment, and such Existing Lender is not prohibited from making such assignment to such eligible assignee in accordance with such laws, rules and regulations, and (y) payment of all fees and expenses incurred by such Existing Lender in connection with such assignment.

In accordance with the terms of the Existing Loans Agreement, all such prepayments are to be made upon not less than three Business Days' prior written notice given to the Administrative Agent by 12:00 p.m. (New York City time) on the relevant date, upon which date the principal amount of the Existing Loans specified in such notice becomes due and payable.

On the Issue Date, the Existing Lenders and the Lender will execute an Assignment and Assumption Agreement (the "Assignment and Assumption Agreement") pursuant to which the Existing Lenders, as assignors, will agree to irrevocably sell, transfer and assign to the Lender, as assignee, and the Lender will irrevocably agree to purchase and assume from the Existing Lenders, on the Issue Date, (a) all of the Existing Lenders' rights and obligations in their respective capacities as lenders under the Existing Loans Agreement and the other related documents to which such Existing Lenders are a party and any other documents or instruments delivered pursuant thereto of all of such outstanding rights and obligations of the Existing Lenders under such documents and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Existing Lenders (in their respective capacities as a lender under the Existing Loans Agreement) against any person, whether known or unknown, arising under or in connection with the Existing Loans Agreement, the other related documents to which such Existing Lenders is a party, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as the "Assigned Interest").

Following such sale and assignment, the Lender will be deemed to be a "lender" under and in respect of the Existing Loans Agreement and the other related documents and each Existing Lender will cease to be a party to the Existing Loans Agreement and each other related document and will relinquish its rights thereunder, *provided* that each Existing Lender shall retain any right to be indemnified under the Existing Loans Agreement with respect to any claims or actions arising in connection therewith in respect of events or circumstances occurring prior to the assignment of the Existing Loans Agreement to the Lender. In addition, except as described in the preceding sentence, following such sale and assignment, all the

obligations of the Borrower to the Existing Lenders under the Existing Loans Agreement and each other related document will be owed to the Lender in respect of the Assigned Interest as of the Issue Date. Such sale and assignment will be without recourse to any Existing Lender and, except as expressly provided in the Assignment and Assumption Agreement, without representation or warranty by any Existing Lender.

Following such sale and assignment, the Existing Loans Agreement will be amended and restated and the Existing Lenders will deliver any promissory notes of the Borrower held by them in connection with the Existing Loans for cancellation and the Borrower will deliver to the Lender new promissory notes in connection with the Assigned Loans and the New Loans.

**Accounts and Priority of Payments**

The Offshore Borrower Accounts and the Distribution Account will be established and maintained in accordance with the Master Accounts Agreement and the Onshore Borrower Trust Accounts have been established and will be maintained in accordance with the Onshore Borrower Trust Agreement, and such agreements will also provide for the establishment of, deposits into and withdrawals from the applicable Borrower Accounts, as described below, or, in the case of the Onshore Borrower Accounts, as described in the Onshore Borrower Trust Agreement.

***Offshore Borrower Accounts***

The Offshore Borrower Accounts will include the Offshore Collection Account, the Offshore O&M Expense Account, the Income Tax Reserve Account, the EPS Reserve Account, the Capital Expenditure Reserve Account and the Borrower Compensation Account (collectively, the "Offshore Borrower Accounts"). The Offshore Borrower Accounts and any amount standing to the credit thereof from time to time will not be pledged, hypothecated, transferred, assigned, granted or subject to any Lien (except as may be required in accordance with the Intercreditor Agreement).

On the Issue Date, the Borrower shall (a) prior to any application of the proceeds of the New Loans, cause the proceeds thereof to be deposited in the New Loans Accounts for registration of the New Loans with the Central Bank of Ecuador, and shall, immediately following such deposit, redeposit such proceeds into the Distribution Account, and (b) deposit or caused to be deposited funds in its existing offshore accounts into the equivalent Offshore Borrower Account, if applicable, or, if no such equivalent account applies, into the Offshore Collection Account for application in accordance with the applicable transfers specified in clauses (i)-(viii) below on the Monthly Transfer Date first following the Issue Date.

***Offshore Collection Account***

The Borrower will deposit or cause to be deposited in the Offshore Collection Account the following amounts:

(a) all Project Revenues payable outside of Ecuador;

(b) all amounts transferred from the Onshore Project Revenues Collection Account and the Onshore Regulated Fees Collection Account, in each case, in accordance with the Onshore Borrower Trust Agreement, transferred through the Encargo Fiduciario Account pursuant to the Encargo Fiduciario Agreement (Offshore Transfers);

(c) all other amounts payable to or for the account of the Borrower outside of Ecuador that are not required to be deposited in another Borrower Account in accordance with the terms of the Master Accounts Agreement;

(d) amounts from other Offshore Borrower Accounts when the balance standing to the credit thereof exceeds the Required Balance of such other Offshore Borrower Accounts;

(e) amounts transferred from the Borrower Compensation Account; and

(f) all proceeds from Permitted Investments maintained in an Offshore Borrower Account.

Notwithstanding the foregoing, all other sums expressly required to be deposited in another Borrower Account in accordance with the terms of the Master Accounts Agreement, the Onshore Borrower Trust Agreement or any other Finance Document shall be so deposited.

The Borrower shall cause, on each Monthly Transfer Date, the funds on deposit in the Offshore Collection Account to be withdrawn and transferred in the following order of priority and for the following purposes:

(i) first, to the Onshore O&M Expense Account, the amount necessary to make the funds on deposit in the Onshore O&M Expense Account equal to the Required Balance of the Onshore O&M Expense Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the Onshore O&M Expense Account and any other amounts to be transferred to the Onshore O&M Expense Account from any Onshore Borrower Trust Account prior to the next Monthly Transfer Date);

(ii) second, after making the transfer specified in clause (i) above, to the Ecuador Operator Account, the amount necessary to make the funds on deposit in the Ecuador Operator Account equal to the Required Balance of the Ecuador Operator Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the Ecuador Operator Account and any other amounts to be transferred to the Ecuador Operator Account from any Onshore Borrower Trust Account prior to the next Monthly Transfer Date);

(iii) third, after making the transfers specified in clauses (i) and (ii) above, to the Offshore O&M Expense Account, the amount necessary to make the funds on deposit in the Offshore O&M Expense Account equal to the Required Balance of the Offshore O&M Expense Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the Offshore O&M Expense Account, and any other transfers to the Offshore O&M Expense Account from any Borrower Account to be made prior to the next Monthly Transfer Date);

(iv) fourth, after making the transfers specified in clauses (i)-(iii) above, to (A) each Debt Service Payment Account (on a *pro rata* basis to the extent funds are insufficient), the amount necessary to make the funds on deposit in such Debt Service Payment Account equal to the Required Balance of such Debt Service Payment Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of such Debt Service Payment Account), (B) to each Loans Agent, any amounts then due and payable to such Loans Agent in accordance with the Loans Documents, and (C) to the relevant holder thereof, any Debt Service then due and payable under any Permitted Indebtedness of the Borrower that ranks *pari passu* in right of payment with the Loans;

(v) fifth, after making the transfers specified in clauses (i)-(iv) above, to each Debt Service Reserve Account (on a *pro rata* basis to the extent funds are insufficient), the amount necessary to make the funds on deposit in such Debt Service Reserve Account equal to the Required Balance of such Debt Service Reserve Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of such Debt Service Reserve Account and (A) in the case of the Lender Debt Service Reserve Account, the undrawn amount then available under any DSRA Reserve L/C, if any, credited thereto, and (B) in the case of any Pari Passu Debt Service Reserve Account, the undrawn amount

of any credit support credited thereto in accordance with the terms of the relevant Pari Passu Indebtedness, in each case of clauses (A) and (B), outstanding as of such Monthly Transfer Date);

(vi) sixth, after making the transfers specified in clauses (i)-(v) above, after December 31, 2025, to the Income Tax Reserve Account, the amount necessary to make the funds on deposit in the Income Tax Reserve Account equal to the Required Balance of the Income Tax Reserve Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the Income Tax Reserve Account and the undrawn amount then available under any Reserve L/C, if any, credited to the Income Tax Reserve Account outstanding as of such Monthly Transfer Date);

(vii) seventh, after making the transfers specified in clauses (i)-(vi) above, to the EPS Reserve Account, the amount necessary to make the funds on deposit in the EPS Reserve Account equal to the Required Balance of the EPS Reserve Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the EPS Reserve Account and the undrawn amount then available under any Reserve L/C, if any, credited to the EPS Reserve Account outstanding as of such Monthly Transfer Date); and

(viii) eighth, after making the transfers specified in clauses (i)-(vii) above, to the Capital Expenditure Reserve Account, the amount necessary to make the funds on deposit in the Capital Expenditure Reserve Account equal to the Required Balance of the Capital Expenditure Reserve Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the Capital Expenditure Reserve Account and the undrawn amount then available under any Reserve L/C, if any, credited to the Capital Expenditure Reserve Account outstanding as of such Monthly Transfer Date).

Any amounts remaining in the Offshore Collection Account after making the applicable transfers specified in clauses (i)-(viii) above shall remain in the Offshore Collection Account. On any date within a Restricted Payment Period, the Borrower shall be permitted to apply such funds remaining in the Offshore Collection Account as the Borrower may specify in the Restricted Payment Certificate delivered in connection with such application, to make Restricted Payments (including to transfer such funds to the Distribution Account for application at any time thereafter for any lawful purpose), subject to satisfaction of each of the conditions set forth in paragraph (k) of "—Covenants—Negative Covenants."

Transfers under clause (v) above will be made by the Borrower pursuant to Issuer Subordinated Indebtedness extended by the Borrower to the Issuer in connection with the funding of the Lender Debt Service Reserve Account.

If at any time during a Monthly Period the amount of (a) any unpaid O&M Expenses then due and payable exceeds the balance standing to the credit of the Onshore O&M Expense Account, the Ecuador Operator Account and the Offshore O&M Expense Account or (b) there is a shortfall for the payment of unpaid Debt Service then due and payable, the Borrower may, in its sole discretion, transfer funds from the following Borrower Accounts to the Onshore O&M Expense Account, the Ecuador Operator Account or the Offshore O&M Expense Account, or to pay any such Debt Service, as applicable, as and to the extent necessary to cause such excess O&M Expenses or unpaid Debt Service to be paid:

*first*, from the Offshore Collection Account;

*second*, from the Onshore Project Revenues Collection Account (solely for purposes of the Onshore O&M Expense Account or the Ecuador Operator Account);

*third*, from the Capital Expenditure Reserve Account;

*fourth*, from the Income Tax Reserve Account; and

*fifth*, from the EPS Reserve Account.

In accordance with the Master Accounts Agreement, the "Offshore Collateral Agent," for purposes of the Onshore Borrower Trust Agreement, will, at all times maintain a standing instruction (the "Standing Instruction") to the Onshore Borrower Trustee not to execute the provision in Section 4.2(c) of Schedule 3 to the Onshore Borrower Trust Agreement, which provides for the Onshore Borrower Trustee to transfer, on each Monthly Transfer Date (as defined in the Onshore Borrower Trust Agreement), to the Offshore Collection Account the entire remaining balance standing to the credit of the Onshore Project Revenues Collection Account after making the transfers specified in Sections 4.2(a) and (b) of Schedule 3 to of the Onshore Borrower Trust Agreement. In connection therewith, the "Offshore Collateral Agent" shall instruct the Onshore Borrower Trustee to maintain the funds in the Onshore Project Revenues Collection Account after making the transfers specified in Sections 4.2(a) and (b) of Schedule 3 to the Onshore Borrower Trust Agreement. This standing instruction may be waived by the Borrower at any time and from time to time in its sole discretion and will be deemed to be automatically revoked pursuant to the Onshore Borrower Trust Agreement upon the occurrence and during the continuation of a Blockage Event.

*Borrower Compensation Account*

The Borrower shall cause any amounts constituting proceeds of any Disposition or Casualty Event (excluding, for the avoidance of doubt, any such amounts thereof to be used for payment of ISD in respect of such transfers outside of Ecuador) to be deposited in the Borrower Compensation Account in accordance with the Master Accounts Agreement.

Funds on deposit in the Borrower Compensation Account consisting of proceeds of any Disposition shall be withdrawn by the Loans Account Bank (acting upon instructions of the Borrower) (a) to be applied in accordance with clause (h) of "—Covenants—Negative Covenants" below, (b) to be applied to make an Excess Disposition Offer to Purchase to the extent required pursuant to "—Prepayments of the Loans—Mandatory Prepayments—Disposition of Assets Prepayment" and (c) in the case of any Remaining Disposition Amount following completion of an Excess Disposition Offer to Purchase in respect thereof, for transfer to the Offshore Collection Account.

Funds on deposit in the Borrower Compensation Account consisting of proceeds of any Casualty Event shall be withdrawn by the Loans Account Bank (acting upon instructions of the Borrower) (a) to be applied in accordance with clause (i)(ii) of "—Covenants—Affirmative Covenants" below, (b) be applied to make an Excess Loss Offer to Purchase to the extent required pursuant to "—Prepayments of the Loans—Mandatory Prepayments—Casualty Event Prepayment" and (c) in the case of any Remaining Insurance Payment Amount following completion of an Excess Loss Offer to Purchaser in respect thereof, for transfer to the Offshore Collection Account.

*Offshore O&M Expense Account*

Amounts will be deposited in the Offshore O&M Expense Account (the "Offshore O&M Expense Account") in accordance with the Master Accounts Agreement. The Loans Account Bank (acting upon instructions of the Borrower) will be permitted to withdraw all or any portion of the amount on deposit in the Offshore O&M Expense Account to pay for any O&M Expenses (including O&M Expenses of the Ecuador Operator pursuant to the O&M Agreement) then due and payable and projected to be due and payable outside of Ecuador from the Offshore O&M Expense Account.

*Income Tax Reserve Account*

Amounts will be deposited in the Income Tax Reserve Account in accordance with the Master Accounts Agreement. The Loans Account Bank (acting upon instructions of the Borrower) will be permitted to withdraw all or any portion of the amount on deposit in the Income Tax Reserve Account as directed by the Borrower to pay any income or profits tax generated at the Airport with respect to which a Claim has been presented and there is no Contest or no successful Contest, at the Borrower's discretion.

*EPS Reserve Account*

Amounts will be deposited in the EPS Reserve Account in accordance with the Master Accounts Agreement. The Loans Account Bank (acting upon instructions of the Borrower) will be permitted to withdraw all or any portion of the amount on deposit in the EPS Reserve Account for transfer to the Onshore O&M Expense Account to pay any EPS Obligation.

*Capital Expenditure Reserve Account*

Amounts will be deposited in the Capital Expenditure Reserve Account in accordance with the Master Accounts Agreement. The Loans Account Bank (acting upon instructions of the Borrower) shall withdraw all or any portion of the amount on deposit in the Capital Expenditure Reserve Account to pay Capital Expenditures that become due.

*Distribution Account*

Prior to the Issue Date, the Borrower will have established, in its own name, a Distribution Account, which shall be denominated in Dollars and maintained with the Loans Account Bank at all times until the Maturity Date. The Distribution Account shall not be an "Offshore Borrower Account." The Borrower shall have exclusive control over and exclusive right of withdrawal from its Distribution Account and such account and any amount standing to the credit thereof from time to time will not be pledged, hypothecated, transferred, assigned, granted or subject to any flawed asset arrangement in any way whatsoever under any Financing Transaction Documents.

The Borrower and its Shareholders shall have the right at any time to deposit into the Distribution Account any cash proceeds from any issuances of Capital Stock by the Borrower permitted under the Loans Agreement or any Subordinated Indebtedness incurred by the Borrower; *provided* that such amounts shall, prior to any application thereof and to the extent required for registration purposes with the Central Bank of Ecuador or Applicable Law, be transferred to the New Loans Accounts and registered with the Central Bank of Ecuador, and shall either be maintained on deposit therein or be redeposited into the Distribution Account in accordance with the instructions of the Borrower.

The Distribution Account shall be funded solely with (i) cash proceeds from any issuances of Capital Stock by the Borrower or Subordinated Indebtedness incurred by the Borrower, in each case in accordance with the immediately preceding paragraph, and (ii) transfers from the Offshore Collection Account constituting a Restricted Payment permitted to be made in accordance with paragraph (k) of "—Covenants—Negative Covenants."

The Borrower may use funds in the Distribution Account to cover insufficiencies in any Borrower Account or for any other purpose in its sole discretion. For the avoidance of doubt, any payments or transfers made or declared by the Borrower from funds on deposit in the Distribution Account shall not constitute Restricted Payments.

**Onshore Borrower Trust Accounts**

The Onshore Regulated Fees Collection Account, the Onshore Project Revenues Collection Account and the Onshore O&M Expense Account (collectively, the "Onshore Borrower Trust Accounts" or, solely for purposes of the Onshore Borrower Trust Agreement, the "Accounts") have been established pursuant to the Onshore Borrower Trust Agreement and the Lender will benefit from an assignment of the trust beneficiary rights in respect of the Onshore Borrower Trust Agreement, other than with respect to the Municipality's interest over the NQIA Surcharges. Solely for purposes of the Onshore Borrower Trust Agreement, the Administrative Agent is referred to as the "Offshore Collateral Agent," as appointed under the Master Accounts Agreement.

*Onshore Project Revenues Collection Account*

The Borrower will deposit or cause to be deposited into the Onshore Project Revenues Collection Account all Onshore Project Revenues (as defined in the Onshore Borrower Trust Agreement) (other than any Regulated Fees) and all other amounts paid to or for the account of the Borrower other than any amounts required to be deposited in any Offshore Borrower Trust Account pursuant to the Master Accounts Agreement. Amounts on deposit therein will be transferred in accordance with the Onshore Borrower Trust Agreement and the Standing Instruction. See "The Concession—Onshore Borrower Trust Agreement—Onshore Accounts" and "—Offshore Borrower Accounts—Offshore Collection Account."

*Onshore O&M Expense Account*

There shall be deposited into the Onshore O&M Expense Account amounts transferred pursuant to the Onshore Borrower Trust Agreement and the Master Accounts Agreement. The Borrower shall be permitted to withdraw funds from the Onshore O&M Expense Account to pay Onshore O&M Expenses (as defined in the Onshore Borrower Trust Agreement) as and when due and payable in accordance with the Onshore Borrower Trust Agreement. See "The Concession—Onshore Borrower Trust Agreement—Onshore Accounts." If at any time during a Monthly Transfer Period (as defined therein) the amount of any unpaid Onshore O&M Expenses (as defined in the Onshore Borrower Trust Agreement) then due and payable from the Onshore O&M Expense Account exceeds the balance standing to the credit of the Onshore O&M Expense Account, and so long as no Blockage Event (as defined in the Onshore Borrower Trust Agreement) shall have occurred and be continuing, the Borrower shall promptly notify the Offshore Collateral Agent and request that the Offshore Collateral Agent transfer funds from the Offshore Borrower Accounts in the order of priority set forth in the Master Accounts Agreement.

*Onshore Regulated Fees Collection Account*

The Borrower will deposit or cause to be deposited into the Onshore Regulated Fees Collection Account all Onshore Project Revenues (as defined in the Onshore Borrower Trust Agreement) consisting of Regulated Fees (as defined in the Onshore Borrower Trust Agreement) in accordance with the Onshore Borrower Trust Agreement. The Onshore Borrower Trustee shall transfer not later than 5:00 p.m. on each Business Day (as defined in the Onshore Borrower Trust Agreement) the entire balance standing to the credit of the Onshore Regulated Fees Collection Account to the Offshore Collection Account in accordance with the Onshore Borrower Trust Agreement. See "The Concession—Onshore Borrower Trust Agreement—Onshore Accounts."

***Funding of Reserve Accounts***

Cash on deposit in any of the Borrower Reserve Accounts may be substituted at any time, in whole or in part, at the Borrower's option, in an equal amount with an irrevocable and unconditional standby letter of credit in favor of the Administrative Agent (a "Reserve L/C") issued by an Acceptable Financial Institution.

Each Reserve L/C shall include the following terms:

(a) such Reserve L/C shall expire no earlier than the date that is twelve months from the date of issuance thereof;

(b) unless (i) such Reserve L/C is renewed or replaced by another Reserve L/C or (ii) the Borrower deposits or causes to be deposited in the relevant Borrower Reserve Account funds in an amount sufficient to cause the balance thereof to be no less than the Required Balance thereof, in each case at least 60 days prior to the expiration date of such Reserve L/C, the Administrative Agent shall be permitted under the terms of such Reserve L/C, and shall, draw on the entire face amount of such Reserve L/C;

(c) upon the issuer of such Reserve L/C ceasing to be an Acceptable Financial Institution, the Administrative Agent shall be permitted under the terms of such DSRA Reserve L/C to, and shall, draw on the entire face amount of such Reserve L/C, unless a replacement Reserve L/C has been issued by an Acceptable Financial Institution within 30 calendar days from such event;

(d) none of the Borrower or the Administrative Agent shall have any reimbursement or other obligation to the issuer of the Reserve L/C, and such issuer shall irrevocably waive any claim or other rights against the Borrower and the Administrative Agent that may arise from the issuance, existence or performance of its obligations under the Reserve L/C, including any and all rights of subrogation, whether or not such claim, remedy or right arises in equity or under contract, statute or common law;

(e) the Reserve L/C shall be subject to International Standby Practices 1998 (ISP 98) as set out in International Chamber of Commerce Publication No. 590, as amended, modified, replaced or supplemented and in effect from time to time and, to the extent not inconsistent therewith, governed by and construed in accordance with the law of the State of New York; and

(f) the Reserve L/C will be available to be drawn in all cases in which the Master Accounts Agreement provides for a transfer of funds from the relevant Borrower Reserve Accounts and the funds then available in the relevant Borrower Reserve Account are not sufficient to make such transfer.

Upon delivery of any Reserve L/C, there shall also be delivered to the Administrative Agent an Officer's Certificate of the Borrower stating that all conditions precedent and covenants under the Finance Documents with respect to the delivery of such Reserve L/C have been complied with.

***Investments***

Amounts on deposit in the Borrower Accounts (other than the Onshore Borrower Trust Accounts, which investments will be as permitted under the Onshore Borrower Trust Agreement; see "The Concession—Onshore Borrower Trust Agreement—Onshore Accounts"), in whole or in part, may be invested in Permitted Investments as instructed by the Borrower.

Disposition of Accounts upon Repayment of the Loans

After the payment in full of the principal and interest on all the Loans outstanding, and after the payment in full of all fees, charges, expenses and non-contingent indemnities of the Administrative Agent, the Lender and the Loans Account Bank and all other amounts required to be paid under the Loans Agreement, the Borrower will instruct the Loans Account Bank to apply all amounts remaining in any

Offshore Borrower Accounts (including interest income on Permitted Investments) in accordance with such instructions from the Borrower.

**Principal and Maturity**

Unless subject to prepayment as described in "—Prepayments of the Loans" below, no principal will be payable on the Loans from and including the Issue Date to but excluding the September 15, 2020 Scheduled Payment Date. Installments of principal will be payable on each Scheduled Payment Date commencing on September 15, 2020 (other than the Scheduled Payment Date on March 15, 2021) to the Lender in accordance with the following schedule (the "Loan Repayment Schedule"):

| Scheduled Payment Dates | Principal Amount Payable (in U.S. dollars) |
|---|---|
| September 15, 2020 | $926,657.14 |
| September 15, 2021 | $3,711,035.49 |
| March 15, 2022 | $68,870.93 |
| September 15, 2022 | $4,105,239.70 |
| March 15, 2023 | $2,130,914.56 |
| September 15, 2023 | $4,123,231.94 |
| March 15, 2024 | $3,986,259.93 |
| September 15, 2024 | $10,134,142.73 |
| March 15, 2025 | $7,171,746.08 |
| September 15, 2025 | $13,709,846.56 |
| March 15, 2026 | $9,698,183.01 |
| September 15, 2026 | $12,938,999.17 |
| March 15, 2027 | $10,244,353.97 |
| September 15, 2027 | $16,257,606.73 |
| March 15, 2028 | $13,747,237.70 |
| September 15, 2028 | $19,806,553.05 |
| March 15, 2029 | $17,305,210.23 |
| September 15, 2029 | $24,398,243.55 |
| March 15, 2030 | $21,671,775.46 |
| September 15, 2030 | $29,445,162.44 |
| March 15, 2031 | $26,849,642.02 |
| September 15, 2031 | $35,348,259.51 |
| March 15, 2032 | $33,073,971.21 |
| September 15, 2032 | $41,009,738.73 |
| March 15, 2033 | $38,137,118.16 |

If any portion of the Loans are prepaid as described under "—Prepayments of the Loans," the principal amounts listed in the table above shall be reduced by an amount proportionate to the principal amount of Loans so prepaid on a *pro rata* basis. The Loans will mature on March 15, 2033.

**Interest**

Interest on the outstanding principal of the Loans will accrue at a base rate equal to 12.000% per annum (the "Base Rate") from March 14, 2019, or from the most recent loan payment date, as applicable, and will be payable semi-annually in arrears on each Scheduled Payment Date commencing on September 15, 2019. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

For each Loan Payment Period, the Base Rate shall be adjusted to a rate per annum (the "Applicable Rate") such that (i) the total interest payment paid by the Borrower per U.S.$1,000 principal amount of Loans, after deducting or withholding any amounts of withholding or other tax on such payments as required by Applicable Law, shall be equal to (ii) (w) the total interest payable by the Issuer per U.S.$1,000 principal amount of Notes for such corresponding Notes Payment Period plus (x) any Notes Additional Amounts payable by the Issuer per U.S.$1,000 principal amount of Notes for such corresponding Notes Payment Period plus (y) the Notes Agent Expenses Ratable Amount for such corresponding Notes Payment Period plus (z) an arm's length spread over the base rate; *provided* that the Applicable Rate for any Loan Payment Period shall be set at a rate no lower than the rate such that the interest payment received by the Lender for such Loan Payment Period, free and clear of any Tax, shall be equal to or greater than all interest payments, Notes Additional Amounts and Notes Agent Expenses payable to the Senior Secured Notes Parties in respect of the Notes and the other Notes Documents for the corresponding Notes Payment Period. If, on any Business Day immediately preceding a date on which payment is scheduled to be made on the Notes, whether on a Scheduled Payment Date, Offer to Purchase Date, redemption date, by way of acceleration or otherwise, the Indenture Trustee or the Issuer shall inform the Borrower that the amounts contained in the Debt Service Payment Account are insufficient to make such required payments on the Notes, the Borrower shall deposit an amount in the Debt Service Payment Account sufficient to make up such shortfall on or prior to the date on which payment on the Notes is due. The Lender shall submit to the Borrower in writing all Notes Additional Amounts applicable to the Notes for such Notes Payment Period no later than two (2) Business Days prior to the applicable Determination Date. When entering into the Loans Agreement, the parties have assumed that, on the Issue Date, the interest payable on the Loans are subject to deduction or withholding of a rate of 25%, subject to certain exceptions, generally determined without regard to any interest, fees, penalties or additions to tax as of the date of such agreements on account of Ecuadorian Withholding Tax, and the Applicable Rate for the first Loan Payment Period shall be equal to 13.000%.

The Applicable Rate for each Loan Payment Period shall be determined by the Borrower on the applicable Determination Date, *provided* that on each Determination Date, the Borrower shall deliver an Officer's Certificate to the Lender, Administrative Agent and Indenture Trustee, which shall (i) set out the calculation of the Applicable Rate, (ii) notify the Lender, Administrative Agent and Indenture Trustee of the Applicable Rate on the corresponding Scheduled Payment Date, and (iii) state that the interest rate adjustment set out therein is in compliance with the Loans Agreement. Upon receipt of such Officer's Certificate, such adjusted interest rate shall be in force under the Loans Agreement until further notification by the Borrower.

"Loan Payment Period" means the period commencing on and including a Scheduled Payment Date and ending on but excluding the next succeeding Scheduled Payment Date, it being understood that the first Loan Payment Period shall commence on and include the Issue Date and end on and exclude September 15, 2019.

"Notes Payment Period" means the period commencing on and including a Scheduled Payment Date and ending on but excluding the next Scheduled Payment Date, it being understood that the first Notes Payment Period shall commence on and include the Issue Date and end on and exclude September 15, 2019.

"Notes Agent Expenses" means the total fees, charges, indemnities or other expenses payable to the Notes Agents under the Notes Documents, submitted to the Borrower by the Indenture Trustee on or prior to each Determination Date; *provided* that all Notes Agent Expenses to be taken into consideration in the calculation of the Applicable Rate shall be submitted by the applicable Notes Agent to the Borrower in writing no later than two (2) Business Days prior to the Determination Date for the applicable Notes Payment Period; *provided further* that all Notes Agent Expenses shall be subject to the terms of any

engagement or fee letters entered into by each relevant Notes Agent with the Issuer or the Borrower, as the case may be.

"Notes Agent Expenses Ratable Amount" means the Notes Agent Expenses for any Loan Payment Period multiplied by one thousand divided by the outstanding principal amount of Notes on the Determination Date for which such Notes Agent Expenses are submitted to the Issuer.

"Determination Date" for each Loan Payment Period or Notes Payment Period, as applicable, shall mean the date that is 210 days before the Scheduled Payment Date that such Loan Payment Period or Notes Payment Period, as applicable, ends on (or, with respect to the first Scheduled Payment Date, the Issue Date).

**Payments and Computations**

The Borrower will make each payment under the Loans Agreement as advances to the Lender Debt Service Payment Account, on each Monthly Transfer Date, in the amount necessary to make the funds on deposit in the Lender Debt Service Payment Account equal to the Required Balance of the Lender Debt Service Payment Account as of such Monthly Transfer Date (taking into account the amount then standing to the credit of the Lender Debt Service Payment Account) in accordance with the Master Accounts Agreement; *provided* that such advances to the Lender Debt Service Payment Account shall not constitute actual payment of the amounts payable under the Loans Agreement until they are deemed paid to the Lender on the applicable Scheduled Payment Date; *provided further* that payments made in connection with prepayments shall be made to the Lender Debt Service Payment Account on or prior to the Business Day before the date of such prepayment.

The Borrower will make each payment under the Loans Agreement, without regard to the existence of any counterclaim, set-off, defense or other right that the Borrower may have at any time against the Lender, the Administrative Agent or any other Person, whether in connection with the transaction contemplated in the Loans Agreement or any unrelated transaction, not later than 10:00 a.m. (New York City time) two Business Days prior to the date due in  Dollars to the Administrative Agent for the account of the Lender in same day immediately available funds.

All computations of interest on the Loans will be made by the Administrative Agent on the basis of a 360-day year consisting of twelve 30-day months; *provided* that the Adjusted Interest Rate shall be calculated by the Borrower. Each determination by the Administrative Agent of an interest amount under the Loans Agreement shall be conclusive and binding for all purposes, absent manifest error.

**Evidence of Loan**

The Borrower shall execute and deliver to the Lender a promissory note in respect of each Loan, governed by the laws of Ecuador (each, a "Promissory Note").

**Additional Amounts**

The Loans Agreement will provide that any and all payments by (or on behalf of) the Borrower to the Lender with respect to the Loans, will be made free and clear of, and without any deduction or withholding for or on account of, any Taxes imposed, assessed, levied or collected by (or on behalf of) Ecuador, any other jurisdiction in which the Borrower (or a successor thereof) is then organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) or any jurisdiction from or through which payments on the Loans are made by or on behalf of the Borrower's direction (or any political subdivision or taxing authority thereof or therein) (a "Taxing Jurisdiction"), unless such Taxes are required by any Applicable Law to be deducted or withheld.

If any such Taxes are required by Applicable Law to be deducted or withheld with respect to any such payment, then the Borrower, subject to the exceptions described below, will be required to: (i) certify to the Lender and the Administrative Agent on the Determination Date corresponding to the applicable Loan Payment Period (a) the amount such additional amounts (the "Additional Amounts") that would otherwise have been payable in respect of such payments, and (b) that the Lender has taken such Additional Amounts into account in the calculation of the Applicable Rate for such Loan Payment Period, (ii) deduct or withhold such Taxes, and (iii) pay the full amount of Taxes deducted or withheld to the relevant Taxing Jurisdiction in accordance with Applicable Law; *provided* that, if for any reason any Additional Amounts are not taken into account in the calculation of the Applicable Rate for any Loan Payment Period, the Borrower will be required to pay to the Lender such additional amounts as may be necessary so that the Lender will receive the full amount otherwise payable in respect of such payments as if no such Taxes (including any Taxes payable in respect of such additional amounts) had been required to be so deducted or withheld. The Administrative Agent will have no obligation to determine or verify the amount of any Additional Amounts.

Notwithstanding the preceding paragraph, no such Additional Amounts will be taken into account with respect to any calculation of the Applicable Rate under the Finance Documents:

(a) in respect of any Tax assessed or imposed by any Taxing Jurisdiction to the extent that such Tax would not have been assessed or imposed but for any present or former connection between the Lender and the relevant Taxing Jurisdiction, including such Lender being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein, or having or having had a permanent establishment therein other than, in such case, solely due to a connection arising (or deemed to arise) from Lender's participation in the transactions effected by the Finance Documents and the receipt of payments thereunder;

(b) in respect of any estate, inheritance, gift, capital gains, personal property, excise, sales, value-added, transfer or other similar Tax;

(c) to the extent that any such Tax would not have been imposed but for the failure of the Lender to comply with any certification, identification, information, documentation or other reporting requirement to the extent: (i) such Lender is legally able to comply with such requirement, (ii) such compliance is required by Applicable Law as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Tax and (iii) at least 30 days before the Scheduled Payment Date with respect to which the Borrower will apply this clause (c), the Borrower will have notified the Lender in writing that the Lender will be required to comply with such requirement;

(d) in respect of any Tax which is payable other than by deduction or withholding from payments of principal of or interest on the Loans; in respect of any Taxes imposed under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any successor law or regulation implementing or complying with, or introduced in order to conform to, such sections or any intergovernmental agreement or any agreement entered into pursuant to section 1471(b) of the Code;

(e) in respect of any Tax imposed on or with respect to a payment to a Lender that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Loan, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Loan would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Lender of such Loan; or

(f) due to any combination of the circumstances described in clauses (a) through (e).

The Borrower will provide the Lender and the Administrative Agent evidence of the payment of Taxes in respect of which the Borrower has included the corresponding Additional Amounts in the calculation of the Applicable Rate.

In the event that Additional Amounts actually taken into account in the calculation of the Applicable Rate with respect to the Loans pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the Lender under the Loans, and as a result thereof the Lender is entitled to make a claim for a refund of such excess from the Taxing Jurisdiction imposing such withholding tax, the Lender shall be deemed to have assigned and transferred all right, title and interest to any such claim for a refund of such excess to the Borrower. However, by making such assignment, the Lender makes no representation or warranty that the Borrower will be entitled to receive such a refund and incurs no other obligation with respect thereto, and in no event will such assignment place the Lender in a less favorable net after-tax position than the Lender would have been in if the tax in respect of which such Additional Amounts were paid and giving rise to such refund had not been deducted, withheld or otherwise imposed and the Additional Amounts with respect to such Tax had never been paid. The Borrower will inform the Administrative Agent and the Lender of its intent to claim the refund within 30 Business Days of the Borrower's determination that it is entitled to receive such refund.

The Borrower's obligation to include Additional Amounts in the calculation of the Applicable Rate and to pay interest on the principal amount of the Loans at the Applicable Rate will survive the final payment of principal and interest on the Loans and the sale or transfer of the Loans by the Lender under the Loans.

In addition, the Borrower will pay any present or future stamp, issue, registration, court, documentary or other similar excises, taxes, charges, levies and other duties (including interest and penalties with respect thereto) imposed or levied in respect of the Loans or imposed in connection with the enforcement of the Borrower's obligations under the Loans following a Loan Event of Default.

Notwithstanding anything herein, the Administrative Agent shall have no obligation to determine the duties or liabilities of Borrower with respect to any deductions and/or withholdings required by any Applicable Law or Governmental Authority outside the United States or to pay any such deductions or withholdings to any such Governmental Authority.

**Prepayments of the Loans**

***Optional Prepayments***

Optional Prepayment with Make-Whole Premium

At any time prior to March 15, 2024, the Borrower may, at its option, prepay all, but not less than all, of the Loans, upon not less than 30 nor more than 60 days' notice, at a prepayment price equal to (a) 100% of the principal amount of the Loans to be prepaid plus (b) accrued and unpaid interest (including Additional Amounts, if any) to, but not including, the prepayment date, on the Loans to be prepaid plus (c) the Make-Whole Premium at the prepayment date.

At any time on or after March 15, 2024, the Borrower may, at its option, prepay all, but not less than all, of the Loans, upon not less than 30 nor more than 60 days' notice, at the prepayment prices (expressed as percentages of principal amount of the Loans to be redeemed) set forth below, plus accrued and unpaid interest (including Additional Amounts, if any) to, but not including, the prepayment date, on the Loans to be prepaid, if prepaid during the twelve-month period beginning on March 15 of each of the years indicated below:

| Year | Percentage |
|---|---|
| 2024 | 106.000% |
| 2025 | 106.000% |
| 2026 | 104.000% |
| 2027 | 103.000% |
| 2028 | 102.000% |
| 2029 and thereafter | 101.000% |

"Make-Whole Premium" means, with respect to a Loan on any applicable prepayment date, an amount equal to the excess, if any, of (a) the sum of the present value at such date of (i) the prepayment price of such Loans on March 15, 2024 (such prepayment price being set forth in the table above) and (ii) each remaining scheduled payment of interest (calculated at the then-current Applicable Rate) (excluding accrued and unpaid interest to the prepayment date) and principal (exclusive of the prepayment date) due on such Loans through and including March 15, 2024, computed using a discount rate equal to the Treasury Rate *plus* 50 basis points, over (b) the principal amount of the Loans being prepaid. The Borrower shall calculate the Make-Whole Premium and the Administrative Agent shall have no duty to verify such calculation.

"Treasury Rate" means, with respect to any prepayment date, the rate per annum, as determined by an Independent Investment Banker, equal to the semi-annual equivalent yield to maturity or interpolated maturity (if there is no equivalent maturity) (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such prepayment date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Loans to be prepaid that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Loans.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Borrower.

"Comparable Treasury Price" means, with respect to any prepayment date (1) the average of the Reference Treasury Dealer Quotations for such prepayment date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means either of Citigroup Global Markets Inc. or Santander Investment Securities Inc., or any of their respective Affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Borrower; *provided, however*, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), the Borrower shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any prepayment date, the average, as determined by the Independent Investment Banker, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the quotation agent by such Reference Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such prepayment date.

*Optional Prepayment for Changes in Taxes*

If, as a result of any amendment to or other change in (or change in the official interpretation of) the Applicable Laws of Ecuador, or any other Taxing Jurisdiction or Relevant Taxing Jurisdiction, which amendment or change becomes effective on or after the Issue Date, the Borrower is required (or, in the case of a successor with a different Taxing Jurisdiction than the Borrower, on or after the date such successor assumes the obligations under the Loans), after taking all reasonable measures to avoid these requirements, to pay Additional Amounts or Notes Additional Amounts (in the form of interest through the Applicable Rate or otherwise) in excess of the Additional Amounts or Notes Additional Amounts (in the form of interest through the Applicable Rate or otherwise) that it would pay as of the date of the Issue Date (other than any payment, deduction or withholding of up to an additional 5% ISD in respect of the New Loans from and after June 24, 2023) (it being understood and agreed that, on the Issue Date, interest payable under the Loans are subject to deduction or withholding of a rate of 25% (subject to certain exceptions) generally determined without regard to any interest, fees, penalties or other additions to tax as of the date of such agreements), then the Borrower may elect to prepay all, but not part, of the Loans on any date prior to the final maturity thereof by giving at least 30 days' but not more than 60 days' (or such additional time as may be required by Applicable Law) irrevocable notice thereof (including the selected prepayment date); *provided* that no such notice may be given before the date that is 90 days before the earliest date on which the relevant tax would begin to be imposed in connection with the Loans or payments thereon; and *provided further* that, concurrently with the delivery of any such notice of prepayment, the Borrower shall have delivered to the Lender and the Administrative Agent an opinion of counsel of recognized standing in such Taxing Jurisdiction or the Relevant Taxing Jurisdiction, as applicable, (or a letter from an internationally recognized accounting firm), to the effect that the conditions contained in this paragraph are satisfied as a result of such amendment or other change.

On or before the Business Day immediately preceding the indicated prepayment date, the Borrower will (i) deposit (or cause to be deposited) into the Lender Debt Service Payment Account the applicable prepayment price for the full prepayment of the Loans, which shall be an amount in Dollars equal to the sum of: (a) 100% of the principal amount of the Loans plus (b) accrued and unpaid interest (Additional Amounts, if any) on the Loans to but not including the prepayment date, plus (c) any additional amounts required to be paid in order to redeem the Notes in full in accordance with the procedures described under "Description of the Notes—Redemption of the Notes—Redemption for Changes in Taxes Related to the Loans" minus (d) any amounts on deposit in the Lender Debt Service Reserve Account (not taking into account the undrawn amount then available under any DSRA Reserve L/C, if any, credited to the Lender Debt Service Reserve Account outstanding as of such date) and (ii) cause the Lender to deliver a notice to the Indenture Trustee and Notes Account Bank instructing the Notes Account Bank to apply such amounts (including, for the avoidance of doubt, amounts on deposit in the Issuer Accounts) to make a corresponding payment to the Indenture Trustee in respect of the corresponding redemption in full of the Notes. Upon receipt of such notice from the Borrower, the Notes Account Bank shall so apply such amounts without requiring additional instruction by the Lender or the Indenture Trustee. Pursuant to the Loans Agreement, no Make-Whole Premium will be payable by the Borrower with respect to any such prepayment.

*Optional Prepayments in Connection with Defeasance and Discharge*

The Loans may be prepaid, in whole but not in part, at the Borrower's option, in connection with legal defeasance or covenant defeasance of the Notes, at a price equal to the amount required to be deposited by the Issuer with the Indenture Trustee to effectuate a legal defeasance or covenant defeasance of the Notes, in each case, pursuant to the provisions described under "Description of the Notes—Defeasance and Discharge."

*Excess Loans Optional Prepayment*

Solely to the extent the aggregate principal amount of Loans exceeds the aggregate principal amount of Notes outstanding, the Borrower may, upon not less than 30 nor more than 60 days' notice, elect to prepay Loans, in part, at a prepayment price of (a) par plus accrued and unpaid interest (including Additional Amounts, if any) to, but not including, the prepayment date, on the Loans to be prepaid, in a maximum principal amount not to exceed the amount by which the aggregate principal amount of Loans exceeds the aggregate principal amount of Notes outstanding (an "Excess Loans Optional Prepayment"); *provided* that, after giving effect to any such Excess Loans Optional Prepayment, the aggregate principal amount of Loans shall be equal to or greater than the aggregate principal amount of Notes outstanding; provided, further that no corresponding redemption of Notes shall be required under the Indenture in connection with an Excess Loans Optional Prepayment. On or before the Business Day immediately preceding the indicated prepayment date, the Borrower will deposit (or cause to be deposited) into the Issuer Collections Account the applicable prepayment price (together with accrued interest and Additional Amounts, if any, to the prepayment date).

Amounts in respect of Excess Loans Optional Prepayments shall be applied to scheduled principal installments on a *pro rata* basis.

*Prepayment of the Loans by Means of Assignment*

In accordance with the terms of the Loans Agreement, at the request of the Borrower, any optional prepayment of the Loans may be made by means of an assignment of all of the Loans to one or more eligible assignees designated by the Borrower in the relevant notice of prepayment, subject to the satisfaction of each of the following conditions: (i) the assignment price for such assignment must include any and all amounts that would be payable by the Borrower under the Loans Agreement and related documents if the Borrower was instead giving effect to a voluntary prepayment of the Loans, (ii) such eligible assignee will execute an assignment and assumption agreement, in the form included in the Loans Agreement (the "Assignment and Assumption Agreement") pursuant to which the Lender, as assignor, will agree to irrevocably sell, transfer and assign to the new lender, as assignee, and the new lender will irrevocably agree to purchase and assume from the Lender all the Loans, (iii) the Lender has received all such documentation and information, in form, scope and substance reasonably satisfactory to the Lender, requested by it as being necessary to satisfy all Applicable Law and (iv) in connection with any such assignment and assumption, all of the outstanding principal amount of the Notes shall be redeemed and all Senior Secured Notes Obligations unconditionally and irrevocably paid in full prior to or substantially concurrently with such assignment and assumption in accordance with the provisions described under "Description of the Notes—Redemption of the Notes—Mandatory Prepayment Upon Prepayment of Loans." In accordance with the terms of the Loans Agreement, all such prepayments are to be made upon not less than three Business Days' prior written notice given to the Administrative Agent by 12:00 p.m. (New York City time) on the relevant date, upon which date the principal amount of the Loans specified in such notice becomes due and payable.

*Procedures and Notice of Optional Prepayment*

The Borrower shall give notice of prepayment not less than 30 nor more than 60 days prior to the prepayment date to the Lender and the Administrative Agent. In connection with any notice of prepayment of the Loans (other than an Excess Loans Optional Prepayment, the Borrower will cause the Lender, acting as the Issuer under the Notes to give a corresponding redemption notice to the Holders. See "Description of the Notes—Redemption of the Notes—Optional Redemption." All notices of prepayment shall state:

(1) the prepayment date;

(2) the provisions of the Loans Agreement pursuant to which such prepayment is being made;

(3) the prepayment price and the amount of accrued interest (including Additional Amounts, if any) payable;

(4) whether or not the Borrower is prepaying the outstanding principal amount of the Loans in whole or in part;

(5) any conditions to the prepayment; and

(6) if the Borrower is not prepaying the outstanding principal amount of the Loans in full in the case of an Excess Loans Optional Prepayment, the aggregate principal amount of the Loans that the Borrower is prepaying and the aggregate principal amount of the Loans that shall remain outstanding following such partial prepayment, including a revised Loan Repayment Schedule.

In connection with any optional prepayment of the Loans, any such prepayment may, at the Borrower's discretion, be subject to one or more conditions precedent. In addition, if such prepayment or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Borrower's discretion, the prepayment date may be delayed until such time as any or all such conditions shall be satisfied, or such prepayment may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the prepayment date, or by the prepayment date so delayed. If any such prepayment is delayed or terminated, the Borrower will provide prompt written notice of such delay or termination to the Lender and the Administrative Agent. Any conditions precedent to consummation of any optional prepayment of the Loans, or delays or termination of any optional prepayment of the Loans shall be required to be applicable to the corresponding optional redemption of the Notes being undertaken in connection therewith.

If the Borrower gives notice of prepayment in accordance herewith, all or part of the Loans to be prepaid shall, on the prepayment date, subject to the provisions of the prepayment notice given in accordance with the preceding paragraph, become due and payable at the prepayment price specified in the applicable notice (together with accrued interest and Additional Amounts, if any, to the prepayment date) and from and after the prepayment date (unless the Borrower shall default in the payment of the prepayment price and accrued interest and Additional Amounts) the Loans or, in the case of an Excess Loans Optional Prepayment, the portion of Loans that are prepaid shall cease to bear interest.

Other than in the case of an Excess Loans Optional Prepayment, on or before the Business Day immediately preceding the indicated prepayment date, the Borrower will (a) deposit into the Lender Debt Service Payment Account for the account of the Lender (i) the applicable prepayment price in Dollars for the prepayment of the Loans, plus (ii) accrued and unpaid interest (including Additional Amounts, if any) on the Loans to but not including the prepayment date, plus (iii) all additional amounts required to be paid in order that the Issuer may have sufficient funds to redeem Notes in a principal amount equal to the principal amount of Loans being optionally prepaid, minus (iv) any amounts on deposit in the Lender Debt Service Reserve Account (not taking into account the undrawn amount then available under any DSRA Reserve L/C, if any, credited to the Lender Debt Service Reserve Account outstanding as of such date) and (b) cause the Lender to deliver a notice to the Indenture Trustee and Notes Account Bank instructing the Notes Account Bank to apply such amounts (including, for the avoidance of doubt, amounts on deposit in the Issuer Accounts) to make a corresponding payment to the Indenture Trustee in respect of the corresponding redemption of the Notes; *provided* that such corresponding redemption shall be of all, but not less than all, of the Notes. Upon receipt of such notice from the Borrower, the Notes Account Bank shall so apply such amounts without requiring additional instruction by the Lender or the Indenture Trustee. Solely while any Notes remain outstanding, in connection with any optional

prepayment of the Loans described under this "Optional Prepayments" other than an Excess Loans Optional Prepayment, the Issuer shall carry out and consummate on the same date as such prepayment mandatory redemption of all of the outstanding Notes in accordance with the procedures described under "Description of the Notes—Redemption of the Notes—Mandatory Redemption Upon Prepayment of Loans" and "—Redemption Procedures," which Redemption Date shall be the same date as the prepayment date.

***Mandatory Prepayments***

Upon the occurrence of the events described below, the Borrower shall cause the Issuer to make an offer to purchase the Notes to the Holders (an "Offer to Purchase") subject to the terms set forth below and as described in "Description of the Notes—Offers to Purchase the Notes," by delivering an instruction to the Lender, as the Issuer (an "Offer to Purchase Instruction"), to make an Offer to Purchase stating (i) the date on which such Offer to Purchase is to be completed (the "Offer to Purchase Date"), provided that the Offer to Purchase Date shall be the same as the date of prepayment of the Loans as specified in the Offer to Purchase Instructions; (ii) the provisions of the Loans Agreement pursuant to which such instruction is being delivered; (iii) the maximum principal amount of such Offer to Purchase, if applicable; and (iv) whether or not the Notes will be purchased in whole or in part and, if in part only, the aggregate principal amount of the Notes that shall remain outstanding following such partial prepayment together with a repayment schedule for the Notes. All mandatory prepayment of the Loans shall be made together with accrued and unpaid interest (including Additional Amounts, if any) to, but not including, the prepayment date, on the Loans to be prepaid; *provided* that no Make-Whole Premium or any other premium or penalty will be payable by the Borrower with respect to any such mandatory prepayment (other than a prepayment as described under "—Change of Control Prepayment" below); *provided further* that the Borrower, on the Business Day immediately preceding the Offer to Purchase Date, shall (i) deposit into the Lender Debt Service Payment Account, such amounts necessary to cause the Issuer to consummate the relevant Offer to Purchase and (ii) cause the Lender to deliver a notice to the Indenture Trustee and Notes Account Bank instructing the Notes Account Bank to apply such amounts (including, for the avoidance of doubt, with respect to any prepayment in whole but not in part, amounts on deposit in the Issuer Accounts) to make a corresponding payment to the Indenture Trustee in respect of the Notes. Upon receipt of such notice from the Borrower, the Notes Account Bank shall so apply such amounts without requiring additional instruction by the Issuer, the Lender or the Indenture Trustee.

Any mandatory prepayment of the Loans in part shall be constrained by any procedures and requirements set forth in the Indenture between the Issuer and the Indenture Trustee or the Notes concerning the related minimum denomination requirements; *provided* that, for the avoidance of doubt, amounts applied to scheduled principal installments will be applied on a *pro rata* basis.

*Change of Control Prepayment*

Except as otherwise described herein, by no later than 30 days after the occurrence of a Change of Control Triggering Event, the Borrower will give notice thereof to the Administrative Agent and the Lender (a "Change of Control Notice") and will instruct the Lender, as the Issuer, to make an Offer to Purchase (a "Change of Control Offer") in accordance with the terms of the Indenture; *provided* that if immediately after such Offer to Purchase there would be fewer than twelve months remaining until the Maturity Date, the Borrower will not be obligated to cause the Issuer to make such Offer to Purchase. The Loans Agreement will provide that no later than three Business Days prior to the Offer to Purchase Date, the Lender will deliver to the Borrower a notice setting forth the aggregate principal amount of the Notes that have been properly tendered and not withdrawn in connection with the Change of Control Offer and the Borrower will make, on the Offer to Purchase Date, a corresponding mandatory prepayment, at a prepayment price equal to 101% of the outstanding principal amount of the Loans being prepaid, plus accrued and unpaid interest (including Additional Amounts thereon, if any) to the date of prepayment, of

Loans in a principal amount equal to the principal amount of Notes being purchased in such Offer to Purchase. To the extent the amounts received by the Lender in connection with such prepayment of the Loans are insufficient to consummate such Offer to Purchase, the Borrower will deposit additional funds on such Offer to Purchase Date in the Lender Debt Service Payment Account, in an amount, together with the prepayment amounts, sufficient to cause the Issuer to consummate such Offer to Purchase.

One of the events that may result in a Change of Control is the disposition of "all or substantially all" of the properties or assets of the Borrower under certain circumstances. The meaning of this term is subjective, based upon the facts and circumstances of the subject transaction and has not been interpreted under New York State law (which will be the governing law of the Indenture and the Loans Agreement) to represent a specific quantitative test. As a consequence, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction involves a disposition of "all or substantially all" of the properties or assets of the Borrower. In the event that Holders believe that such a Change of Control has occurred and either the Issuer or the Borrower contests such election, there can be no assurance as to how a court interpreting New York State law would interpret the phrase.

*Early Termination of Concession Contract Prepayment*

Upon the occurrence of an early termination of the Concession Contract by the Management Unit (or any successor thereto) or any other Governmental Authority, a unilateral termination of the Concession Contract by the Borrower, the Borrower will be required to give prompt written notice of any of the foregoing events to the Lender and the Administrative Agent (a "Termination Notice") and deliver an Offer to Purchase Instruction to the Lender instructing the Lender, as the Issuer, to make an Offer to Purchase all of the outstanding Notes, without any premium, at a purchase price equal to 100% of the principal amount of the Notes, together with accrued and unpaid interest and any additional amounts payable under the Indenture, if any, to, but excluding, the Offer to Purchase Date (any such Offer to Purchase, an "Early Termination Offer"). The Loans Agreement will provide that no later than three Business Days prior to the Offer to Purchase Date, the Lender will deliver to the Borrower a notice setting forth the aggregate principal amount of the Notes that have been properly tendered and not withdrawn in connection with the Early Termination Offer and the Borrower will make, on the Offer to Purchase Date, a corresponding mandatory prepayment on the Loans in an amount equal to the aggregate principal amount of the Notes that have been properly tendered and not withdrawn in connection with the Early Termination Offer, plus any interest accrued but unpaid on the Notes, Notes Additional Amounts on the Notes, fees, costs, expenses or other amounts. To the extent the amounts received by the Lender in connection with such prepayment of the Loans are insufficient to consummate such Early Termination Offer, the Borrower will deposit additional funds on such Offer to Purchase Date in the Lender Debt Service Payment Account, in an amount, together with the prepayment amounts, sufficient to cause the Issuer to consummate such Early Termination Offer.

*Disposition of Assets Prepayment*

The Borrower will not consummate a Disposition unless such Disposition is made in accordance with clause (h) of "—Covenants—Negative Covenants" below. The Borrower shall cause the Net Cash Proceeds (excluding, for the avoidance of doubt, any such amounts thereof to be used for payment of ISD in respect of such transfers outside of Ecuador) of any Disposition to be payable outside of Ecuador and deposited in the Borrower Compensation Account and applied in accordance with clause (h) of "—Covenants—Negative Covenants" below. To the extent that at least U.S.$30.0 million (or its equivalent in any other currency) of the Net Cash Proceeds of any Dispositions has not been applied in accordance with clause (h) of "—Covenants—Negative Covenants" below within the indicated period (any such unapplied amount at the end of such period, the "Remaining Disposition Amount"), then by no later than the 360th day after such Disposition the Borrower shall deliver a notice to the Lender and the Administrative Agent (an "Excess Disposition Notice") and deliver an Offer to Purchase Instruction to the Lender instructing

the Lender, in its capacity as Issuer, to make an Offer to Purchase for a principal amount of the Notes equal to the lesser of (a) the maximum principal amount of the Loans (together with accrued and unpaid interest, if any, to but excluding the applicable prepayment date), without any premium, that may be prepaid with the Remaining Disposition Amount at a purchase price equal to 100% of the principal amount of the Loans to be prepaid and (b) the maximum principal amount of the Notes (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled Payment Date), and any Notes Additional Amounts payable under the Indenture, if any), without any premium, that may be purchased with the Remaining Disposition Amount at a purchase price equal to 100% of the principal amount of the Notes to be purchased, which Offer to Purchase shall be in respect of such principal amount of Notes, together with accrued and unpaid interest and any Notes Additional Amounts payable under the Indenture, if any, to, but excluding the applicable Offer to Purchase Date, and any other amounts payable under the Indenture, if any (any such Offer to Purchase, an "Excess Disposition Offer to Purchase"). The Loans Agreement will provide that no later than three Business Days prior to the Offer to Purchase Date, the Lender or the Administrative Agent (acting at the direction of the Lender) will deliver to the Borrower a notice setting forth the aggregate principal amount of the Notes that have been properly tendered and not withdrawn in connection with the Excess Disposition Offer to Purchase, and the Borrower will make, on the Offer to Purchase Date, a corresponding mandatory prepayment of Loans in a principal amount equal to the principal amount of Notes being purchased in such Excess Disposition Offer to Purchase. To the extent the amounts received by the Lender in connection with such prepayment of the Loans are insufficient to consummate such Excess Disposition Offer to Purchase in a manner that, following completion of such Excess Disposition Offer to Purchase, the principal amount of the Notes would not be equal to the principal amount of the Loans, the Borrower will deposit additional funds in the Lender Debt Service Payment Account on such Offer to Purchase Date, in an amount, together with the prepayment amounts, sufficient to cause the Issuer to consummate such Excess Disposition Offer to Purchase and cause the outstanding principal amount of the Loans and the Notes, following the completion of such Excess Disposition Offer to Purchase, to be the same.

Upon completion of the Excess Disposition Offer to Purchase by the Lender, in its capacity as Issuer, the Remaining Disposition Amount shall be reset and any amounts remaining after consummation of such prepayment in connection with the Excess Disposition Offer to Purchase will be deposited into the Offshore Collection Account.

*Casualty Event Prepayment*

The Borrower shall cause the proceeds of any Insurance Payment (excluding, for the avoidance of doubt, any such amounts thereof to be used for payment of ISD in respect of such transfers outside of Ecuador) to be payable outside of Ecuador and deposited in the Borrower Compensation Account and applied in accordance with clause (i)(ii) of "—Covenants—Affirmative Covenants" below. To the extent that at least U.S.$30.0 million (or its equivalent in any other currency) of such Insurance Payment has not been so applied within the indicated period (any such unapplied amount at the end of such period; but excluding any such amounts thereof to be used for payment of ISD in respect of such transfers outside of Ecuador, the "Remaining Insurance Payment Amount"), then by no later than 360 days following receipt of the relevant Insurance Payment the Borrower shall deliver a notice to the Lender and the Administrative Agent (a "Casualty Event Notice") and deliver an Offer to Purchase Instruction to the Lender instructing the Lender, as the Issuer, to make an Offer to Purchase for a principal amount of the Notes equal to the lesser of (a) the maximum principal amount of the Loans (together with accrued and unpaid interest, if any, to but excluding the applicable prepayment date), without any premium, that may be prepaid with the Remaining Insurance Payment Amount at a purchase price equal to 100% of the principal amount of the Loans to be prepaid and (b) the maximum principal amount of the Notes (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled

Payment Date), and any Notes Additional Amounts and any other amounts payable under the Indenture, if any), without any premium, that may be purchased with the Remaining Insurance Payment Amount at a purchase price equal to 100% of the principal amount of the Notes to be purchased, which Offer to Purchase shall be in respect of such principal amount of Notes, together with accrued and unpaid interest and any Notes Additional Amounts payable under the Indenture, if any, to, but excluding the applicable Offer to Purchase Date, and any other amounts payable under the Indenture, if any (any such Offer to Purchase, an "Excess Loss Offer to Purchase"). The Loans Agreement will provide that no later than three Business Days prior to the Offer to Purchase Date, the Lender or the Administrative Agent (acting at the direction of the Lender) will deliver to the Borrower a notice setting forth the aggregate principal amount of the Notes that have been properly tendered and not withdrawn in connection with the Excess Loss Offer to Purchase and the Borrower will make, on the Offer to Purchase Date, a corresponding mandatory prepayment of Loans in a principal amount equal to the principal amount of Notes being purchased in such Excess Loss Offer to Purchase. To the extent the amounts received by the Lender in connection with such prepayment of the Loans are insufficient to consummate such Excess Loss Offer to Purchase in a manner that, following completion of such Excess Loss Offer to Purchase, the principal amount of the Notes would not be equal to the principal amount of the Loans, the Borrower will deposit additional funds in the Lender Debt Service Payment Account on such Offer to Purchase Date, in an amount, together with the prepayment amounts, sufficient to cause the Issuer to consummate such Excess Loss Offer to Purchase and cause the outstanding principal amount of the Loans and the Notes, following the completion of such Excess Loss Offer to Purchase, to be the same.

Upon completion of the Excess Loss Offer to Purchase, the Remaining Insurance Payment Amount shall be reset and any amounts remaining after consummation of such Excess Loss Offer to Purchase will be deposited into the Offshore Collection Account.

*Expropriatory Action Prepayment*

To the extent that any Expropriation Compensation received in cash or Cash Equivalents, whether directly or through the Shareholders of the Borrower, has not been applied within the indicated period (any such unapplied amount at the end of such period; but excluding any such amounts thereof to be used for payment of ISD in respect of such transfers outside of Ecuador, the "Remaining Expropriation Compensation Amount") as required under paragraph (o)(i) under "—Covenants—Affirmative Covenants," then by no later than the 61st day following the receipt of such Expropriation Compensation in cash or Cash Equivalents, the Borrower will be required to deliver a notice to the Lender and the Administrative Agent (an "Expropriation Notice") and deliver an Offer to Purchase Instruction to the Lender instructing the Lender, as the Issuer, to make an Offer to Purchase for a principal amount of the Notes equal to the lesser of (a) the maximum principal amount of the Loans (together with accrued and unpaid interest, if any, to but excluding the applicable prepayment date), without any premium, that may be prepaid with the Remaining Expropriation Compensation Amount at a purchase price equal to 100% of the principal amount of the Loans to be prepaid and (b) the maximum principal amount of the Notes (together with accrued and unpaid interest, if any, to, but excluding, the applicable Offer to Purchase Date (subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Scheduled Payment Date), and any Notes Additional Amounts and any other amounts payable under the Indenture, if any, without any premium, that may be purchased with the Remaining Expropriation Compensation Amount at a purchase price equal to 100% of the principal amount of the Notes being purchased, which Offer to Purchase shall be in respect of such principal amount of the Notes, together with accrued and unpaid interest and any Notes Additional Amounts payable under the Indenture, if any, to, but excluding, the Offer to Purchase Date (any such Offer to Purchase, an "Expropriation Offer to Purchase"). The Loans Agreement will provide that no later than three Business Days prior to the Offer to Purchase Date, the Lender will deliver to the Borrower a notice setting forth the aggregate principal amount of the Notes that have been tendered in connection with the Expropriation Offer to Purchase and the Borrower will make, on the Offer to Purchase Date, a corresponding mandatory prepayment of Loans

in a principal amount equal to the principal amount of Notes being purchased in such Expropriation Offer to Purchase. To the extent the amounts received by the Lender in connection with such prepayment of the Loans are insufficient to consummate such Expropriation Offer to Purchase in a manner that, following completion of such Expropriation Offer to Purchase, the principal amount of the Notes would not be equal to the principal amount of the Loans, the Borrower will deposit additional funds in the Lender Debt Service Payment Account on such Offer to Purchase Date, in an amount, together with the prepayment amounts, sufficient to cause the Issuer to consummate such Expropriation Offer to Purchase and cause the outstanding principal amount of the Loans and the Notes, following the completion of such Expropriation Offer to Purchase, to be the same.

Upon completion of the Expropriation Offer to Purchase, the Remaining Expropriation Compensation Amount shall be reset and any amounts remaining after consummation of such Expropriation Offer to Purchase will be transferred by the Issuer from the Issuer Collections Account to the Offshore Collection Account and such transfer shall be deemed a payment or repayment of the corresponding Issuer Subordinated Indebtedness.

**Ranking**

The Borrower's obligations under the Loans will be senior, direct, unsecured, unconditional and unsubordinated obligations of the Borrower, will rank *pari passu* in right of payment with all other present and future senior, unsecured and unsubordinated Indebtedness of the Borrower from time to time outstanding, except for such other liabilities as are or may be preferred under Ecuadorian bankruptcy law.

**Further Disbursements**

The Lender may (and for the avoidance of doubt, shall not be obligated to), from time to time, agree with the Borrower to make additional disbursements under the Loans Agreement ("Further Disbursements"); *provided* that (1) such Further Disbursements qualify as Permitted Indebtedness, (2) such additional disbursements rank *pari passu* with the Loans and have the same terms as the Loans, (3) the Lender shall have received the funds for the making of the Loans from a third-party source of funding satisfactory to the Lender, (4) the Borrower shall have delivered an amendment or supplement to the Loans Agreement reflecting such additional disbursements, (5) the Borrower has executed and delivered a replacement Promissory Note relating to the Loans in a principal amount equal to the sum of (x) the outstanding principal amount of the Promissory Note that is being replaced and (y) the aggregate principal amount of the loans that are being made a part of the Loans as a result of any such further disbursements and (6) customary closing conditions satisfactory to the Lender and Administrative Agent are met. Except as set forth above, the Lender will have no commitment or other obligation to make further disbursements under the Loans Agreement.

**Covenants**

For so long as any amount remains unpaid under the Loans Agreement and the Loans or any Note remains outstanding, the Borrower will comply with, among others, the terms of the covenants described below.

***Affirmative Covenants***

The affirmative covenants in the Loans Agreement will include the following:

(a) *Corporate Existence*. The Borrower will: (i) preserve and maintain its corporate existence under the laws of Ecuador, (ii) take all action necessary to maintain all rights, licenses and permits necessary for the conduct of its business (except, in each case, to the extent that any failure to have such rights, licenses and permits could not, individually or

in the aggregate, reasonably be expected to have a Material Adverse Effect), and (iii) engage only in a Permitted Business.

(b) *Books and Records; Inspection Rights*.

(i) The Borrower will maintain books, accounts and records in compliance with Applicable Law and, with respect to financial statements, in accordance with the Accounting Principles.

(ii) The Borrower will permit representatives or agents of the Indenture Trustee, under guidance of officers of the Borrower and designated by the Lender, subject to any applicable safety and regulatory requirements and procedures of the Airport, to visit the Airport or other Properties of the Borrower and to examine its books, accounts and records, no more than one time per fiscal year at the expense of the Holders and at such reasonable times during normal business hours, upon reasonable advance notice to the Borrower; *provided* that, when a Loan Event of Default has occurred and is continuing, the Indenture Trustee (or any of its representatives or agents) may do any of the foregoing as often as may be reasonably desired at the expense of the Borrower at any time during normal business hours upon reasonable advance notice to the Borrower; *provided further* that none of such visits shall unreasonably interfere with the operation of the Airport. The Borrower will not be required to disclose information to the Administrative Agent or the Indenture Trustee that is prohibited by Applicable Law or contract or is subject to attorney-client or similar privilege or constitutes attorney work product.

(c) *Compliance with Law*. The Borrower will comply with all Applicable Laws (including any Environmental Laws) except to the extent (i) that the failure to so comply could not individually or in the aggregate reasonably be expected to have a Material Adverse Effect or (ii) the Borrower, at its expense, contests any such failure to comply by appropriate proceedings conducted in good faith the validity or application of any such requirement of Applicable Law, so long as, in each case, (x) none of the Lender or any Loans Agent would be subject to any liability for failure by the Borrower to comply therewith, (y) the institution of such proceedings could not reasonably be expected to result in a Material Adverse Effect and (z) no final or non-appealable ruling, judgment or finding has been issued with respect to such matter.

(d) *Governmental Authorizations*. The Borrower promptly from time to time will obtain and maintain in full force and effect all Governmental Authorizations and third-party consents required with respect to the use, operation and maintenance of the Airport and the performance of the Transaction Documents at or before the time such Governmental Authorizations and third-party consents are required to be obtained or maintained, except to the extent that failure to obtain and maintain such Governmental Authorizations and third-party consents could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Borrower will, with due diligence and in a reasonable and prudent manner, enforce the rights granted to it under and in connection with such Governmental Authorizations and third-party consents.

(e) *Performance of the Airport*. The Borrower shall use, operate and maintain the Airport (A) in good working order and condition (subject to ordinary wear and tear) and in accordance with the Transaction Documents to which it is a party (including the Concession Contract), Good Industry Practices, all Applicable Laws, and manufacturer's

recommendations, insurance requirements set forth in the Transaction Documents to which it is a party; and (B) in a manner that complies with the conditions set forth in any warranty provisions provided in the O&M Documents or by a subcontractor, manufacturer or licensor of any equipment or process used in the Airport (whether in such subcontractor's, manufacturer's or licensor's operating manuals or otherwise); in each of (A) and (B) above, except to the extent that such failure to operate or maintain the Airport could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) *Taxes*.

(i) The Borrower shall timely pay and discharge or cause to be paid and discharged all Taxes imposed upon the Borrower or any of its Property; except in each case to the extent (i) any such Taxes or claims are being diligently contested by appropriate proceedings in good faith and with respect to which adequate reserves as may be required by the Accounting Principles have been established or (ii) any failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ii) The Borrower shall file timely or cause to be filed timely all Tax returns and reports required to be filed by it in accordance with Applicable Laws, except to the extent any failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(g) *Use of Proceeds*. The Borrower will use the proceeds of the New Loans, (x) to repay the Intercompany Loans in full on the Issue Date, (y) to make a retained dividend distribution to the Shareholders of the Borrower following the completion of the Corporate Reorganization and (z) for certain general corporate purposes of the Borrower.

(h) *Maintenance of Priority of the Loans*. The Borrower will ensure that its payment obligations with respect to the Loans will constitute its unsubordinated, direct, unconditional and general obligations and will rank at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated Indebtedness of the Borrower (other than obligations mandatorily preferred by Applicable Law).

(i) *Insurance*.

(i) The Borrower will (x) (A) to the extent available to the Borrower on commercially reasonable terms and to the extent permitted by Applicable Law, maintain all insurance that is generally accepted as customary in regard to Property and business of this type, with financially sound and reputable insurers that have a Credit Rating of at least "A-" by S&P or Fitch, or "A3" by Moody's (or an equivalent Credit Rating or financial strength rating, as applicable, by another ratings agency of recognized international standing), (B) if no insurance is available on commercially reasonable terms as set forth in clause (A) above, then the Borrower will take all commercially reasonable actions to procure such insurance from financially sound and reputable insurers with adequate capital and (y) make all premium and other payments due in respect of such insurance promptly when due and take such other action as may be necessary to cause such insurance to be in full force and effect at all times.

(ii) If, after any Casualty Event, the Borrower receives payment (whether in one or a series of payments) with respect thereto under any insurance that it or any other

person maintains (other than with respect to business interruption insurance or third party liability insurance) (an "Insurance Payment"), then the proceeds of such Insurance Payment, after deducting any amounts thereof required to be paid to (or reserved for the purpose of making payment to) parties other than the Borrower in connection with such loss or other event, must (by no later than the 360th day after the receipt of such Insurance Payment (the "Application Period")) be applied by the Borrower to either: (a) repay the Loans or other Pari Passu Indebtedness of the Borrower without refinancing (and, with respect to any such Pari Passu Indebtedness under an arrangement that permits future disbursements or other incurrences of Indebtedness thereunder, with a corresponding permanent reduction in the amount of Indebtedness available to be incurred thereunder), (b) repair or replace the affected Property or assets of the Borrower or (c) any combination thereof; *provided* that the Borrower shall cause any Insurance Payment to be payable outside of Ecuador and to be deposited in the Borrower Compensation Account and such Insurance Payment will be maintained in cash or Cash Equivalents or Permitted Investments pending such application.

(iii) Following the occurrence of any Casualty Event, the Borrower will diligently pursue all its rights to compensation in connection therewith.

(j) *Maintenance of Properties*. The Borrower will, from time to time obtain, and at all times thereafter keep and maintain or cause to be kept and maintained in full force and effect good, legal, valid and beneficial title and/or rights of use (including usufruct rights, easements, rights of way, and rights of ingress, egress and other access) to all Properties as required in any way for the operation and maintenance of the Airport in accordance with the Material Contracts and the performance of the Borrower's obligations under each Material Contract, except to the extent any failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(k) *Material Contracts*. The Borrower will:

(i) take all action required or advisable to ensure that each Material Contract remains in full force and effect and in proper legal form, for the enforcement thereof against the parties to the Material Contract in each jurisdiction applicable to the performance of their obligations thereunder, except (x) where such failure could not reasonably be expected to result in a Material Adverse Effect or (y) for the expiration of any such Material Contract is in accordance with its terms and not as a result of a breach or default thereunder; and

(ii) (i) comply with each of its obligations in all respects under each Material Contract to which it is a party, (ii) enforce each such Material Contract in accordance with its terms and (iii) take all reasonable action to cause the Operator to perform its duties in accordance with the O&M Agreement; except, in each case, where the failure to so comply or enforce could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(l) *Funding and Maintenance of Accounts*. The Borrower shall ensure (by depositing, or causing to be deposited, cash therein or delivering, or causing to be delivered, DSRA Reserve L/Cs to be credit thereto) that the balance standing to the credit of the Lender Debt Service Reserve Account is not less than the Required Balance of the Lender Debt Service Reserve Account as of each Semi-Annual Transfer Date.

(m) *Further Assurances*.

(i) The Borrower will do and perform, from time to time, any and all acts (and execute any and all documents) as may be necessary or as reasonably requested by the Administrative Agent or the Lender in order to effect the purposes of the Finance Documents, including, without limitation, causing the Assignment of Fiduciary Trust Rights to be registered with the Onshore Borrower Trustee within 10 Business Days from the Issue Date.

(ii) No later than the 90th day after the Issue Date, the Borrower will have caused its Shareholders to have entered into the Shareholders Undertaking Agreement in accordance with the terms as described under "—Shareholders Undertaking Agreement" and will take all other actions required by Applicable Law in connection with the execution and delivery of such Shareholders Undertaking Agreement, including causing the delivery of customary opinions of counsel as to the due authorization and due execution of the Shareholders Undertaking Agreement by such Shareholder and the legality, validity and enforceability of the Shareholders Undertaking Agreement.

(n) *Rating Agency*. The Borrower shall use commercially reasonable efforts to maintain and cause the Lender to, maintain ratings on an international scale on the Notes from at least two Rating Agencies; *provided, however*, that, in the event that one or more Rating Agency (i) ceases to exist, (ii) ceases to issue ratings of the type issued in respect of the Notes as of the Issue Date or (iii) refuses or otherwise declines to provide a rating for the Notes (other than due to the Borrower's failure to (A) provide such Rating Agency with such reports and other information or documents as it shall reasonably request to monitor and continue to assign ratings to the Notes, (B) pay reasonable and customary fees to such Rating Agency in connection therewith or (C) take any other action reasonably requested by such Rating Agency in connection therewith) (and, in each of cases (i) through (iii) above, the Borrower is unable to substitute such Rating Agency), the failure by the Borrower to obtain or maintain such rating shall not constitute a Loan Default or Loan Event of Default; it being understood that the Borrower shall not request any Rating Agency to cease rating the Notes unless an additional Rating Agency has been engaged to rate the Notes.

(o) *Expropriation Compensation.*

(i) If, after any Expropriatory Action, the Borrower receives Expropriation Compensation (whether in one or a series of payments), whether directly or from the Shareholders of the Borrower, the Borrower shall promptly deposit, or cause to be deposited, such funds in the Issuer Collections Account, such deposit by the Borrower to be made by means of the extension of Issuer Subordinated Indebtedness to the Issuer. Within 60 days of the receipt of such Expropriation Compensation, the Borrower shall demand payment or prepayment from the Issuer of such Issuer Subordinated Indebtedness to the extent required for application of, and upon receipt of such payment or prepayment the Borrower shall apply, such Expropriation Compensation to repay the Loans or other Pari Passu Indebtedness of the Borrower without refinancing (and, with respect to any such Pari Passu Indebtedness under an arrangement that permits future disbursements or other incurrences of Indebtedness thereunder, with a corresponding permanent reduction in the amount of Indebtedness available to be incurred thereunder); *provided* that such Expropriation Compensation will be maintained in cash or Cash Equivalents or Permitted Investments pending such application.

(ii) Following the occurrence of any Expropriatory Action, the Borrower will diligently pursue all its rights to compensation in connection therewith.

***Reporting Covenants***

In addition to the affirmative covenants described above, the Loans Agreement will include the following reporting covenants of the Borrower:

(a) *Financial Statements; Reporting Requirements*. The Borrower will provide to the Administrative Agent, the Lender and the Indenture Trustee and, upon request, to the Holders of beneficial interests in the Notes:

(i) as soon as available and in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, copies, in English, of the unaudited balance sheet of the Borrower, and the related unaudited statements of income and cash flows and statements of changes in members' equity in the Borrower for such period prepared in accordance with the Accounting Principles and accompanied by a certificate of an Authorized Officer of the Borrower (I) certifying that such financial statements fairly and accurately present the Borrower's financial condition and results of operations on the dates and for the periods indicated in accordance with the Accounting Principles, subject, in the case of interim financial statements, to the absence of footnotes and normally recurring year-end adjustments, (II) certifying that no Loan Default or Loan Event of Default, or to the best Knowledge of such Authorized Officer, that no Note Default or Note Event of Default, has occurred and is continuing, or, if a Loan Default or Loan Event of Default has occurred and is continuing, a statement as to the nature thereof and the actions if any the Borrower is taking with regard to such Loan Default or Loan Event of Default and (III) setting forth key operating information of the Airport, which information provided may be preliminary and subject to change and which may be deemed furnished through the provision of preliminary departing passenger traffic, cargo volumes and aircraft movements, either by the provision of data tables to the Administrative Agent and the Indenture Trustee or by making such information publicly available on the Borrower's website;

(ii) within (I) 60 days after the end of the second fiscal quarter of each fiscal year of the Borrower and (II) 120 days after the end of each fiscal year of the Borrower, the Debt Service Coverage Ratio (including in reasonable detail all information necessary to calculate (and providing calculations necessary to determine) such Debt Service Coverage Ratio) for such fiscal quarter or fiscal year, as applicable; and

(iii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower (I) copies, in English, of the audited balance sheet of the Borrower, and the related audited statements of income and cash flows and statements of changes in members' equity in the Borrower for such period prepared in accordance with the Accounting Principles and accompanied by an audit report of the Auditors and (II) an Officer's Certificate setting forth key operating information of the Airport for such period (including any corrections to the preliminary key operating information provided pursuant to clause (i)(III) above), which may be deemed furnished through the provision of passenger traffic information, including domestic and international traffic, cargo volumes

and aircraft movements, either by the provision of data tables to the Administrative Agent and the Indenture Trustee or by making such information publicly available on the Borrower's website.

(b) *Annual Budget*.

(i) The Borrower will deliver to the Administrative Agent, the Lender and the Indenture Trustee an Annual Budget not later than 45 days prior to the commencement of each fiscal year (commencing with the fiscal year ending December 31, 2020) for the forthcoming fiscal year accompanied by a certificate of the Chief Financial Officer (or authorized person performing equivalent functions) of the Borrower certifying that such Annual Budget constitutes a reasonable estimate for the period covered thereby and is in compliance with the requirements set out in paragraph (ii) below.

(ii) Each Annual Budget will contain fair and accurate Dollar denominated projections (by principal components) of the Project Revenues, O&M Expenses, Capital Expenditures and projected working capital requirements for each budget item for each calendar month covered by such Annual Budget, which projections shall (A) be based on all facts and circumstances then existing and known to the Borrower, (B) reflect the Borrower's best estimates of the future results of the Borrower, (C) be prepared in good faith on the basis of written assumptions stated therein that the Borrower believes to be reasonable as to all factual, legal and accounting matters material to such estimates and presented in a manner (except to the extent and for reasons stated therein and giving effect to then-current operations, capital investment needs, traffic and maintenance of the Airport) consistent with the presentation of the Base Case Model, and (D) be consistent with the Accounting Principles, all Applicable Laws and the Borrower's obligations under the Transaction Documents.

(c) *Certain Notices*.

(i) The Borrower will deliver to the Administrative Agent, the Lender and the Indenture Trustee promptly, but in any event within five Business Days after the Borrower obtains Knowledge thereof, written notice of the occurrence of any Loan Default or Loan Event of Default (and specifying the details thereof and any action taken or proposed to be taken or proposed to be taken with respect thereto), which notice shall indicate it is a "notice of default."

(ii) The Borrower will deliver to the Administrative Agent, the Lender and the Indenture Trustee promptly, but in any event within ten Business Days after the Borrower obtains Knowledge thereof, a written notice of the commencement of, expected timeline for (to the extent provided by the relevant court or tribunal), delivery of a final judgment for, or the filing of an appeal in connection with any material litigation, arbitration or administrative or other similar governmental proceeding or investigation instituted or threatened in writing against the Borrower that could reasonably be expected to result in the occurrence of a Loan Event of Default or has resulted in or could reasonably be expected to result in a monetary judgment rendered against the Borrower in an aggregate amount of U.S.$15.0 million (or the equivalent in other currencies) or more or a non-monetary judgment rendered against the Borrower that could reasonably be

expected to prevent the Borrower from carrying on all or substantially all of its business or operations;

(iii) The Borrower will deliver to the Administrative Agent, the Lender and the Indenture Trustee promptly, but in any event within five Business Days after the Borrower obtains Knowledge thereof, written notice of any breach or default under any Material Contracts that has or could reasonably be expected to have a Material Adverse Effect.

(iv) The Borrower will deliver to the Administrative Agent, the Lender and the Indenture Trustee promptly, but in any event within five Business Days after the Borrower obtains Knowledge thereof, written notice of (x) the occurrence of an Abandonment; or (y) the occurrence of an Event of Force Majeure (and specifying the details thereof and any action taken or proposed to be taken with respect thereto).

Delivery of such reports, information and documents to the Administrative Agent and Indenture Trustee is for informational purposes only, and the Administrative Agent's or Indenture Trustee's receipt thereof shall not (except for notices under this clause (c)) constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Borrower's compliance with any of its covenants under the Loans Agreement (as to which the Administrative Agent and Indenture Trustee is entitled to certificates).

***Negative Covenants***

The negative covenants in the Loans Agreement will include the following:

(a) *Indebtedness*. The Borrower will not, and will not agree to, incur, create, assume, endorse, permit to exist or be liable for, directly or indirectly, any Indebtedness other than Permitted Indebtedness; *provided* that any Permitted Indebtedness incurred through a Special Purpose Debt Entity (x) may be incurred by the Borrower solely under and in accordance with clauses (b) or (m) under the definition of "Permitted Indebtedness" and (y) shall contain terms providing that the repayment of the Borrower's Indebtedness thereunder shall reduce the corresponding Indebtedness of such Special Purpose Debt Entity on a dollar-for-dollar basis; *provided*, *further* that, notwithstanding anything to the contrary in the Financing Transaction Documents, in addition to the limitations contained in the definition of "Permitted Indebtedness", the Borrower will not, and will not agree to, incur, create, assume, permit to exist or be liable for, directly or indirectly, any Indebtedness the proceeds of which shall be used to make a Restricted Payment ("RP Debt") if the sum of (i) the principal amount of such RP Debt plus (ii) the principal amount of the Loans plus (iii) all Indebtedness of the Borrower ranking *pari passu* in right of payment with the Loans incurred, created or assumed by the Borrower or that it has become liable for (in each case of clause (i)-(iii), at the initial time of such incurrence without giving effect to any amortization, redemption, prepayment or other repayment whether at stated maturity or otherwise) from and after the Issue Date shall exceed U.S.$510 million unless each Debt Service Coverage Ratio test set forth in clauses (b)(i) and (b)(ii) of the definition of "Permitted Indebtedness", in each case tested at a minimum level of not less than 1.70:1.00, is satisfied (the "RP Debt Test"); it being understood that in the event of any incurrence of RP Debt together with other Permitted Indebtedness, the RP Debt Test may be calculated for such RP Debt prior to giving effect to any such simultaneously or substantially concurrent incurrence of such other Permitted Indebtedness.

(b) *Liens*. The Borrower will not, and will not agree to, create, assume or suffer or permit to exist any Lien upon any of its Property, whether owned on the Issue Date or thereafter acquired by it, other than Permitted Liens; *provided* that notwithstanding any of the exceptions set forth in the definition of "Permitted Liens" (except for mandatory Liens or encumbrances required by Applicable Law), the Borrower shall not create, assume or suffer to exist any Lien or other encumbrance for the benefit of any other Person in respect of any Material Contract unless such other Person (or a Designated Representative on its behalf) shall have entered into the Intercreditor Agreement and the obligations under the Notes Documents shall be secured by a Lien on such Material Contract or Material Contracts with equal priority in accordance with the Intercreditor Agreement.

(c) *Conduct of Business*. The Borrower will not conduct any business other than a Permitted Business.

(d) *Accounting, Reporting Practices*. The Borrower will not make any change in its fiscal year or its method of determining fiscal quarters, unless required by IFRS or Applicable Law.

(e) *No Fundamental Changes*. Except with respect to the completion of the Corporate Reorganization, which, for the avoidance of doubt, shall not constitute a fundamental change under the Finance Documents, the Borrower will not: (i) merge or consolidate, directly or indirectly, with or into any Person, or enter into any transaction of consolidation, merger, joint venture, or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), in each case whether in one transaction or in a series of related transactions, or (ii) permit or suffer any change to the legal form of the Borrower unless:

(i) (x) the Borrower is the continuing entity or (y) the Person (a "Specified Transaction Successor") formed by such consolidation or into which the Borrower is merged or that acquired or leased such property or assets of the Borrower (if not the Borrower) (1) will be a company organized and validly existing under (A) the laws of Ecuador, (B) the United States or (C) any country which is a member country of the OECD, (2) shall irrevocably submit, for purposes of the Loans Agreement and each other Financing Transaction Document to which the Borrower is a party, to the jurisdiction of the federal and New York State courts in the County of New York of the State of New York, appoint an agent for service of process in the County of New York of the State of New York and expressly assume (jointly and severally with the Borrower, unless the Borrower shall have ceased to exist as part of such merger, consolidation or amalgamation), by a joinder or other instrument, as applicable, executed and delivered to the Administrative Agent and the Lender in form satisfactory to the Administrative Agent and the Lender, all of the obligations of the Borrower under the Loans Agreement and any other Financing Transaction Documents to which the Borrower is a party, (3) shall assume all of the Borrower's rights and obligations under the Material Contracts and ensure that all material Governmental Authorizations necessary for the operation of the Airport remain in full force and effect with respect to such Specified Transaction Successor, and the Borrower (or such Specified Transaction Successor) delivers to the Administrative Agent and the Lender one or more opinion(s) of counsel to the effect that: (I) such assumption is sufficient for each Financing Transaction Document and each Material Contract to which the Borrower is a party to

constitute a legal, valid and binding obligation of such Person, enforceable against it in accordance with its terms and (II) following such assumption, the Notes Collateral Agent will continue to have a perfected (if applicable) security interest in the Notes Collateral in the manner contemplated by the Notes Documents,

(ii) no Default or Event of Default and no Loan Default or Loan Event of Default shall have occurred and be continuing,

(iii) immediately after giving effect to such transaction, the Borrower or such Specified Transaction Successor, as applicable, will be permitted to incur at least U.S.$1.00 of additional Indebtedness pursuant to the Debt Service Coverage Ratio tests set forth in the definition of "Permitted Indebtedness,"

(iv) the Borrower or such Specified Transaction Successor, as applicable, shall have delivered to the Lender or such Administrative Agent a Ratings Reaffirmation in connection with such merger, consolidation, joint venture, amalgamation, liquidation winding up or dissolution;

(v) the Borrower or such Specified Transaction Successor, as applicable, shall have agreed to indemnify the Lender against any tax, assessment or governmental charge thereafter imposed on the Lender solely as a consequence of such consolidation, merger, conveyance, transfer, sale, lease or disposition with respect to the payment of principal of, or interest on, the Loans; and

(vi) the Borrower or such Specified Transaction Successor, as applicable, shall have delivered to the Administrative Agent and the Lender an Officer's Certificate and opinion of counsel stating that the consolidation, merger, conveyance, transfer, sale, lease or other disposition and, if required in connection with such transaction, the joinder or other instrument, as applicable, does not conflict with the applicable provisions of the Loans Agreement.

The Loans Agreement will provide that upon any consolidation or merger in which the Borrower is not the continuing corporation or any transfer (excluding any lease) of all or substantially all of the assets of the Borrower in accordance with the foregoing, the successor entity shall succeed to, and be substituted for, and may exercise every right and power of, the Borrower under the Loans Agreement, the Promissory Note and each other Transaction Document to which the Borrower was a party with the same effect as if such successor entity had been named as such.

(f) Subsidiaries; Investments; Guarantees. The Borrower will not:

(i) form, acquire or have any Subsidiaries or purchase any Capital Stock of all or substantially all of the assets of any partnership, firm, joint venture, corporation or other Person;

(ii) make or own any Investments, except for (i) any cash or Cash Equivalents, (ii) Permitted Investments, (iii) the U.S. Retention Interest; and (iv) any investments made solely with proceeds on deposit in the Distribution Account; or

(iii) assume, create, incur or suffer to exist any Guarantee, or endorse, contingently agree to purchase or otherwise become liable for Indebtedness or obligations of any other Person except by the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business or otherwise in accordance with the covenant under "—Indebtedness;" *provided*

that nothing in this paragraph (f) shall prohibit the Borrower from providing a Guarantee of the Notes.

(g) *Bank Accounts*. The Borrower will not open or maintain any deposit accounts or security accounts (as such term is defined in Section 8-501 of the UCC) or any other bank accounts other than the Borrower Accounts, any other account required by the Onshore Borrower Trust Agreement, the Encargo Fiduciario Account, the Encargo Fiduciario (Regulatory) Account, the Distribution Account, the Risk Retention Account and the New Loans Accounts. Except as required or permitted by the Master Accounts Agreement or the Onshore Borrower Trust Agreement, the Borrower will not, at any time, take any action to close any Account.

(h) *Disposition of Assets.*

(i) The Borrower will not Dispose of all or any part of its Property or business, whether owned on the Issue Date or thereafter acquired, other than Permitted Dispositions, unless:

(A) the Borrower receives consideration at the time of such Disposition in an amount at least equal to the Fair Market Value of the Property or business so Disposed of; and

(B) at least 75% of the consideration therefor received by the Borrower is in the form of cash or Cash Equivalents.

(ii) With respect to any Disposition (whether consummated in one or a series of related transactions), the Net Cash Proceeds with respect to such Disposition must (by no later than the 360th day after such Disposition) be applied by the Borrower to either: (A) invest in the business (including expenditures for improvements) of the Borrower, (B) repay the Loans or other Pari Passu Indebtedness of the Borrower without refinancing (and, with respect to any Pari Passu Indebtedness under an arrangement that permits future disbursements or other incurrences of Indebtedness thereunder, with a corresponding permanent reduction in the amount of Indebtedness available to be incurred thereunder), (C) be deposited in the Offshore Collection Account or (D) any combination of clauses (A) through (C) of this paragraph; *provided* that such Net Cash Proceeds will be maintained in cash or Cash Equivalents or Permitted Investments pending such application. With respect to any Disposition by the Borrower (whether consummated in a single transaction or a series of related transactions) of Property or business assets having a Fair Market Value of at least U.S.$30.0 million (or its equivalent in any other currency), the Net Cash Proceeds of such Disposition, except to the extent such proceeds are used in accordance with clauses (A), (B), (C) or (D) of this paragraph, must (by no later than the 360th day after such Disposition) be applied by the Borrower as described under "—Mandatory Prepayments—Disposition of Assets Prepayment."

(i) *Transactions with Affiliates*. The Borrower will not, directly or indirectly, enter into, amend, modify, renew or extend the term of, or supplement any transaction or agreement with any Affiliate unless such transaction or arrangement is pursuant to any Transaction Document as in effect on the Issue Date and except with respect to any transaction necessary to effect the Corporate Reorganization; *provided* that the Borrower may:

(i) enter into, amend, modify, renew or extend the term of, or supplement transactions with one or more Affiliates if such transaction is no less favorable to the Borrower than those that could have been obtained by the Borrower in a comparable transaction at the time of such transaction in arm's-length dealings with a Person that is not an Affiliate and if (x) with respect to any Affiliate transaction or series of related Affiliate transactions (or any amendment, modification, renewal or extension of term, or supplement thereof) involving an aggregate consideration (or increase thereof, as applicable) in excess of U.S.$2.0 million (in each case, other than any Subordinated Indebtedness), the Borrower delivers to the Administrative Agent a resolution of the Board of Directors stating that such Affiliate transaction complies with the Loans Agreement and (y) with respect to any Affiliate transaction or series of related Affiliate transactions (or any amendment, modification, renewal or extension of term, or supplement thereof) involving an aggregate consideration (or increase thereof, as applicable) in excess of U.S.$4.0 million (in each case, other than any Subordinated Indebtedness), the Borrower delivers to the Administrative Agent a favorable opinion as to the fairness of such transaction or series of transactions from a financial point of view issued by an accounting firm, appraisal firm, investment banking firm or consultant of internationally recognized standing that is independent in connection with the relevant transaction;

(ii) notwithstanding subclause (i) above, renew, amend, modify, supplement or extend the term of any existing agreement on substantially the same terms of such transaction existing prior to such renewal, amendment, modification, supplement or extension of term; *provided* that in no event shall the Borrower have any payment obligation pursuant to any such agreement in excess of U.S.$20.0 million in any given year;

(iii) this paragraph shall not apply to:

(A) Restricted Payments permitted by clause (k) of this "—Negative Covenants";

(B) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, directors of the Borrower not to exceed U.S.$3.0 million in any calendar year;

(C) loans or advances to employees, officers or directors of the Borrower in the ordinary course of business consistent with past practices and not to exceed U.S.$200,000 in any calendar year;

(D) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged or amalgamated into the Borrower the aggregate value under which agreement is no greater than U.S.$5.0 million; *provided* that such agreement was not entered into in contemplation of such acquisition, merger or amalgamation, and any amendment thereto (so long as any such amendment is not disadvantageous to the Holders in the good faith judgment of the Board of Directors of the Borrower, when taken as a whole, as compared to the applicable agreement as in effect on the date of such acquisition, merger or amalgamation);

(E) payment of the Operator Fee;

(F) employment and severance arrangements between or among any direct or indirect parent of the Borrower and their officers and employees in the ordinary course of business, involving an aggregate consideration not to exceed the greater of U.S.$3.0 million and 3% of Adjusted EBITDA for the most recently concluded DSCR Calculation Period for which financial statements are required to have been delivered pursuant to the Loans Agreement in any calendar year; and

(G) Issuer Subordinated Indebtedness.

For the avoidance of doubt, this clause (i) shall not apply to those transactions contemplated by "Use of Proceeds."

(j) *Hedging Transactions*. The Borrower will not enter into any Hedge Agreement other than in the ordinary course of business for bona fide business reasons for purposes of reducing risk and not for speculative purposes.

(k) *Restricted Payments*.

(i) The Borrower will not declare or pay any Restricted Payment unless each of the following conditions is satisfied, both immediately prior to and after the declaration and payment of any such Restricted Payment:

(A) no Loan Default or Loan Event of Default has occurred and is continuing at the time of and immediately following the making of such proposed Restricted Payment, and such Restricted Payment is in compliance with Applicable Law;

(B) (x) the Debt Service Coverage Ratio of the Borrower shall not be less than 1.25:1.00 for the six-month period ending with the last day of the fiscal quarter that most recently ended (taken as one accounting period and calculated on a pro forma basis to give effect to such Restricted Payment and the incurrence of any Indebtedness prior to the date of such Restricted Payment) and (y) the Debt Service Coverage Ratio of the Borrower for the six-month period beginning with the first day after the fiscal quarter that most recently ended (taken as one accounting period and calculated on a pro forma basis to give effect to such Restricted Payment and the incurrence of any Indebtedness prior to the date of such Restricted Payment) will not be less than 1.25:1.00;

(C) the available balance in each Borrower Reserve Accounts, the Lender Debt Service Reserve Account and the Debt Service Payment Account will be at least equal to the then-applicable Required Balance for each such account, as applicable;

(D) the Restricted Payment is made during a Restricted Payment Period; and

(E) the Borrower will have delivered to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying as to the satisfaction of the foregoing conditions (including, as applicable, computations in reasonable detail demonstrating such satisfaction) (each such certificate, a "Restricted Payment Certificate").

(ii) Notwithstanding subclause (i) above, (A) the Borrower shall be permitted to apply the proceeds of the Notes in the manner provided in clause (g) (Use of Proceeds) under the heading "—Affirmative Covenants" and (B) for the avoidance of doubt, any payments or transfers made or declared by the Borrower from funds on deposit in the Distribution Account shall not constitute Restricted Payments.

(l) *Material Contracts*. The Borrower will not, directly or indirectly:

(i) except for any expiration of a Material Contract in accordance with its terms and not as a result of a breach or a default thereunder by the Borrower, permit or issue any notice or take any other action which could lead to, the cancellation, suspension or termination of any Material Contract unless such cancellation, suspension or termination could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect; *provided* that in the event a Material Contract (other than the Concession Contract, the Strategic Alliance Agreement, the Master Municipality Agreements or the Investment Protection Agreement) is terminated due to a material breach by the counterparty or the bankruptcy of the counterparty, the Borrower will not be deemed in breach of this subclause (i) if, not later than 90 days following such termination, a new counterparty assumes such Material Contract or the Borrower enters into a replacement Material Contract and either (x) the Borrower has delivered to the Administrative Agent a Ratings Reaffirmation or (y) such replacement of the original Material Contract could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect;

(ii) sell (other than by way of merger or consolidation), assign (other than any assignment to the Intercreditor Collateral Agent in accordance with the Intercreditor Agreement) or otherwise dispose of (by operation of law or otherwise) any part of its interest in or replace any counterparty to any Material Contract, except as may be required by the Concession Contract, the Master Municipality Agreements or Applicable Law;

(iii) subject to subclause (i) above, waive any default under or breach of any Material Contract, or waive, fail to enforce, forgive or release any right, interest or entitlement whatsoever arising under or in respect of any Material Contract unless such waiver or failure to enforce, forgiveness or release could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(iv) amend, supplement, give any consent or otherwise modify any Material Contract or any rights or obligations of any party to a Material Contract thereunder, unless such amendment or modification is not materially adverse to the Borrower or the Lender or such amendment or modification could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect; or

(v) compromise or settle any claim against any Person, the compromise or settlement of which in the manner contemplated by the Borrower could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or unless required by the Concession Contract or Applicable Law.

(m) *Issuance of Capital Stock*. The Borrower will not issue any of its Capital Stock, or register or permit to occur any transfer of its Capital Stock to any Person, unless:

(i) no Loan Default or Loan Event of Default would result therefrom;

(ii) such issuance or transfer is in accordance with the Borrower's Organizational Documents and the Shareholders Undertaking Agreement and no violation of the Transaction Documents would result therefrom;

(iii) such transferee Person is a party to a Borrower Share Pledge or becomes on or before the date of such issuance a party to a Borrower Share Pledge and has pledged under such Borrower Share Pledge all Capital Stock of the Borrower that it owns, and all such Capital Stock of the Borrower is subject to the Lien purported to be created pursuant to such Borrower Share Pledge; and

(iv) the Borrower has delivered to the Notes Collateral Agent with respect to the proposed issuance or transfer, such opinions of counsel of recognized standing in Ecuador and such Person's jurisdiction of incorporation substantially consistent (subject to applicable differences, including due to jurisdiction or type of organization) with the corresponding opinions delivered in connection with the Borrower Share Pledge Agreement on the Issue Date.

(n) *Management*. The Borrower will not enter into any management contract or similar arrangement pursuant to which the Airport is operated by any other Person, other than pursuant to the Material Contracts.

(o) *Onshore Borrower Trust Agreement*. Except for amendments that are technical or not adverse to the Lender or the Holders, the Borrower shall not agree to any amendment, amendment and restatement, supplement or other modification to, or any assignment, transfer, sale, conveyance or other disposition of, the Onshore Borrower Trust Agreement or any rights (including any trust beneficiary rights) thereunder or in connection therewith other than:

(i) to make such modifications to cure ambiguities or defects or correct inconsistencies;

(ii) such as will not adversely affect in any respect the interests of the Lender or the Holders of Notes; or

(iii) upon satisfaction of the following conditions

(A) the Debt Service Coverage Ratio is not less than 1.50:1.00 for the twelve-month period ending with the fiscal quarter most recently ended (taken as one accounting period and pro forma for any such amendment, amendment and restatement, supplement or other modification to, or any assignment, transfer, sale, conveyance or other disposition of, the Onshore Borrower Trust Agreement or any rights (including any trust beneficiary rights) thereunder);

(B) the Debt Service Coverage Ratio is not less than 1.50:1.00 for the period beginning with the first day after the fiscal quarter that most recently ended through the Maturity Date (taken as one accounting period and pro forma for any such amendment, amendment and restatement, supplement or other modification to, or any assignment, transfer, sale, conveyance or other disposition of, the Onshore Borrower Trust Agreement or any rights (including any trust beneficiary rights) thereunder); *provided* that, with respect to a period of time commencing on a date of determination

occurring after the last date of the final full DSCR Calculation Period preceding the Maturity Date, the Debt Service Coverage Ratio for such period will be calculated as the ratio of (x) Cash Flow Available for Debt Service for a period of equal length immediately preceding the relevant date of determination to (y) the projected Debt Service payable by the Borrower for such period;

(C) the Borrower has obtained, and provided confirmation to the Administrative Agent and the Indenture Trustee, of Ratings Reaffirmations;

(D) no Loan Default or Loan Event of Default has occurred and is continuing at the time of, and immediately after giving effect to, any such amendment, amendment and restatement, supplement or other modification to, or any assignment, transfer, sale, conveyance or other disposition of, the Onshore Borrower Trust Agreement or any rights (including any trust beneficiary rights) thereunder; and

(E) the Administrative Agent and the Indenture Trustee will have received a certificate from an Authorized Officer of the Borrower certifying that each condition set forth in this clause (iii) is satisfied.

**Events of Default**

Pursuant to the Loans Agreement, each of the following events, acts, occurrences or conditions will constitute an event of default (each a "Loan Event of Default"):

(a) the Borrower fails to pay when and as the same will become due (whether by scheduled maturity or required prepayment or by acceleration or otherwise): (i) any principal of or premium (if any) on the Loans; or (ii) any Additional Amounts or interest on the Loans and, in any such case described in this subclause (ii), such failure continues unremedied for a period of 30 or more calendar days;

(b) any representation, warranty or certification made or deemed made in (or pursuant to) the Loans Agreement or the Master Accounts Agreement by the Borrower (or any of its officers) (other than with respect to non-material provisions or provisions that are of a de minimis administrative nature) or any certificate, document or financial or other statement furnished to the Lender pursuant to the provisions thereof, proves to have been untrue or incorrect in any material respect when made or deemed made by the Borrower and the underlying facts or circumstances causing the same to be untrue or incorrect in any material respect have had or could reasonably be expected to have a Material Adverse Effect which the Borrower was not able to eliminate within 30 days after the Borrower obtained Knowledge thereof;

(c) the Borrower defaults in the performance or observance by it of any covenant or provision (other than those referenced elsewhere under this "—Events of Default) under the Loans Agreement or any other Finance Document and such default continues unremedied for 30 days after the Borrower obtains Knowledge thereof; *provided* that if the Borrower is taking action reasonably likely to cure such default, a Loan Event of Default pursuant to this clause (c) will accrue only if such default remains unremedied for 60 days;

(d) (i) the Borrower breaches or defaults in the due performance or observance of any material obligation to be performed or observed by it under any Material Contract, and such breach or default continues unremedied beyond the cure period applicable thereto (if any) set forth in such Material Contract and, in each case, the unremedied breach or default could reasonably be expected to result in a Material Adverse Effect, including any Abandonment; (ii) any of the Concession Contract, the Strategic Alliance Agreement, the Master Municipality Agreements and the Investment Protection Agreement is declared to be void, invalid or unenforceable against any party thereto or any of the Concession Contract (other than a termination in connection with which a mandatory prepayment event of all of the Loans, as described in "—Prepayments of the Loans—Mandatory Prepayments" is required and has been undertaken), Strategic Alliance Agreement, the Master Municipality Agreements and the Investment Protection Agreement is terminated prior to the end of its stated term or the performance of the obligations of the Borrower thereunder becomes unlawful under Applicable Law; or (iii) any Person other than the Borrower institutes a material litigation, arbitration or administrative or other similar governmental proceeding or investigation challenging the validity or enforceability of any of the Concession Contract, the Strategic Alliance Agreement, the Master Municipality Agreements and the Investment Protection Agreement to which it is a party and such challenge could reasonably be expected to have a Material Adverse Effect;

(e) the Loans Agreement or any other Finance Document to which the Borrower is a party (or any provision thereof) is declared to be void, invalid or unenforceable against any party thereto by any Governmental Authority having jurisdiction over any party thereto or the subject matter thereof, or the performance of the obligations thereunder of any party thereto becomes unlawful under Applicable Law, unless, in the case of any Finance Document other than the Loans Agreement, both (i) the Lender and the Administrative Agent have received a certificate from the Borrower certifying that such event has not had and could not reasonably be expected to have a Material Adverse Effect, and (ii) such Finance Document is replaced with a valid and enforceable agreement or agreements on terms and conditions substantially similar (including, if applicable, with the same priority) to those of the Finance Document being replaced within 60 days of such Finance Document being declared void, invalid or unenforceable or the performance of the obligations thereunder becoming unlawful;

(f) there is commenced against the Borrower a Bankruptcy Proceeding which remains undismissed or unstayed for 60 days; (ii) the Borrower commences a Bankruptcy Proceeding; (iii) a receiver, liquidator, judicial manager, compulsory or interim manager, trustee, custodian, sequestrator, conservator or similar official takes and holds possession of any substantial part of the Property of the Borrower and such proceeding or petition shall continue undismissed for 60 days; or (iv) the Borrower is unable to or admits in writing its inability to pay its debts as they become due;

(g) (i) the Borrower defaults in the payment when due of any principal of or interest on any of its Indebtedness (other than the Loans) (in any case, whether at stated maturity or otherwise) outstanding in an amount in excess of U.S.$15.0 million (or the equivalent thereof in any other currency) and such default continues or is not waived or extended beyond the longer of (x) any applicable grace period set forth in the agreements or instruments evidencing or relating to such Indebtedness and (y) only as long as no enforcement action is taken in respect thereof and no acceleration (automatic or otherwise) has occurred, five Business Days from such failure or (ii) any default or event of default shall occur under or in respect of any such Indebtedness in the principal amounts referred to in clause (i) above (other than the Loans) and as a result of such

occurrence such Indebtedness becomes or is declared due and payable prior to the scheduled maturity thereof;

(h) (i) a final non-appealable judgment or judgments for the payment of money are rendered against the Borrower in an aggregate amount of U.S.$15.0 million (or the equivalent in other currencies) or more and remain unsatisfied, undischarged and in effect for a period of 60 consecutive days during which (A) a stay of execution or enforcement of such judgment, such as by reason of a pending appeal, is not in effect, and (B) there has been no institution and pendency of international arbitration proceedings related to such judgment or (ii) a final non-appealable non-monetary judgment is rendered against the Borrower that could reasonably prevent the Borrower from carrying on all or substantially all of its business or operations, which remains unsatisfied, undischarged and in effect for a period of 60 consecutive days during which (A) a stay of execution or enforcement of such judgment, such as by reason of a pending appeal, is not in effect, and (B) there has been no institution and pendency of international arbitration proceedings related to such judgment; *provided* that, in each case, to the extent and for so long as the Borrower is duly satisfying its obligations pursuant to a court-approved plan in respect of such judgment, such judgment shall be deemed to be satisfied and discharged; *provided, further* that, in each case, an Event of Default shall not occur under this paragraph (h) if the relevant judgment or judgments are adequately bonded or insured;

(i) an Expropriatory Action occurs that could reasonably prevent the Borrower from carrying on all or substantially all of its business or operations as a result thereof;

(j) the lawful currency of Ecuador ceases to be the Dollar or to be transferable outside of Ecuador, including as a result of any action by the Central Bank of Ecuador or any action by any other Governmental Authority of Ecuador, including the promulgation, operation or enforcement of any Applicable Law or change in the interpretation of any thereof, any restriction or requirement shall have been imposed or amended after the date hereof, whether by Applicable Law or otherwise, which limits the acquisition of Dollars by the Borrower, and such restriction or requirement shall have the effect of preventing the Borrower from performing in any material respect its material obligations under the Loans Agreement or under any other Finance Document, including, without limitation, all payment obligations in Dollars, which restriction or requirements continues in effect for a period of six months after the date on which such restriction or requirements becomes effective; or

(k) the occurrence or existence of a Notes Event of Default as defined in "Description of the Notes."

If a Loan Event of Default has occurred and is continuing under the Loans Agreement, the Lender may, within ten Business Days of receiving written notice thereof, accelerate the maturity of the Loans; *provided* that the Lender may take such action only at the direction of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding. The Lender shall not give notice of or declare any Loan Event of Default or accelerate the maturity of the Loans or agree to any modification of the terms of the Loans Agreement or the Loans except, in each case, as required by the Indenture in accordance with the immediately preceding sentence. Upon (1) the occurrence of a Loan Event of Default specified in clause (f) above, or (2) upon the acceleration of the principal of and accrued interest of the Notes pursuant to the Indenture as described under "Description of the Notes—Events of Default," all of the principal of and accrued interest on all of the Loans, and all other amounts whatsoever payable by the Borrower under the Loans and any other Finance Document (other than the Onshore Borrower Trust

Agreement), will become immediately due and payable without any demand or other action by the Lender.

The funding of Offshore Borrower Accounts and the Lender Debt Service Payment Account or the Lender Debt Service Reserve Account is to be done from amounts available for such funding in the applicable Borrower Accounts or Issuer Accounts in the manner specified under the terms of the Master Accounts Agreement, the Onshore Borrower Trust Agreement or the Issuer Security and Accounts Agreement, as applicable, and a failure to make such a funding (other than the initial funding of the Lender Debt Service Reserve Account or the funding of the Lender Debt Service Reserve Account to its Required Balance as of each Semi-Annual Transfer Date) shall not itself be a Loan Event of Default under the Loans Agreement if it is exclusively the result of insufficient funds being available for such funding in such Borrower Accounts or Issuer Accounts, as applicable.

**Amendment and Modification**

No amendment or waiver of any provision of the Loans Agreement, nor consent to any departure by the Borrower from the terms thereof, shall be effective unless the same shall be in writing and signed by the Lender and the Administrative Agent (and, in the case of an amendment, the Borrower), and any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The Lender will consent to any such amendment or waiver only in accordance with the terms of the Loans Agreement and the other Finance Documents as described under "Description of the Notes—Modification of the Loans Agreement and the Financing Transaction Documents."

The Lender, or the Administrative Agent on behalf of the Lender, will provide written notice to the Indenture Trustee promptly of any notice it has received from the Borrower relating to the Finance Documents, including any request by the Borrower for amendment, waiver or consent or any other affirmative action with respect to the Borrower and the Finance Documents at least 15 Business Days prior to effectiveness of any such amendment, waiver or consent.

Notwithstanding anything to the contrary in the Loans Agreement, the Lender shall not agree to any modification of the terms of the Finance Documents to which it is a party except as set forth under "Description of the Notes—Modification of the Loans Agreement and the Financing Transaction Documents."

The Loans and the Loans Agreement will not be assignable under any circumstances.

**Waiver of Set-off**

The Lender will waive any right of set-off, counterclaim, deduction, diminution or abatement based upon any claim it may have against the Borrower under the Loans Agreement or any other Transaction Document.

**Governing Law**

The Loans Agreement will be governed by the laws of the State of New York.

**Jurisdiction**

The Borrower will consent to the jurisdiction of any court of the State of New York or any U.S. federal court sitting in the Borough of Manhattan in The City of New York, New York, United States and any appellate court from any thereof. The Borrower will appoint Cogency Global Inc., with an office on the date hereof at 10 E. 40th Street, 10th Floor, New York, NY 10016, as its authorized agent upon which service of process may be served in any action or proceeding brought in any court of the State of New York or any U.S. federal court sitting in The City of New York in connection with the Loans Agreement

and each other Transaction Document (other than the Onshore Borrower Trust Agreement) to which it is a party.

**Waiver of Immunities**

To the extent that the Borrower may be or become entitled to claim in any jurisdiction for itself or its assets or revenues any immunity from suit, court jurisdiction, execution of a judgment, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with the Loans Agreement, the Loans or any other Transaction Document (other than the Onshore Borrower Trust Agreement) to which it is a party, and to the extent that in any jurisdiction there may be immunity attributed to the Borrower or its assets, whether or not claimed, such Borrower will irrevocably agree with the Lender and each other beneficiary not to claim, and to irrevocably waive, such immunity to the fullest extent permitted by law.

**Judgment Currency**

The obligations of Borrower, if any, under the Loans Agreement and the other Finance Documents (other than the Onshore Borrower Trust Agreement) to which it is a party to the Lender or any other beneficiary (an "Entitled Person") to make payment in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the Judgment Currency (as defined below) such Entitled Person may in accordance with normal banking procedures purchase, and transfer to New York, New York, Dollars in the amount originally due to such Entitled Person with the Judgment Currency. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency ("Judgment Currency"), the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Entitled Person could purchase such Dollars at New York, New York, with the Judgment Currency on the Business Day immediately preceding the day on which such judgment is rendered. The Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Entitled Person against, and to pay each Entitled Person on demand, in Dollars, the amount, if any, by which the sum originally due to such Entitled Person in Dollars hereunder exceeds the amount of the Dollars purchased and transferred as aforesaid.

## Description of Notes Security Documents

*The following includes a summary description of the Notes Security Documents. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the relevant Notes Security Document. Capitalized terms used in this section but not defined herein shall have the meanings defined under "Description of the Notes—Certain Definitions."*

### *Borrower Share Pledge Agreement*

Quiport HoldCo and Icaros, as the direct shareholders of the Borrower (the "Borrower Share Pledge Pledgors"), will, on or prior to the Issue Date, enter into a Commercial Share Pledge Agreement (*Contrato de Prenda Comercial sobre Acciones*) (the "Borrower Share Pledge Agreement") with the Notes Collateral Agent, to secure the obligations of the Issuer under the Notes on a senior, unconditional and *pari passu* basis, pursuant to which each of Quiport HoldCo and Icaros will grant a first ranking, open-ended pledge over all the rights, titles and interests on its respective equity interests in the Borrower, together with any rights to such equity interests, in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties.

Among other covenants, each of the Borrower Share Pledge Pledgors will agree that it will not assign, transfer or create any lien over the collateral pledged under the Borrower Share Pledge except to the extent expressly provided for in such agreement or in the other Notes Documents.

The Borrower Share Pledge Agreement will remain in full force and effect until all of the obligations under the Notes Documents have been paid in full or released and will be governed by the laws of Ecuador.

### *Issuer Share Pledge Agreement*

Odinsa, CPC and HASDC, as the direct shareholders of the Issuer, will enter into a share pledge agreement (*Contrato de Prenda de Acciones*) (the "Issuer Share Pledge Agreement") with the Notes Collateral Agent and the Indenture Trustee (acting on behalf of itself and the holders of Notes), to secure the obligations of the Issuer under the Notes on a senior, unconditional and *pari passu* basis, pursuant to which each such direct shareholder of the Issuer will grant a first rank *in rem* right of pledge over its respective equity interests in the Issuer in favor of the Notes Collateral Agent and the Indenture Trustee, for the benefit of the Senior Secured Notes Parties.

The Issuer Share Pledge Agreement will be governed by the laws of Spain.

### *Issuer Security and Accounts Agreement*

The Issuer will enter into the Issuer Security and Accounts Agreement with the Notes Collateral Agent and the Notes Account Bank, to secure the obligations of the Issuer under the Notes on a senior, unconditional and *pari passu* basis, pursuant to which the Issuer will grant a security interest in each of the following in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties: (i) all of the Issuer's rights, titles and interests in, to and under each Issuer Account (including any funds deposited therein and financial assets credited thereto); (ii) all rights of the Issuer, acting as Lender, under or pursuant to the Loans Agreement; and (iii) any proceeds of the foregoing, in each case as further described in the Issuer Security and Accounts Agreement.

The Issuer Security and Accounts Agreement will be governed by the laws of the State of New York.

***Borrower Subordinated Lender Security Agreement***

In connection with the Notes Documents, any Shareholder of the Borrower or affiliate thereof providing Subordinated Indebtedness to the Borrower will be required to enter into the Borrower Subordinated Lender Security Agreement with the Notes Collateral Agent, to secure the obligations of the Issuer under the Indenture, pursuant to which each such Shareholder or affiliate thereof shall grant a security interest in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties, on all future Subordinated Indebtedness provided by it to the Borrower and any proceeds thereof, in each case as further described in the Borrower Subordinated Lender Security Agreement.

The Borrower Subordinated Lender Security Agreement will be governed by the laws of the State of New York.

***Issuer Subordinated Lender Security Agreement***

In connection with the Notes Documents, any Shareholder of the Issuer or affiliate thereof providing Subordinated Indebtedness to the Issuer will be required to enter into the Issuer Subordinated Lender Security Agreement with the Notes Collateral Agent, to secure the obligations of the Issuer under the Indenture, pursuant to which each such Shareholder or affiliate thereof shall grant a security interest in favor of the Notes Collateral Agent, for the benefit of the Senior Secured Notes Parties, on all future Subordinated Indebtedness provided by it to the Issuer and any proceeds thereof, in each case as further described in the Issuer Subordinated Lender Security Agreement.

The Issuer Subordinated Lender Security Agreement will be governed by the laws of the State of New York.

## Credit Risk Retention

Regulation RR, 17 C.F.R. Part 246, adopted jointly by the SEC and five other federal agencies in October 2014 (the "U.S. Risk Retention Rule") requires the "sponsor" of a "securitization transaction" or a "majority-owned affiliate" (each as defined in the U.S. Risk Retention Rule) of the sponsor to retain an economic interest in the credit risk of the securitized assets with respect to such transaction that satisfies the requirements of the U.S. Risk Retention Rule.

The U.S. Risk Retention Rule defines a "securitization transaction" as a transaction involving the offer and sale of fixed income or other securities collateralized by any type of self-liquidating financial asset (including a loan or a secured or unsecured receivable) that allows the holder of the security to receive payments that depend primarily on the cash flow from such asset. From and after this offering of Notes, the Notes will be collateralized by the Loans and, as a result, the transactions contemplated hereby may be deemed a securitization transaction. The risk retention required by the U.S. Risk Retention Rule may be in the form of an "eligible vertical interest" which the U.S. Risk Retention Rule defines to mean, with respect to any securitization transaction, a single vertical security or any interest in each applicable class of interests in the issuing entity issued as part of such securitization transaction that constitute the same proportion (and at least 5%) of each such class. In the context of the transactions described herein, since the Notes will constitute a single fungible class of Notes ranking *pari passu* with each other, the applicable class of interests is all of the Notes taken together.

In order to comply with the U.S. Risk Retention Rule, the Borrower, as the securitization "sponsor" under the U.S. Risk Retention Rule, or a "majority owned affiliate" thereof, will purchase from the Issuer on the Issue Date the U.S. Retention Interest and hold such U.S. Retention Interest on an ongoing basis for so long as required by the U.S. Risk Retention Rule. Such retention obligation will commence as of the Issue Date, which is the date on which the Loans are transferred to, and/or made by, the Issuer.

A description of the material terms of the Notes comprising the U.S. Retention Interest is set forth under "Description of the Notes" in these listing particulars.

If the amount of the U.S. Retention Interest acquired by the holder thereof on the Issue Date is materially different than the amount disclosed above, the dollar amount and percentage of the Notes acquired by such holder will be disclosed to investors on or before the date that is one month after the Issue Date.

## Certain Tax Considerations

The information provided below does not purport to be a complete summary of tax law and practice applicable in the Kingdom of Spain, Ecuador and the United States of America as of the date of these listing particulars and is subject to any changes in law and the administrative interpretation and application thereof, which could be made with retroactive effect.

The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors should consult with their own professional advisers.

In addition, prospective investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Prospective investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

### Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of Notes at the date hereof. Except where noted, this summary deals only with Notes acquired by a U.S. holder (as defined below) at original issuance at their "issue price," which is the first price at which a substantial amount of the Notes is sold for money to the public (not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agent or wholesalers), and held as capital assets for U.S. federal income tax purposes.

A "U.S. holder" means a beneficial owner of the Notes that is for United States federal income tax purposes any of the following:

- an individual citizen or resident of the U.S.;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions as in effect, and available, at the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxation and does not deal with foreign, state, or local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt entities or insurance companies;

- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;

- tax consequences to holders of the Notes whose "functional currency" is not the U.S. dollar;

- Medicare contribution tax consequences;

- a person that uses the accrual method of accounting that is required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements;

- a U.S. expatriate or former long-term resident of the United States;

- alternative minimum tax consequences, if any; or

- any state, local or foreign tax consequences.

If a partnership holds our Notes, the tax treatment of a partner and such partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership that is considering an investment in our Notes, you should consult your own tax advisors.

**If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.**

***Characterization of the Notes***

We intend to take the position that the Notes are indebtedness. No ruling regarding the Notes has been sought or received by the Internal Revenue Service, however, and there can be no assurance that the Internal Revenue Service will agree with the foregoing treatment. You are urged to consult your tax advisors with respect to the proper tax treatment of the Notes.

***Contingent Payment Debt Instrument Rules***

Although the issue is not free from doubt, we intend to take the position that the possibility of paying supplemental interest or a premium in the case of a repurchase due to a change of control does not result in the Notes being treated as contingent payment debt instruments for U.S. federal income tax purposes. Our position in this regard is binding on a holder, unless the holder discloses its contrary position in the manner required by applicable Treasury regulations. Our position is not, however, binding on the Internal Revenue Service. If the Internal Revenue Service were successfully to take a contrary position and the Notes were treated as contingent payment debt instruments, the timing of your income with respect to the Notes might differ and you might be required to treat as ordinary interest income (rather than capital gain) any gain realized on the sale, exchange, retirement or other taxable disposition of a Note before the resolution of the contingencies related to a repurchase due to a change of control. You should consult with your own tax advisors regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

***Payments of Interest***

It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes. If, however, the principal amount of the Notes exceeds its issue price by an amount that does not satisfy a de minimis test, you will be required to include the excess in income (as ordinary income) as original issue discount, as it accrues, in accordance with a constant-yield method based on compounding of interest, before the receipt of cash attributable to this income, regardless of your method of accounting for U.S. federal income tax purposes. Stated interest on a Note (including Notes Additional Amounts and without reduction for any amounts withheld) will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for U.S. federal income tax purposes. Subject to applicable limitations (including a minimum holding period requirement), you may be entitled to a credit against your U.S. federal income tax liability (or a deduction in computing your U.S. taxable income) for any foreign income taxes withheld (See "— Taxation in the Kingdom of Spain" above). Interest income (including any Notes Additional Amounts) on a Note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income, which may be relevant in calculating your foreign tax credit limitations. The rules governing the foreign tax credits are complex. You are urged to consult your own tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

***Sale, Exchange, Retirement or Other Taxable Disposition of Notes***

Upon the sale, exchange, retirement or other taxable disposition of a Note, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the Note. Your adjusted U.S. federal income tax basis in a Note will, in general, be your cost for that Note reduced by any cash payments received on the Note, other than stated interest. Such gain or loss will be capital gain or loss and will generally be treated as U.S. source gain or loss. Consequently, you may not be able to claim a credit for any foreign tax imposed upon a taxable disposition of a Note unless such credit can be applied (subject to applicable limitation) against tax due on other income treated as derived from foreign sources. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

***Backup Withholding and Information Reporting***

Generally, information reporting requirements will apply to all payments we make to you and the proceeds from a sale of a Note paid to you, unless you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments, fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

**Taxation in the Kingdom of Spain**

***Introduction***

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of these listing particulars:

(a) of general application, First Additional Provision of Law 10/2014, of 26 June on the regulation, supervision and solvency of credit entities ("Law 10/2014") and Royal Decree 1065/2007 of July 27, as amended, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes ("Royal Decree 1065/2007");

(b) for individuals with tax residency in Spain who are personal income tax ("Personal Income Tax") tax payers, Law 35/2006, of November 28, 2006, on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law, as amended (the "Personal Income Tax Law") and Royal Decree 439/2007, of March 30, 2007 promulgating the Personal Income Tax Regulations as amended, along with Law 19/1991, of June 6, 1991 on Wealth Tax, as amended, and Royal Decree-Law 13/2011 and Law 29/1987, of December 18, 1987 on Inheritance and Gift Tax, as amended;

(c) for legal entities resident for tax purposes in Spain which are corporate income tax ("Corporate Income Tax") taxpayers, Law 27/2014, of November 27, 2014 and Royal Decree 634/2015, of July 10, 2015 promulgating the corporate income tax regulations (the "Corporate Income Tax Regulations"); and

(d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("Non-Resident Income Tax") taxpayers, Royal Legislative Decree 5/2004, of March 5, 2004, promulgating the Consolidated Text of the Non-Resident Income Tax Law, as amended, and Royal Decree 1776/2004, of July 30, 2004, promulgating the Non-Resident Income Tax Regulations, along with Law 19/1991, of June 6, 1991 on Wealth Tax, as amended, and Royal Decree-Law 13/2011 and Law 29/1987, of December 18, 1987 on Inheritance and Gift Tax.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (a "Holder"), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain. For example it will be exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of September 24, and exempt from value added tax, in accordance with Law 37/1992, of December 28, regulating such tax.

***Individuals with Tax Residency in Spain***

*Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)*

Payments of both interest periodically received and income deriving from the transfer, redemption, repayment or exchange of the Notes constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and must be included in each Holder's Personal Income Tax savings taxable base pursuant to the provisions of the aforementioned law, and taxed according to the then-applicable rate. The savings taxable base of tax year 2019 will be taxed at the rate of 19% up to €6,000, 21% for taxable income between €6,000.01 and €50,000, and 23% for taxable income exceeding €50,000.

No withholding on account of Personal Income Tax will be imposed on interest and income derived from the redemption or repayment of the Notes by individual Holders subject to Personal Income Tax,

*provided* that certain requirements are met (including that the Paying Agent provides, in a timely manner, the Issuer with a duly executed and completed Payment Statement). See "—Information about the Notes in Connection with Payments."

If the Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold the relevant percentage (19% as of the date of these listing particulars).

In any event, the individual Holder may credit the withholding against his or her Personal Income Tax liability for the relevant year.

*Reporting Obligations*

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders who are individuals resident in Spain for tax purposes.

*Wealth Tax (Impuesto sobre el Patrimonio)*

As a general rule, Net Wealth Tax may be levied in Spain on resident individuals to the extent that their net wealth exceeds €700,000 on the last day of any year. Spanish tax resident individuals whose net worth is above €700,000 and who hold Notes on the last day of any year would therefore be subject to Spanish Net Wealth Tax for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Notes during the last quarter of such year. Some reductions may be available pursuant to the applicable regional law.

In accordance with article 3 of Royal Decree-Law 27/2018 of 28 December, as from year 2020, the full relief (*bonificación del 100%*) on Spanish Wealth Tax would apply, and therefore from year 2020 holders will be released from formal and filing obligations in relation to this Spanish Wealth Tax, unless the derogation of the exemptions is extended again (which cannot be ruled out).

*Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional or state rules. The applicable tax rates as at the date of these listing particulars range between 7.65% and 34%. Application of certain relevant factors (such as previous net wealth or family relationship among transferor and transferee) determine the final effective tax rate that, as of the date of these listing particulars, ranges between 0% and 81.6%.

***Legal Entities with Tax Residency in Spain***

*Corporate Income Tax (Impuesto sobre Sociedades)*

Payments of both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes must be included in the profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax. The current general tax rate in 2019 is 25%.

No withholding on account of Corporate Income Tax will be imposed on interest and income derived from the redemption or repayment of the Notes paid to Spanish Corporate Income Tax holders of Notes, *provided* that certain requirements are met (including that the Paying Agent provides the Issuer, in a timely manner, with a duly executed and completed Payment Statement). See "—Information about the Notes in Connection with Payments."

If the Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold the relevant percentage (19% as of the date of these listing particulars).

In any event, Holders that are legal entities with tax residency in Spain may credit the withholding against their Corporate Income Tax liability for the relevant year.

*Reporting Obligations*

The Issuer will comply with the reporting obligations set out in the Spanish tax laws with respect to Holders who are legal persons or entities resident in Spain for tax purposes.

*Wealth Tax (Impuesto sobre el Patrimonio)*

Spanish resident legal entities are not subject to Wealth Tax.

*Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Legal entities with tax residency in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

***Individuals and Legal Entities with no tax residency in Spain***

*Non-Spanish tax resident investors acting through a permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, such permanent establishment will be subject to Non-Resident Income Tax on similar terms as those previously set out for Spanish Corporate Income Tax taxpayers.

*Non-Spanish tax resident investors not acting through a permanent establishment in Spain*

Both interest payments that are periodically received and payments of income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or legal entities without tax residency in Spain who are not residents in Spain for tax purposes and do not act, with respect to the Notes, through a permanent establishment in Spain are exempt from Non-Resident Income Tax and therefore no withholding on account of Non-Resident Income Tax shall be levied on such income provided certain requirements are met.

In order to be eligible for the exemption from Non-Resident Income Tax, certain requirements must be met, including the provision by the Paying Agent of certain information relating to the Notes, in a timely manner as detailed under "Information about the Notes in Connection with Payments," as set forth in section 44 of Royal Decree 1065/2007, as amended. If the Paying Agent fails or for any reason is unable to deliver the required information in the manner indicated, the Issuer will withhold the relevant percentage (19% as of the date of these listing particulars) and will pay additional amounts with respect to any such withholding.

Holders of Notes not resident in Spain for tax purposes and entitled to exemption from Non-Resident Income Tax but, in respect of whose Notes, the Issuer does not receive information from the Paying Agent in a timely manner as detailed under "Information about the Notes in Connection with Payments," would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, in accordance with the procedures set forth in the Spanish Non-Resident Income Tax law.

*Wealth Tax (Impuesto sobre el Patrimonio)*

As a general rule, individuals who are not residents in Spain but whose properties and rights are located in Spain or can be exercised within the Spanish territory (such as the Notes), having a value for purposes of Net Wealth Tax exceeding €700,000, would be subject to Net Wealth Tax, at applicable rates ranging between 0.2% and 2.5%.

However, to the extent that income derived from the Notes is exempt from Non-Resident Income Tax, individual holders of Notes not resident in Spain for tax purposes who hold Notes on the last day of any calendar year will be exempt from Net Wealth Tax. Furthermore, holders of Notes resident in a country with which Spain has entered into a double tax treaty with respect to Net Wealth Tax that provides for taxation only in the country of tax residence of the holder of the Notes will be exempt from Spanish Net Wealth Tax.

A holder of the Notes that is a tax resident in a State of the European Union or of the European Economic Area may be entitled to apply the specific regulation of the autonomous community where their most valuable assets (i) are located, (ii) can be exercised or (iii) must be fulfilled. Prospective investors should consult their tax advisors in that respect.

In accordance with article 3 of Royal Decree-Law 27/2018 of December 28, as from year 2020, the full relief (bonificación del 100%) on Spanish Wealth Tax would apply, and, therefore, starting from the year 2020, Holders will be released from formal and filing obligations in relation to the Spanish Wealth Tax, unless the derogation of the exemptions is extended.

Non-Spanish resident legal entities are not subject to Net Wealth Tax.

*Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)*

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a convention for the avoidance of double taxation in relation to Inheritance and Gift Tax will be subject to the relevant convention for the avoidance of double taxation.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional and state legislation, to the extent that rights deriving from the Notes can be exercised within the Spanish territory. As such, prospective investors should consult their tax advisers.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

***Information about the Notes in Connection with Payments***

As described above, interest and other income paid with respect to the Notes will not be subject to Spanish withholding tax unless the Paying Agent fails or for any reason is unable to provide the Issuer, in a timely manner, with the information described in Exhibit 1 hereto.

The information obligations to be complied with in order to apply the exemption are set forth in Section 5 of Article 44 of Royal Decree 1065/2007, as amended.

In accordance with Section 5 of Article 44, before the close of business on the Business Day immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each, a "Payment Date") is due, the Issuer must receive from the Paying Agent the following information about the Notes:

(a) the identification of the Notes with respect to which the relevant payment is made;

(b) the date on which the relevant payment is made;

(c) the total amount of the relevant payment;

(d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain (which, in the case of the Notes, will be DTC).

In particular, the Paying Agent must certify the information above about the Notes by means of a certificate delivered to the Issuer, the form of which is attached as Exhibit 1 hereto (the "Payment Statement").

In light of the above, the Indenture will provide for certain procedures agreed to with the Paying Agent to facilitate the collection of information concerning the Notes and delivery of such Payment Statement by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the Payment Statement is not received by the Issuer on or prior to each Payment Date, the Issuer will withhold tax at the then-applicable rate (19% as of the date of these listing particulars) from any payment in respect of the relevant Notes.

*Set forth below is Exhibit I. The language of these listing particulars is English. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. The Spanish language text of Exhibit 1 has been included in order that the correct technical meaning may be ascribed to such text under applicable Spanish law. In the event of any discrepancy between the Spanish language version of the certificate contained in Exhibit I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only. Any of the foreign language text included in these listing particulars does not form part of these listing particulars.*

## EXHIBIT 1

**Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

**Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

Annex to Royal Decree 1065/2007, of July 27, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

**Don (nombre), con número de identificación fiscal (…)[(1)], en nombre y representación de (entidad declarante), con número de identificación fiscal (….)[(1)] y domicilio en (…) en calidad de (marcar la letra que proceda):**

Mr. (name), in the name and on behalf of (entity), with tax identification number (….)[(1)] and address in (…) as (function - mark as applicable):

**(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**

(a) Management Entity of the Public Debt Market in book entry form.

**(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

**(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

**(d) Agente de pagos designado por el emisor.**

(d) Paying Agent appointed by the issuer.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

**1 En relación con los apartados 3 y 4 del artículo 44:**

1 In relation to paragraphs 3 and 4 of Article 44:

**1.1 Identificación de los valores** .....

1.1 Identification of the securities.....

**1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

**1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

**1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora** .....

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.....

**1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

**2 En relación con el apartado 5 del artículo 44.**

2 In relation to paragraph 5 of Article 44.

**2.1 Identificación de los valores** .....

2.1 Identification of the securities.....

**2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)** .....

2.2 Income payment date (or refund if the securities are issued at discount or are segregated)

**2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados** .....

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

**2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

**2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

**2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

**Lo que declaro en** ……**a** …. **de** ……**de** ….
I declare the above in …… … on the…. of…… … of….

**(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia**

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

**The proposed financial transactions tax ("FTT")**

On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). Estonia has since officially announced its withdrawal from the negotiations.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT. The Issuer would not be obliged to pay additional amounts with respect to any Instrument as a result of the imposition of such tax.

**US Foreign Account Tax Compliance Withholding**

Under certain provisions of the Code and U.S. Treasury regulations promulgated thereunder (commonly referred to as "FATCA"), a 30% withholding tax may apply to certain "foreign passthru payments" made by a foreign financial institution (an "FFI"), including an FFI in the chain of ownership between an ultimate beneficial owner and the issuer of an obligation that has entered into an agreement with the U.S. Internal Revenue Service (the "IRS"), pursuant to which it agrees to certain due diligence, reporting and withholding functions (such an FFI referred to as a "PFFI"). FATCA withholding may apply to payments made by a PFFI to (a) an FFI that is not a PFFI and is not otherwise exempt from FATCA and to (b) certain other payees who fail to provide sufficient identifying information (including, in certain cases, regarding their U.S. owners). Certain aspects of the application of these rules are modified by intergovernmental agreements between the United States and certain other countries ("Intergovernmental Agreements"), including Spain. The term "foreign passthru payment" is not defined currently and withholding on foreign passthru payments will not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment." It is uncertain how foreign passthru payment withholding will apply under Intergovernmental Agreements, if at all. Given the uncertainty of the FATCA provisions, although the Issuer does not expect FATCA withholding to apply to payments it makes on the Notes, FATCA may impact payments by custodians or intermediaries in the payment chain between the Issuer and the ultimate beneficial owner of the Notes. The Issuer has no responsibility for any FATCA withholding applied by any such custodians or intermediaries in the ownership chain and would not be required to pay any Notes Additional Amounts were any amount deducted or withheld from any payment pursuant to FATCA. Investors should consult their own tax advisors with respect to FATCA and its application to the Notes and should consider carefully the FATCA compliance status of any financial intermediaries in the chain of ownership through which they hold Notes.

## Limitations on Validity and Enforceability of the Security Interests in the Notes Collateral and Certain Insolvency Law Considerations

*The following is a summary description of certain limitations on the validity and enforceability of the security interests in the Notes Collateral in some of the jurisdictions in which such Notes Collateral is being provided, and a summary of certain insolvency law considerations in the jurisdictions in which the Issuer, the Company and some of the providers of the Notes Collateral are organized. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes, the Loans and the security interests in the Notes Collateral. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. Where English terms and expressions are used to refer to Spanish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Spanish concepts under Spanish laws or Ecuadorian laws, as applicable. See "Risk Factors—Risks Related to the Notes,"*

### European Union

The Issuer is organized under the laws of Spain and, therefore, is subject to Regulation (EU) of the European Parliament and of the Council of May 20, 2015, on insolvency proceedings (the "EU Recast Insolvency Regulation"), which applies within the European Union, other than Denmark. The EU Recast Insolvency Regulation applies to collective insolvency proceedings of the types referred to in Annex A of the EU Recast Insolvency Regulation. Pursuant to the Article 3(1) of the EU Recast Insolvency Regulation, the courts of the Member State in which a debtor's "center of main interests" is situated have jurisdiction to open insolvency proceedings (main insolvency proceedings). The EU Recast Insolvency Regulation defines the "center of main interests" as the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties. The determination of where a company has its "center of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Pursuant to the EU Recast Insolvency Regulation, the "center of main interests" of a company is presumed to be in the Member State in which it has its registered office, unless the registered office has been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings and in the absence of proof to the contrary. This presumption may be rebutted if it is evidenced that a company's actual center of management and supervision and of the management of its interests is located in another Member State in a manner ascertainable by third parties. When determining the center of main interests of a company, European courts have taken into consideration a number of factors, including, in particular, where board meetings are held, the place where the company conducts the majority of its business or has its head office and the place where the majority of the company's creditors are established.

If the "center of main interests" of a company is in one Member State (other than Denmark), under Article 3(2) of the EU Recast Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open insolvency proceedings against that company only if such company has an "establishment" in the territory of such other Member State (these proceedings shall be referred to as "secondary insolvency proceedings" within the meaning of article 3(3) of the E.U. Insolvency Regulation or "territorial insolvency proceedings"). The EU Recast Insolvency Regulation defines establishment as the place of operations where the company carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings, a non-transitory economic activity with human means and assets.

In cases where the main insolvency proceedings in the Member State in which the company has its center of main interests have not yet been opened, territorial insolvency proceedings can be opened subsequently

in another Member State where the company has an establishment only if (a) insolvency proceedings cannot be opened in the Member State in which the company's center of main interests is situated under that Member State's law; or (b) requested by (i) a creditor whose claim arises from or is in connection with the operation of the establishment situated within the territory of the Member State where the opening of territorial proceedings is requested or (ii) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings.

In order to prevent the opening of territorial (secondary) insolvency proceedings, the EU Recast Insolvency Regulation provides the right to give an undertaking whereby the insolvency administrator (*administrador concursal*) in the main insolvency proceeding may give a unilateral undertaking to local creditors in respect of the assets located in the Member State in which secondary insolvency proceedings could be opened to the effect that, when distributing the proceeds received as a result of the execution of those assets, it will comply with the distribution and priority rights under national law that creditors would have if secondary proceedings were opened in that Member State.

The courts of all Member States (other than Denmark) must recognize the judgment of the court opening the main proceedings and, subject to any exceptions provided for in the EU Insolvency Regulation will be given the same effect in the other Member States, so long as no secondary proceedings have been opened there. The insolvency administrator (*administrador concursal*) appointed by a court in a Member State which has jurisdiction to open main proceedings (because the company's center of main interests is there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State or any interim measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets).

The EU Recast Insolvency Regulation provides for rules to coordinate main and secondary insolvency proceedings and cross-border group insolvencies within the European Union. In the event that insolvency proceedings concerning two or more members of a group are opened, insolvency administrators (*administrador concursal*) and courts shall cooperate and communicate with any other insolvency administrator and any other court involved in insolvency proceedings of another member of the group of companies. Under Article 61 of the EC Recast Insolvency Regulation, an insolvency administrator appointed in the insolvency proceedings opened in relation to a member of the group may request group coordination proceedings before any court having jurisdiction over the insolvency proceedings of any member of such group. Such request shall be accompanied notably by, among other things, a proposal as to the person to be nominated as the group coordinator.

Therefore, in the event that the Issuer experiences financial difficulties, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer and the providers of the Notes Collateral.

**Spain**

***Limitations on validity and enforceability of the security interests in the Notes Collateral***

Spanish law does not recognize the concepts of "trust" or "collateral agent." There is some uncertainty as to whether a Spanish court would recognize the authority of a collateral agent (including the Notes Collateral Agent) and whether this would cause delays in the enforcement, as well as with respect to the consequences of not being able to enforce the collateral as provided in the relevant security agreements.

Although this in and of itself does not prohibit appointing the Notes Collateral Agent and/or the Indenture Trustee, the absence of regulation creates uncertainty as to how a Spanish court would recognize the actions of the Notes Collateral Agent and/or the Indenture Trustee in an enforcement situation.

If Spanish-law security documents are entered into only by the security agent and not also by the creditors on account of whom the security agent or trustee would be acting, it can be argued that the security agent would be the only party entitled to enforce the security interest in respect of those obligations, consequently, the security agent may only be able to enforce against the debt it individually holds, and not for the full amount owed to creditors for whom it is acting as security agent.

This limitation may be overcome if such creditors grant formal powers of attorney in favor of the security agent in order to represent them in the enforcement proceedings (nonetheless, this may not be effective in the case of judicial enforcement proceedings, where one party cannot represent another by virtue of a power of attorney). In the absence of the above-mentioned power of attorney, the Notes Collateral Agent and/or Indenture Trustee, acting as a security agent, may not be able to enforce the relevant Spanish security interest on behalf of all of the secured creditors (including the holders of the Notes). Furthermore, any beneficial holders of a security who have not accepted the security or duly empowered (by means of notarial and apostilled powers of attorney) a security agent to do so, may be treated as unsecured creditors under Spanish law, including, without limitation, in an insolvency scenario. In addition, the relevant court or notary public before whom any Spanish security interest may eventually be enforced may request the notarization of the documents from which the relevant obligations arise and the notarization of each and every transfer certificates relating to each transfer of the Notes.

Under Spanish law, any guarantee or security interest must generally guarantee or secure a primary obligation to which it is related and ancillary. The primary obligation must be clearly identified in the guarantee or security agreement and, if the primary obligation terminates, the ancillary guarantee or security interest will also be deemed terminated.

In the event that the guarantor or security provider is able to prove that there are no existing and valid guaranteed or secured obligations, Spanish courts may consider that the guarantor or security provider's obligations under the relevant guarantee or security agreement are not enforceable. In addition, a guarantee or security interest may not be enforceable in Spain without having validly accelerated (whether in part or in whole, as applicable) the underlying agreements governing the guaranteed or secured obligations, and may be affected by any amendment, supplement, waiver, repayment, novation or extinction of the secured obligations.

Under Spanish law, claims may become time barred (five years since the obligation becomes enforceable being the general term established for obligations *in personam* pursuant to Article 1,964 of the Spanish Civil Code) or may be or become subject to the defense of set-off or counterclaim.

A Spanish court may not accept acceleration (*vencimiento anticipado*) of an agreement if the default were of minimal importance. To be recognized by the Spanish courts as giving rise to the remedy of acceleration, a default must be considered material. Pursuant to Article 1,256 of the Spanish Civil Code, the decision to accelerate an agreement must be based on objective facts and cannot be made based on the sole discretion of one party.

In addition, as this remains unclear under Spanish law, it is possible that certain defenses available to the Issuer relating to corporate benefit, fraudulent conveyance or transfer, voidable preference, capital preservation or limited capitalization may limit the amount guaranteed under the Notes Collateral by reference to the net assets and share capital of the Issuer and the amount secured under the relevant security agreement by reference to the value of the collateral.

The terms "enforceable," "enforceability," "valid," "legal," "binding" and "effective" (or any combination thereof) mean that all of the obligations assumed by the relevant party under the relevant documents are of a type enforced by Spanish courts; the terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms. Enforcement before the courts will in any event be subject to, *inter alia*:

(i) the nature of the remedies available; and

(ii) the availability of defenses including, without limitation, setoff (unless validly waived), circumvention of law (*fraude de ley*), abuse in the exercise of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, abatement and counterclaim.

***Concept and petition for insolvency***

In the event of an insolvency of the Issuer, insolvency proceedings may be initiated in Spain and governed by Spanish law. The Spanish Insolvency Act (*Ley 22/2003, de 9 de julio, Concursal*) regulates court insolvency proceedings (*concurso de acreedores*) and certain pre-insolvency proceedings which aim to prevent the debtor from entering into insolvency proceedings (*inter alia*, the so-called Article 5.*bis* Communication moratorium procedure and homologated refinancing agreements (Article 5.*bis* of the Spanish Insolvency Act)) ("Article 5.bis").

***Pre-insolvency proceedings***

*Article 5.bis Communication*

The Spanish Insolvency Act currently contains a restructuring moratorium procedure known as the Article 5.*bis* Communication (*comunicación 5 bis*) that delays the opening of an insolvency proceeding of for a period of four months and has certain effects over enforcement actions.

A debtor may benefit from this pre-insolvency procedure by filing a communication to the competent insolvency judge whereby it evidences it has commenced negotiations to enter into (i) a refinancing agreements (*acuerdo de refinanciación*), as set forth in Article 71.*bis* or Fourth Additional Disposition of the Spanish Insolvency Act; (ii) a pre-arranged composition agreement (*propuesta anticipada de convenio*); or (iii) an out-of-court repayment agreement (*acuerdo extrajudicial de pago*). Such communication may be filed within the legal term for a debtor to file for insolvency (within two months after it becomes aware of its state of insolvency).

Once filed, the debtor is released from its obligation to file for insolvency for a three-month period. Once the three-month term has elapsed, and if the situation of insolvency persists, the debtor will have the obligation to file for insolvency in the following month. Thus, the 5.*bis* Communication pre-insolvency proceedings grants the debtor a four-month protection period during which any petitions from creditors will not be accepted/

In addition, during such four-month protection period, and any new or existing enforcement actions over assets or rights deemed necessary for the company's business operations (other than those arising from public law claims) will be prohibited and/or suspended, as applicable, until any of the following occurs: (i) a refinancing agreement is formalized; (ii) a court order is issued (*providencia*) accepting for processing the court's confirmation (*homologación judicial*) of admission of the refinancing agreement as set forth in the Fourth Additional Provision of the Spanish Insolvency Act, (iii) an out-of-court repayment agreement is entered into, (iv) the necessary accessions for the admission of a pre-composition agreement (*propuesta anticipada de convenio*) are obtained, or (v) the declaration of insolvency (*declaración de concurso*) takes place.

In addition, enforcement proceedings that have been brought by creditors holding financial claims (as defined in the Fourth Additional Provision of the Spanish Insolvency Act) over any asset or right of the debtor shall be prohibited or suspended (as applicable); *provided* that at least 51% of the creditors holding financial liabilities (as determined by value) have supported the commencement of negotiations to enter into a refinancing agreement and have committed not to initiate or continue enforcement proceedings against the debtor while creditors holding financial liabilities continue negotiations. Although, secured creditors are entitled to commence foreclosure proceedings against the corresponding secured assets, once the proceedings have been initiated these would be immediately suspended. Financial collateral and security interests over collateral located outside of Spain are not affected by the effects of the 5.*bis* communication pre-insolvency proceedings.

*Homologation of refinancing agreements*

The Spanish Insolvency Act foresees a mechanism of judicial homologation (*homologación judicial*) of certain refinancing agreements entered into by the debtor and financial creditors to protect both from rescission actions and to extend their effects to dissenting creditors.

Refinancing agreements that may be subject to judicial homologation (*homologación judicial*) include any that (i) entail a significant enlargement of the debtor's credit or a change in the financial structure, either by granting term extensions or by establishing obligations, under a viability plan that seeks the continuity of the debtor's business in the short and medium term; (ii) have been supported by creditors holding financial liabilities representing at least 51% of the debtor's financial liabilities, whether or not subject to financial supervision (excluding public creditors, labor creditors and commercial transactions from the calculation of such thresholds), at the date of the refinancing agreement; (iii) the debtor's auditor issues a certificate acknowledging that the required thresholds have been reached (in the case of a group company, certain courts have held that the majority refers both individually to each company and to the group as a whole, without intercompany claims being taken into account); and (iv) the refinancing agreement and the documents substantiating performance of conditions (ii) to (iii) above are formalized in a public instrument.

With respect to the calculation for obtaining the required majorities, all creditors holding an interest in a syndicated agreement will be deemed to have adhered to the refinancing agreement if it is favorably voted upon by at least 75% of the liabilities represented by the loan, or a lower majority if so established in the syndicated loan agreement. There is uncertainty under Spanish law on whether dissenting creditors under syndicated agreements have grounds to object to judicial homologation and whether the effects of such homologated refinancing agreement may be extended to them.

Judicially homologated refinancing agreements may not be subject to clawback or rescission actions (except in the case of fraud under general fraudulent conveyance actions).

Further, certain effects of the homologated agreements may be imposed on dissenting or non-participating unsecured financial creditors or secured financial creditors, to the extent of any part of their secured claim not covered by their security interest, as such security interest is to be valued in accordance with the rules set out in the Spanish Insolvency Act, as summarized below:

(i) If the homologated refinancing agreement is supported by creditors representing at least 60% of the debtor's financial liabilities:

   a. deferrals of payments either of principal, interest or any other owed amount may be granted for up to five years; or

   b. the debt converted into so-called profit participation loans (*préstamos participativos*) of duration up to five years; may be imposed on such creditors.

(ii) If the homologated refinancing agreement is supported by creditors representing at least 75% of the debtor's aggregate financial liabilities:

a. deferrals either of principal, interest or any other owed amount for a period of five or more years (but not more than ten years);

b. write-downs (*quitas*) (a cap has not been established under Spanish law);

c. debt capitalization (however, dissenting or non-participating creditors may choose between (x) a debt for equity swap as contemplated by the agreement; or (y) a discharge of their claims equal to the nominal amount (including any share premium) of the shares/quota shares that would have corresponded to such creditor as a result of such debt for equity swap;

d. conversion of debt into profit participation loans (*préstamos participativos*) with a term of up to ten years, convertible obligations, subordinated loans, payment in kind facilities, or in any other financial instrument with a ranking, maturity and other features that are different from the original debt; and

e. assignment of assets or rights as assignment in kind for total or partial payment of the debt (*datio pro soluto*).

Furthermore, if the agreement has been entered into by financial creditors holding secured claims representing at least 65% and 80% of the value of all secured claims of the debtor, the effects described in (i) and (ii) above may be extended to the amount of secured claims of non-participating or dissenting financial creditors, equal to the amount covered by their security interest (as valued in accordance with the rules set forth in the Fourth Additional Provision of the Spanish Insolvency Act), respectively.

***Insolvency proceedings***

The insolvency proceedings, which are called "*concurso de acreedores,*" are applicable to all persons or entities (except for certain limited exceptions under the Spanish Insolvency Act). Insolvency proceedings may result in the restructuring of a business through the implementation of a composition agreement between the creditors and the debtor (*convenio concursal*), or in the liquidation of the debtor's assets.

*Insolvency filing*

The declaration of insolvency may be requested by the debtor or by its creditors, certain interested third parties and, if applicable and subject to certain conditions, the relevant insolvency mediator (*mediador concursal*).

Insolvency is considered voluntary (*concurso voluntario*) if filed by the debtor. The debtor (and, in the case of a company, its directors (*administradores*)) is required by law to file a petition for insolvency within two months after it becomes aware, or should have become aware, of its state of insolvency, and may choose to file for insolvency proceedings when it foresees it will be insolvent (*insolvencia inminente*). A debtor is considered to be insolvent when it cannot regularly pay its debts as they become due (*insolvencia actual*). According to Article 2.4 of the Spanish Insolvency Act, it is presumed that the debtor becomes aware of its insolvency, unless proven otherwise, if any of the following circumstances that qualify as the basis for a petition for mandatory insolvency takes place: (i) a generalized default on payments by the debtor; (ii) a seizure of assets affecting or comprising substantially all of the debtor's assets; (iii) a misplacement, "fire sale" or ruinous liquidation of the debtor's assets; or (iv) a generalized default on certain tax, social security and employment obligations during the applicable statutory period (three months).

Insolvency is considered mandatory (*concurso necesario*) if filed by a third party. A creditor can apply for a debtor's insolvency if it can prove to the court that the debtor has failed to attach or seize any or sufficient assets, to pay the amount owed. A creditor may also apply for a debtor's insolvency if it can prove to the court any of the circumstances set forth in Article 2.4 of the Spanish Insolvency Act.

*Effects of the declaration of insolvency (declaración de concurso)*

The debtor in a voluntary insolvency generally retains its management powers but is subject to intervention (*regimen de intervención*) by the insolvency administrator (*administrador concursal*) appointed by the court. In the case of mandatory insolvency, the debtor's management powers will generally be suspended and replaced (*regimen de suspensión*) by the insolvency administrator. Nonetheless, the court may modify this general regime, subject to the specific circumstances of each case, or, upon the insolvency administrator's request, may change between the intervention regime and the suspension regime.

Actions carried out by the debtor in breach of any required supervision of the insolvency administrator may be declared null and void unless ratified by the insolvency administrators.

Subject to certain exceptions linked to the maintenance and conservation of the debtor's estate, the debtor shall not sell or create any security over rights and assets without the judge's authorization until the approval of the creditors' composition agreement or the opening of the liquidation phase (*fase de liquidación*).

A declaration of insolvency does not affect agreements with reciprocal obligations pending to perform by both the insolvent party and the counterparty, which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvent estate. The court may nonetheless terminate any such contracts at the request of the insolvency administrator or company when such termination is deemed to be in the interest of the insolvency proceedings (*resolución del contrato en interés del concurso*) or, when applicable, at the request of the debtor's counterparty on the grounds of a post declaration of insolvency breach of such contract. The termination of such contracts may result in the insolvent debtor having to return consideration received, or indemnify damages to, its counterparty against the insolvency estate (*con cargo a la masa*). In the event that debtor, the insolvency administrator and the debtor's counterparty agree on the termination and its effects, the insolvency court will approve the parties' agreement; otherwise, if the insolvency court upholds termination, it will also fix the damages claim to be received by the non-breaching party.

Any contractual provision granting a creditor the right to terminate (or accelerate) an agreement based only on the declaration of insolvency (*declaración de concurso*) of the debtor (except if expressly permitted by specific laws, e.g., Law 12/1992, of 27 May, on agency agreement (*Ley 12/1992, de 27 mayo, sobre contrato de agencia*)) will be deemed as non-existent (void) and will, thus, be unenforceable.

Additionally, the declaration of insolvency (*declaración de concurso*) suspends interest accrual, except for claims secured with an *in rem* right, in which case interest accrues up to the relevant amount secured under the relevant security, and except for any wage credits in favor of employees, which will accrue the legal interest set forth in the corresponding Law of the State Budget (*Ley de Presupuestos del Estado*).

The right to set-off is prohibited unless the requirements for the set-off were satisfied prior to the declaration of insolvency (*declaración de concurso*) or the claim of the insolvent debtor is governed by a foreign law that permits set-off.

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, in order to protect the interests of the debtor and creditors, the law extends the jurisdiction of the court dealing with insolvency proceedings, which is, then, legally authorized to handle any

enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor or administrative law).

Creditors holding *in rem* security, are also subject to certain restrictions in order to initiate separate enforcement proceedings or to continue with such separate proceedings, until the earliest of (i) the approval of a creditors' composition agreement (*convenio concursal*) *provided* that its content does not affect the exercise of the enforcement right; (ii) a year has elapsed since the declaration of insolvency (*declaración de concurso*) without the debtor's liquidation being commenced; or (iii) the judge conducting the insolvency proceedings declaring that the asset is not necessary for the continuation of the debtor's activities in accordance with the Spanish Insolvency Act.

*Ranking of claims (priority rules)*

The judge's insolvency order contains an express request for creditors to communicate debts owed to them within a one-month period as from the publication of the declaration of insolvency (*declaración de concurso*) in the Spanish Official Gazette (*Boletín Oficial del Estado*), by providing original documentation that justifies their claims. Failure to communicate debts by a creditor may entail the reclassification of their debts as subordinated.

Based on such documentation provided by the creditors and held by the debtor, the insolvency administrator draws up a list of acknowledged claims and classifies them according to the categories established under the law, which are as follows: (i) claims against the debtor's estate, (ii) claims benefiting from special privileges, (iii) claims benefiting from general privileges, (iv) ordinary claims, and (v) subordinated claims.

(a) Claims against the insolvency estate (*créditos contra la masa*) are not considered part of the debtor's insolvency debt (*pasivo concursal/créditos concursales*) and are payable when due according to their own terms (and, therefore, are paid before other debts under insolvency proceedings). Debt against the insolvency estate (*créditos contra la masa*) include, among others, (i) certain amounts of the employee payroll; (ii) costs and expenses of the insolvency proceedings; (iii) certain amounts arising from services to be rendered by the insolvent debtor under reciprocal contracts and outstanding obligations that remain in force after insolvency proceedings are declared and deriving from obligations to return and indemnify in cases of voluntary termination or breach by the insolvent debtor; (iv) those amounts that derive from the exercise of a clawback action within the insolvency proceedings of acts performed by the insolvent debtor and correspond to a refund of consideration received by it (except in cases of bad faith); (v) certain amounts arising from obligations created by law or from the non-contractual liability of the insolvent debtor after the declaration of insolvency (*declaración de concurso*) and until its conclusion; (vi) certain debts incurred by the debtor following the declaration of insolvency (*declaración de concurso*); (vii) in case of liquidation, the credit rights granted to the debtor under a creditors' composition agreement (*convenio concursal*) in accordance with Article 100.5 of the Spanish Insolvency Act; (viii) 50% of the new funds lent under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.*bis* or the Fourth Additional Provision of the Spanish Insolvency Act. However, benefits granted under (vii) and (viii) shall not apply to new funds granted by the debtor or by persons specially related to the debtor through a share capital increase, loans or acts with analogous purpose.

(b) Claims benefiting from special privileges (*créditos con privilegio especial*), representing security on certain assets (essentially *in rem* security) may entail separate proceedings, and are subject to certain restrictions related to a mandatory waiting period that may last

up to one year and certain additional limitations set forth in the Spanish Insolvency Act. The special privilege (*privilegio especial*) will only amount to the portion of the claim that does not exceed the value of the collateral determined in accordance with Article 94.5 of the Spanish Insolvency Act. The amount of the claim exceeding such value will be classified in accordance with its nature. However, within such waiting period or while any enforcement proceedings remain suspended under the Spanish Insolvency Act, the insolvency administrator (*administrador concursal*) has the option to pay this claims with special privilege with funds from the insolvency state of the debtor under specific payment rules. Privileged creditors are not subject to creditors' composition agreements (*convenios concursales*), unless they give their express support by voting in favor of the creditors' composition agreements (*convenio concursal*) or certain majorities of holders of special privileged claims of the same class and other requirements are met in accordance with the Spanish Insolvency Act. In the event of liquidation, they are the first to collect payment against the charged assets.

(c) Claims benefiting from general privileges (*créditos con privilegio general*) include, among others, certain labor debts and certain debts with public administrations. Other debts with public administrations corresponding to tax debts and social security obligations and debts held by the creditor applying for the corresponding insolvency proceedings, to the extent such application has been approved, are recognized as privileged for up to 50% of the amount of such debts. New funds under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.*bis* or the Fourth Additional Provision of the Spanish Insolvency Act in the amount not admitted as a claim against the insolvency estate (*crédito contra la masa*) will be classified as claims with general privileges (*créditos con privilegio general*). The holders of general privileges are not to be affected by the restructuring (under a creditors' composition agreement (*convenio concursal*)) unless they agree to the arrangement or certain majorities of holders of general privileged claims of the same class and other requirements are met in accordance with the Spanish Insolvency Act. In the event of liquidation and once those claims against the insolvency estate are due and paid out, they are the first to collect payment (except from charged assets) in the order established by law.

(d) Ordinary claims (*créditos ordinarios*) (non-subordinated and non-privileged claims), in the event of liquidation, are paid on a *pro rata* basis among them once claims against the insolvency estate (*créditos contra la masa*) and privileged claims (*créditos privilegiados*) (in case of claims benefiting from special privileges referred to in (b) above, up to the amount recovered from the disposition of the relevant charged asset) are settled.

(e) Subordinated claims (*créditos subordinados*) are thus classified contractually or pursuant to law. Debts subordinated by virtue of law include, among others, those credits held by parties in special relationships with the debtor. In the case of individuals, this includes certain of their relatives. In the case of legal entities, this includes directors (whether *de jure* or *de facto*), group companies and their common shareholders, and any shareholders holding over 5% (for companies that have issued securities listed on an official secondary market) or 10% (for companies which have not issued securities listed on an official secondary market) of the entity's share capital. Notwithstanding the foregoing, creditors who have directly or indirectly capitalized their credit rights pursuant to a creditors' composition agreement (*convenio concursal*) or a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.*bis* or the Fourth Additional Provision of the Spanish Insolvency Act (even though in the event that creditors have assumed a position in the board of directors of the debtor on account of the capitalization)

shall not be considered as being in special relationship with the debtor for the credits against the debtor as a consequence of the financing granted in such creditors' composition agreement (*convenio concursal*) or refinancing arrangement. Claims related to accrued and unpaid interest, unless and to the extent they are secured by an *in rem* right and the value of the collateral covers such interests, are also subordinated. Subordinated creditors are second-level creditors; they may not vote on a creditors' composition agreement (*convenio concursal*) and have very limited chances of collection.

*Hardening Periods*

Under the Spanish Insolvency Act, there are no prior transactions that automatically become void as a result of initiation of the insolvency proceedings. The insolvency administrator (*administrador concursal*) may only challenge those transactions that could be deemed as being "detrimental" (*actos perjudiciales*) to the insolvent debtor's estate, *provided* that they have taken place within two years prior to the declaration of insolvency (*declaración de concurso*) (in accordance with Article 71.6 of the Spanish Insolvency Act, transactions taking place earlier than two years before the insolvency declaration, are subject to the general regime of rescission set forth in the Spanish Civil Code).

"Detriment" does not refer to the intention of the parties, but to the consequences of the transaction on the debtor's interests. The law refers to transactions that are somehow exceptional: (a) detriment exists (as a non-rebuttable presumption) in the case of (i) disposals without consideration, and (ii) early payment of unsecured obligations maturing after the insolvency declaration; and (b) detriment is deemed to exist (as a rebuttable presumption) in the case of (i) transactions with a consideration entered into with parties that have a special relationship with the debtor, (ii) the creation of *in rem* rights in order to secure pre-existing obligations or those incurred to replace existing obligations and (iii) the cancellation of obligations secured by an *in rem* security falling due after the declaration of insolvency (*declaración de concurso*). In the remaining cases, detriment would have to be evidenced by the party seeking rescission.

Case law has considered that a detriment exists when an unfair patrimonial damage (*perjuicio patrimonial injustificado*) has been caused to the debtor's estate. In particular, insolvency judges have considered detrimental certain payments made by companies when proven that, at the moment of payment, the company was already insolvent, alleging that such payment caused an unfair patrimonial detriment (*perjuicio patrimonial injustificado*).

If a rescission action is successful, restoration of the assets that are the subject of the transaction (if any), together with the proceeds and interest, will be ordered by the judge. If the assets cannot be restored to the debtor, the counterparty to the insolvent debtor must pay an amount in cash equal to the value of the assets at the time of their disposal, plus interest. If the judge rules that the transaction has been conducted in bad faith, the liable party will have to indemnify the debtor for loss and damages suffered and its claim will be classified as subordinated (*crédito subordinado*). If the judge does not conclude that the transaction was conducted in bad faith, the counterparty to the debtor will settle its credit simultaneously with the restoration of the assets and rights to the insolvency estate.

The exercise of rescission actions does not prevent other actions against the debtor in accordance with law, which may be brought before the insolvency judge.

Neither refinancing agreements regulated in Article 71.*bis*.1 and Fourth Additional Provision of the Spanish Insolvency Act, nor any transactions, acts, payments accomplished or any guarantees instituted in the performance of such refinancing agreements will be subject to clawback actions, *provided* that they comply with the requirements set out in the Spanish Insolvency Law.

*Creditors' composition agreements (convenio concursal)*

Within insolvency proceedings of the debtor, claims against the debtor may be subject to an eventual creditors' composition agreement (*convenio concursal*) and therefore subject to its effects according to the Spanish Insolvency Act, including, among others, a stay, discharge or the conversion into profit participating loan (*préstamos participativos*) as provided for under the Spanish Insolvency Act. In this regard, depending on the support obtained by the relevant creditors composition agreement proposal (*propuesta de convenio*) and the measures foreseen on it, ordinary and subordinated creditors, and even creditors benefiting from a privilege (*provided* that certain additional requirements and the majorities set forth in the Spanish Insolvency Act are met), could be subject to the effects established under the said creditors composition agreement proposal (*propuesta de convenio*) if it is passed as provided for in the Spanish Insolvency Act.

Once the debtor's assets and liabilities have been identified, the Spanish Insolvency Act encourages creditors to confirm a plan regarding payment of the insolvency debts. This plan may be proposed either by the debtor or by the creditors, and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this plan must be honored by the debtor and respected by the creditors.

The plan must contain proposals for write-offs and/or stays. Article 100 of Spanish Insolvency Act provides that it may also contain alternative or complementary proposals for all creditors or for certain classes of creditors (except for Public Law creditors), including conversion of debt into shares, into profit-sharing credits convertible bonds or subordinated debt, or any financial instrument different from the original debt. It may also include proposals for allocation of all assets or of certain assets to a specific person with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the plan.

The proposals in the plan shall include a payment schedule.

In order for a plan to be approved by the creditors, the following majorities shall be met:

(a) In case the plan contains write-offs equal to or less than 50 per cent of the amount of the claims; to stays on the payment of principal, interest or any other outstanding amount, for a period not exceeding five years; or, in the case of creditors other than those related to the public administration or employment matters, the conversion of debt into profit participating loans over the same period, at least 50 per cent of the unsecured liabilities (ordinary credits) have voted in favor of such settlement or Plan. Notwithstanding the foregoing, a simple majority will suffice when the plan consists of (i) full payment of ordinary or unsecured claims within a period not exceeding three years or (ii) immediate repayment of outstanding ordinary unsecured claims applying a write off of less than 20 per cent.

(b) In case the plan contains stays for a period between 5 and 10 years; write-offs of more than 50 per cent of the amount of the claims and, in the case of creditors other than those related to the public administration or employment matters, the conversion of debt into profit participating loans (*préstamos participativos*) over the same period and any other proposal under Article 100 of the Spanish Insolvency Act, 65 per cent of the unsecured liabilities (ordinary credits) should have voted for the plan.

The holders of subordinated credits (*créditos subordinados*) and those creditors considered as especially related to the debtor are not entitled to vote.

Although in principle secured creditors are not subject to an approved plan (unless they have expressly voted in its favor) the effects of an approved plan can be extended to secured and privileged creditors *provided* that the relevant plan has been approved by the following majorities of creditors within its category of creditors (labor creditors, Public Law creditors, financial creditors or others):

(a) in case the plan contains a write-off (or debt discharges) equal to or less than 50 per cent of the amount of the claims, stays for a period no longer than 5 years or conversion of debt into profit participating loans (*préstamos participativos*), also for a period no longer than 5 years, at least 60 per cent of privileged creditors have voted in favor; and

(b) in case the plan contains a write-off of more than 50 per cent of the claim; stays (for a period between 5 and 10 years), conversion of debt into profit participating loans (*préstamos participativos*) also for a period between 5 and 10 years, and any other proposal under Article 100 of the Insolvency Act, at least 75 per cent of privileged creditors have voted in favor.

*Other refinancing agreements*

The Spanish Insolvency Act also grants protection to certain refinancing agreements.

(i) Collective refinancing agreements

Article 71.*bis*.1 of the Spanish Insolvency Act protects certain refinancing agreements reached by the debtor from clawback actions, *provided* that (i) they entail a significant increase in the credit of the debtor or an amendment or cancellation of the debtor's obligations, either by extending the maturity or by establishing other obligations in lieu, under a viability plan seeking the continuity of the business activity in the short and mid-term; (ii) it is backed up by creditors (not only secured and ordinary creditors but also trade creditors) representing at least 3/5 of the existing claims of the debtor at the time the refinancing was executed (if the refinancing agreement is entered in the context of group companies, the calculation was to be carried out on an individual basis); (iii) the debtor's auditor issues a certificate on the sufficiency of the liabilities required to execute the agreement; and (iv) the agreement is executed in a public document.

(ii) Non-collective refinancing agreements

Protection against clawback actions is also granted in Article 71.2 of the Spanish Insolvency Act to refinancing agreements that do not comply with the requirements set forth in Article 71.*bis*.1 of the Spanish Insolvency Act but, as a result of the refinancing (i) the debtor's asset-liability proportion is increased; (ii) the current assets resulting from the refinancing are greater than the current liabilities; (iii) the applicable interest rate does not exceed certain percentage; and (iv) the agreement is executed in a public document.

*Liquidation*

Failure to obtain the approval of a creditors arrangement plan or upon debtor's petition at any time leads to liquidation. The debtor must file for liquidation after a creditors arrangement proposal has been approved when it becomes aware of its renovated insolvency situation or its inability to comply with the plan. Liquidation triggers company dissolution and the insolvency administrator stepping into the directors' shoes. Liquidation is moreover an acceleration and cash conversion event.

The insolvency administrator (*administrador concursal*) must prepare a liquidation plan that must be approved by the court. The insolvency administrator (*administrador concursal*) is required to report quarterly on the liquidation and has one year to complete it. If the liquidation is not completed within one year, the court may appoint a different insolvency administrator (*administrador concursal*).

*Termination of the insolvency proceedings*

Article 176.4 of the Spanish Insolvency Act also foresees the termination of the insolvency proceedings at any stage when it is proven that all credits have been paid, or that all creditors have been entirely satisfied by other means, or that the situation of insolvency (i.e. the impossibility to face payment obligations regularly) has been overcome.

Finally, it must be noted that Article 176.*bis* of the Spanish Insolvency Act foresees the termination of the insolvency proceedings at any time when assets are not enough to pay post insolvency debt, so long as no future clawback actions are envisaged, nor actions claiming liability to third parties, nor the assessment of the proceedings as guilty.

*Fraudulent Conveyance Laws*

Under Spanish law, the insolvency administrator (*administrador concursal*) (within the insolvency proceedings) and any creditor (whether within or outside the insolvency proceedings) may bring an action to rescind a contract or agreement (*acción rescisoria*) against its debtor and the third party which is a party to such contract or agreement, *provided* the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third party;
- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the rescission action (*acción rescisoria*) to succeed. Pursuant to Article 1,297 of the Spanish Civil Code: (i) agreements by virtue of which the debtor transfers assets for no consideration and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is a *iuris et de iure* presumption (cannot be rebutted by evidence), unlike the presumption indicated in (ii) above, which is a *iuris tantum* presumption (a rebuttable presumption).

If the rescission action were to be upheld, the third party would be liable to return the consideration received under the contract in order to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party acting in bad-faith under the relevant contract cannot be returned to the debtor, the third party must indemnify the creditor for the damages caused as a result of the relevant act. If the third party did not act in bad faith, *provided* that it is legally entitled to the consideration received under the contract, it will not be liable to return the said consideration. In this case, the creditor will be entitled to claim damages from the debtor.

***Applicable jurisdiction***

Under Spanish law, the applicable jurisdiction to conduct an insolvency proceedings is the one in which the insolvent party has its center of main interest, following the EU Recast Insolvency Regulation.

This center of main interest is deemed to be where the insolvent party conducts the administration of its interests on a regular basis and which may be recognized as such by third parties (although under European Union and Spanish law there is a presumption that a debtor's center of main interest is located

where its registered address is). Insolvency proceedings conducted by the court of the center of main interest are considered "the principal insolvency proceedings" and have universal reach affecting all the assets of the insolvent party worldwide. If the center of main interest is not in Spain, but the insolvent party has a permanent establishment in Spain, Spanish courts will only have jurisdiction over the assets located in Spain (the "territorial insolvency proceedings").

Please note that other jurisdictions outside the European Union do not require a center of main interest shift in order for a Spanish company to make a filing in those jurisdictions (similarly as the UK concerning schemes of arrangements). Yet, recognition of foreign insolvency proceedings not based on center of main interest or in a reasonable connection of an equivalent nature in Spain should not be possible and, in addition, any creditor could file for a non-main insolvency proceedings in Spain.

***Limited history***

Finally, please note that, although the current Spanish Insolvency Act came into effect in September 2004, it has been subject to several recent reforms and, as such, there is only a relatively limited history of its application by Spanish courts and with limited high court resolutions about it.

**Ecuador**

***Bankruptcy and Insolvency Regime***

Bankruptcy in Ecuador is governed by the Civil Procedures Code (*Código Orgánico General de Procesos*), approved and enacted by the National Assembly on May 12, 2015 ("COGEP"), the Commercial Bankruptcy Law (*Ley de Concurso Preventivo*) of November 20, 2006 ("Commercial Bankruptcy Law"), and the Companies Law (*Ley de Compañías* or "Companies Law") of November 5, 1999 (collectively, the "Commercial Bankruptcy Regulations"). The Commercial Bankruptcy Regulations contemplate three proceedings: (i) *concordato* or accord, (ii) *quiebra* or bankruptcy or (iii) dissolution.

*Concordato* or accord is established pursuant to the Commercial Bankruptcy Law and is available only to corporations and limited liability companies that are not financial or insurance corporations. In addition, eligible entities must (a) have assets valued at more than U.S.$10,515.60 or have a 100 or more permanent workers, and (b) have liabilities for more than U.S.$5,257.80. This procedure may be initiated by the debtor or creditors and is held before the SCSI. Under this proceeding, the creditors and the company attempt to reach an amicable settlement to restructure the company's obligations and reorganize the company. Settlement agreements may last up to seven years. If the company and its creditors cannot reach an amicable agreement or, having signed a settlement agreement, the company cannot comply with the reorganization plan within the required period, the company will be subject to liquidation. Reorganization procedures are not common in Ecuador.

*Quiebra* or bankruptcy is established pursuant to COGEP and is available to entities that fail to comply with a judicial order of payment for failure to pay three different creditors. The Civil Court has exclusive jurisdiction over these proceedings. A *quiebra* proceeding can be initiated by any creditor before a judge of the Civil Court, who can declare bankruptcy of the company.

Dissolution is established pursuant to the Companies Law and precedes a liquidation procedure. Liquidation accelerates all obligations of the company.

Liquidation of non-financial entities regulated by the SCSI is conducted pursuant to the Companies Law.

The following creditors of the company shall have priority, in the following order, over any secured or unsecured creditors: (i) company's employees; (ii) the Internal Revenue Service of Ecuador (*Servicio de Rentas Internas del Ecuador* or the "SRI"); and (iii) the Ecuadorian Social Security Institute.

## Book-Entry; Settlement and Clearance

### The Global Notes

The notes will be issued in the form of several registered notes in global form, without interest coupons (the "global notes"), as follows:

- notes sold to persons who are both Qualified Purchasers and qualified institutional buyers under Rule 144A under the Securities Act will be represented by the Rule 144A global note; and
- notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the Regulation S global note.

Upon issuance, each of the global notes will be deposited with the Indenture Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of each global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the Initial Purchasers; and
- ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the Regulation S global note will initially be credited within DTC to Euroclear Bank S.A./ N.V., as operator of the Euroclear and Clearstream, on behalf of the owners of such interests.

Investors may hold their interests in the Regulation S global note directly through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants in those systems. Investors may also hold their interests in the Regulation S global note through organizations other than Euroclear or Clearstream that are DTC participants. Each of Euroclear and Clearstream will appoint a DTC participant to act as its depositary for the interests in the Regulation S global note that are held within DTC for the account of each settlement system on behalf of its participants.

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Each global note and beneficial interests in each global note will be subject to restrictions on transfer as described under "Transfer Restrictions."

### Exchanges Among the Global Notes

Beneficial interests in one global note may generally be exchanged for interests in another global note. Depending on whether the transfer is being made during or after the 40-day period commencing on the original issue date of the notes, and to which global note the transfer is being made, the issuer may require the seller to provide certain written certifications in the form provided in the indenture.

A beneficial interest in a global note that is transferred to a person who takes delivery through another global note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global note.

Transfers involving exchanges of beneficial interests between the Regulation S global note and the Rule 144A global note will be effected by DTC by means of an instruction originated through the DTC deposit/withdrawal at custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S global note and a corresponding increase in the principal amount of the Rule 144A global note or vice versa, as applicable. Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and will become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global note for so long as it remains such an interest.

**Book-Entry Procedures for the Global Notes**

All interests in the global notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, nor the Indenture Trustee nor the Initial Purchasers are responsible for those operations or procedures.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the Indenture Trustee under the Indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest). No beneficial owner of an interest in the global notes will be able to transfer that interest except in accordance with DTC's procedures, in addition to those provided for under the indenture with respect to the notes and, if applicable, those of Euroclear and Clearstream.

Payments of principal, premium (if any) and interest with respect to the notes represented by a global note will be made by the Indenture Trustee to DTC's nominee as the registered holder of the global note. Neither we nor the Indenture Trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

The ability of an owner of a beneficial interest in the Regulation S notes to pledge such interest to persons or entities that do not participate in the Euroclear system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive note for such interest because Euroclear can act only on behalf of Euroclear Participants (as defined herein), who in turn act on behalf of indirect Euroclear Participants and certain banks.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear and by Euroclear.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems. Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date and such credit of any transactions in interests in a global note settled during such processing day will be reported to the relevant Euroclear and Clearstream participants on such day. Cash received in Euroclear or Clearstream from the sale of an interest in a global note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the Indenture Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

**Certificated Notes**

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the global notes and a successor depositary is not appointed within 90 days of such notice;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days;
- we, at our option, notify the Indenture Trustee that we elect to cause the issuance of certificated notes and any participant requests a certificated note in accordance with DTC procedures; or
- certain other events provided in the indenture should occur.

## Settlement and Clearance

### *The Depository Trust Company*

DTC has advised us that it is:

- a limited purpose trust company organized under the New York Banking Law;
- a "banking organization" within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic computerized book-entry changes to the accounts of its participants, eliminating the need for physical movement of securities certificates. DTC's participants include both U.S. and non-U.S. securities brokers and dealers, including the Initial Purchasers; banks and trust companies; clearing corporations and other organizations. Access to DTC's system is also available to indirect participants such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

DTC can act only on behalf of its direct participants, who in turn act on behalf of indirect participants and certain banks. In addition, unless a global note is exchanged in whole or in part for a definitive note, it may not be physically transferred, except as a whole among DTC, its nominees and their successors. Therefore, your ability to pledge a beneficial interest in the global notes to persons that do not participate in the DTC system, and to take other actions, may be limited because you will not possess a physical certificate that represents your interest.

### *Euroclear*

Euroclear was created as a cooperative in 1968 to hold securities for Euroclear Participants (as defined below) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of securities and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. All operations are conducted by Euroclear, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with Euroclear, not the cooperative. The cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Initial Purchasers ("Euroclear Participants"). Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with Euroclear Participants, either directly or indirectly. Euroclear is located at 1 Boulevard du Roi Albert II, B1210 Brussels, Belgium.

Securities clearance accounts and cash accounts with Euroclear are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of the Euroclear System, and applicable Belgian law (collectively, the "Euroclear Terms and Conditions"). The Euroclear Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payment with respect to securities in Euroclear. All securities in

Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. Euroclear acts under the Euroclear Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

***Clearstream***

Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for Clearstream Participants (as defined below) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of securities. Clearstream provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute.

Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Initial Purchasers ("Clearstream Participants"). Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly. Clearstream is located at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

The ability of an owner of a beneficial interest in the Regulation S notes to pledge such interest to persons or entities that do not participate in the Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive note for such interest because Clearstream can act only on behalf of Clearstream Participants, who in turn act on behalf of indirect Clearstream Participants and certain banks.

Distributions with respect to the notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by Clearstream.

## Plan of Distribution

Subject to the terms and conditions in the purchase agreement (the "Purchase Agreement") among Quiport, the Issuer and Citigroup Global Markets Inc. and Santander Investment Securities, as Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers, severally and not jointly, have agreed to purchase from the Issuer, the following principal amount of the Notes:

| Initial Purchasers | Principal Amount of Notes |
|---|---|
| Citigroup Global Markets Inc. | **U.S.$**200,000,000 |
| Santander Investment Securities Inc. | **U.S.$**200,000,000 |
| **Total** | **U.S.$400,000,000** |

Of the U.S.$400,000,000 aggregate principal amount of Notes to be purchased by the Initial Purchasers in this offering, on the Issue Date, U.S.$20,000,000 principal amount of Notes, constituting an "eligible vertical interest" in the form of 5% of the aggregate principal amount of Notes, will be purchased by Quiport, acting as the "sponsor" of a "securitization transaction," or a "majority-owned affiliate" thereof (each as defined in the U.S. Risk Retention Rule), and Quiport will purchase and hold such Notes, either directly from the Issuer or through the Initial Purchasers, on an ongoing basis for so long as required by the U.S. Risk Retention Rule.

Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchasers have agreed to purchase all of the Notes sold under the Purchase Agreement if any of these Notes are purchased.

The Company and the Issuer have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make in respect of any of those liabilities. The Purchase Agreement provides that the obligation of the Initial Purchasers to purchase the Notes is subject to approval of legal matters by their counsels, including the validity of the Notes, and to other conditions contained in the Purchase Agreement, such as the receipt by the Initial Purchasers of officer's certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers and to reject orders in whole or in part.

### Offering Terms

The Initial Purchasers have advised us and the Issuer that they propose initially to offer the Notes at the offering price set forth on the cover page of these listing particulars to persons who are both Qualified Purchasers and qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. After the initial offering, the offering price or any other term of the offering may be changed at any time without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

### Notes Are Not Being Registered

The Notes have not been registered under the Securities Act or any state securities laws. The Issuer has not been registered and will not be registered as an investment company under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. The Notes are being offered and sold only to investors that are either (1) U.S. Persons (as defined in Regulation S under the Securities Act) who are both qualified institutional buyers in reliance on Rule 144A under the Securities Act and qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act or (2) non-U.S. Persons (within the meaning of Regulation S of the Securities Act) outside of the United States. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A and the exemption from the

Investment Company Act provided by Section 3(c)(7) thereof. Quiport and the Issuer expect that the Issuer will not constitute a "covered fund" for purposes of the Volcker Rule (both as defined in these listing particulars).

The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Initial Purchasers will not offer or sell the Notes except to persons they reasonably believe to be qualified institutional buyers and qualified purchasers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

**Issue of Notes**

The Notes are an issuance of securities with no established trading market. The Issuer does not intend to apply for listing of the Notes on any national securities exchange or for inclusion of the Notes on any automated dealer quotation system, except that an application has been made for the listing and quotation of the Notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF. The Initial Purchasers have advised us and the Issuer that they currently intend to make a market in the Notes after completion of the offering. However, they are not obligated to do so and may discontinue any market-making activities with respect to the Notes at any time without notice. None of us, the Issuer or the Initial Purchasers can provide any assurance as to the liquidity of the trading market for the Notes. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

**Other Relationships**

The Initial Purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or us or our respective affiliates. Affiliates of the Initial Purchasers are lenders to us under the Existing Loans Agreement, which are expected to be assigned, in whole, to the Issuer, as lender, using a portion of the net proceeds of this offering, and such affiliates of the Initial Purchasers will receive a portion of the amounts paid under such purchase and assignment. See "Use of Proceeds." The Initial Purchasers have received (or will receive) customary fees and commissions therewith and will also receive certain customary breakage costs in connection with the purchase and assignment of the Existing Loans using a portion of the proceeds from the Notes. In addition, certain affiliates of Citigroup Global Markets Inc. have entered into certain financing agreements in place with Odinsa, one of our Shareholders. They have received, or may in the future receive, customary fees and commissions for these or other transactions.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to the Issuer or us consistent with their

customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Settlement**

Delivery of the Notes has been made to investors on March 14, 2019. Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise.

**Short Positions**

In connection with the offering of the Notes, the Initial Purchasers (or persons acting on their behalf) may purchase and sell Notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Initial Purchasers of a greater number of Notes than they are required to purchase in the offering.
- Covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase Notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. Neither we nor the Initial Purchasers make any representation that the Initial Purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

**No Sales of Similar Securities**

Each of the Company and the Issuer has agreed that, for a period of 90 days from the date of these listing particulars, it will not, without the prior written consent of Citigroup Global Markets Inc. and Santander Investment Securities Inc., offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, any U.S. dollar denominated debt securities issued or guaranteed by the Issuer or Quiport with a maturity of greater than one year. Citigroup Global Markets Inc. and Santander Investment Securities Inc. in their sole discretion may release the Company and/or the Issuer from this obligation at any time without notice.

**Selling Restrictions**

***Volcker Rule***

The Volcker Rule is a provision of U.S. federal banking law that generally prohibits banking entities (including the initial purchasers and their affiliates) from engaging in proprietary trading or from acquiring or retaining an ownership interest in, or sponsoring or having certain relationships with, a covered fund, subject to certain exemptions.

The Volcker Rule includes as a "covered fund" any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Therefore, absent an exemption from the covered fund definition, the Issuer would be a covered fund. The Issuer expects to qualify for the "loan securitization exemption," which exempts from the covered fund definition an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights (including certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. Under the loan securitization exemption, the Issuer will not be permitted to purchase securities (such as bonds and floating rate notes), which may limit or reduce the returns available to the Notes. No assurance can be made that the Issuer will qualify for the loan securitization exemption or for any other exclusion or exemption that might be available under the Volcker Rule. Moreover, the Indenture may be amended under certain circumstances in accordance with the terms as described under "Description of the Notes," in order for the Issuer not to be a "covered fund" or the Notes not to constitute ownership interests or otherwise be exempt from the Volcker Rule. No assurance can be given as to the effect of the Volcker Rule on the ability of certain investors subject to the Volcker Rule to acquire or retain the Notes. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the Notes.

If the Issuer were determined to not qualify for the loan securitization exemption, or were otherwise determined to be a covered fund, there would be limitations on the ability of banking entities that are subject to the Volcker Rule to purchase or retain any Notes if, as expected, they were deemed to be "ownership interests." Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the Notes. Moreover, the ability of the Initial Purchasers to make a market in the Notes would be subject to certain limitations, which could, if the Initial Purchasers otherwise had decided to make a market in such securities, further negatively affect liquidity and market value of the Notes.

The Volcker Rule and guidance thereunder are still uncertain, may restrict or discourage the acquisition of Notes by such banking entities, and may adversely affect the liquidity of the Notes. Although the Volcker Rule provides limited exceptions to its prohibitions, each investor in the Notes must make its own determination as to whether it is subject to the Volcker Rule, whether its investment in the Notes would be restricted or prohibited under the Volcker Rule, and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally. Investors in the Notes are responsible for analyzing their own regulatory position and none of the joint bookrunners and lead managers, the co-manager, the Indenture Trustee, nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Notes on the Closing Date or at any time in the future.

***Brazil***

The Notes have not been and will not be issued nor publicly placed, distributed, offered or negotiated in the Brazilian capital markets. The issuance of the Notes has not been nor will be registered with the CVM. Except for public offerings with restricted placement efforts, as regulated by CVM Instruction No. 476, issued by the CVM on January 16, 2009, as amended, any public offering or distribution, as defined under Brazilian laws and regulations, of securities in Brazil is not legal without prior registration under Law No. 6,385, of December 7, 1976, as amended, and CVM Instruction No. 400, issued by the CVM on December 29, 2003, as amended. Documents relating to the offering of the Notes, as well as information contained therein, may not be distributed to the public in Brazil (as the offering of the Notes is not a public offering of securities in Brazil), nor be used in connection with any offering for subscription or sale

of the Notes to the public in Brazil. Therefore, each of the Initial Purchasers has, severally and note jointly, represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation or an unauthorized distribution of securities in the Brazilian capital markets regulated by Brazilian legislation.

Persons wishing to offer or acquire the Notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

***Canada***

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

***Chile***

The offer of the Notes is subject to General Rule No. 336 issued by the *Superintendencia de Valores y Seguros de Chile* (Chilean Securities and Insurance Superintendency or "SVS"). The commencement date of this offering is the one contained in the cover pages of these listing particulars. The Notes will not be registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the SVS and will not be subject to the supervision of the SVS. As unregistered securities, the Issuer has no obligation to deliver/disclose public information about the Notes in Chile. The Notes cannot and will not be publicly offered in Chile unless registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the SVS. If the Notes are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the SVS, an exemption to the registration requirements, or in circumstances that do not constitute a public offer of securities under Chilean law.

*La oferta de los valores se acoge a la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros o "SVS." La fecha de inicio de la presente oferta es la indicada en la portada de este listing particulars. Los valores no estarán inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, y tales valores no estarán sujetos a la fiscalización de la SVS. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Los valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores o el Registro de Valores Extranjeros que lleva la SVS. Si los valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General N°336 de la SVS, una excepción a la obligación de inscripción, o en circunstancias que no constituyan una oferta pública de valores en Chile de conformidad a la ley chilena.*

***Colombia***

The Notes have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombia Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the Notes may not be publicly offered or sold in Colombia except in compliance with the applicable Colombian securities regulations.

These listing particulars are for the sole and exclusive use of the addressee as an offeree in Colombia, and these listing particulars shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

The recipient of the Notes acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the Notes being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

***Dubai***

In the Dubai International Financial Centre (the "DIFC"), the Notes have not been and are not being, publicly offered, sold, promoted or advertised other than in compliance with the laws of the DIFC and applicable rules of the Dubai Financial Services Authority (the "DFSA"). No offer of the Notes shall be made to any person in or from the DIFC unless such offer is

1. an "Exempt Offer" for the purposes of the Markets Rules ("MKT") module of the DFSA Rulebook; and

2. made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the Conduct of Business module of the DFSA Rulebook.

This document has not been, and will not be, filed with the DFSA or with any other authority in the DIFC and no such authority assumes any liability for its contents.

***Ecuador***

The offer of the Notes has not been and will not be registered as a public offering in Ecuador, either before the Stock Market Registry (*Catastro de Mercado de Valores*) of the SCSI or any other governmental or private institution. Consequently the Notes may not be sold in Ecuador, since pursuant to the provisions of Securities Law No. 19-00 (LEY No. 19-00 de Mercado de Valores), dated February 22, 2006, and its rules for application, the offer of the Notes may not qualify as a private offer in Ecuador. Thus, the offering or sale of Notes in Ecuador, through any means, may breach applicable local law in Ecuador.

***European Economic Area***

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, as implemented in any Member State of the EEA, (ii) a customer within the meaning of the Insurance Mediation Directive, as implemented in any Member State of the EEA, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, as implemented in any Member State of the EEA, or (iii) not a qualified investor as defined in the Prospectus Directive as implemented in any Member State of the EEA,. Consequently, no key information document required by the PRIIPs Regulation, for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and

therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. These listing particularsThese listing particulars have been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. These listing particulars are not a prospectus for purposes of the Prospectus Directive.

*MIFID II Product Governance*

The final terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules, any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Initial Purchasers nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

***United Kingdom***

Each Initial Purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated by an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

it will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

***France***

These listing particulars have not been prepared in the context of a public offering of financial securities ("*offre au public de titres financiers*") in France within the meaning of Article L.411-1 of the *Code monétaire et financier* and Articles 211-1 et seq. of the General Regulation of the *autorité des marchés financiers*, and has therefore not been, and will not be, submitted to the *autorité des marchés financiers* for clearance procedure.

Neither these listing particulars, nor any other material relating to the Notes, nor any information contained herein may be distributed or caused to be distributed to any other person or entity or used in connection with any offer, solicitation or advertising for subscription or sale of the Notes to the public in France. The Notes may only be offered, sold, distributed, transferred or resold and these listing particulars, or any supplement or replacement or any material relating to the Notes, may be distributed or caused to be distributed, in France, only to (1) persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) or (2) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2, D.411-1 to D.411-3, D.744-1, D.754-1 and D.764-1 of the *Code monétaire et financier* and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the *autorité des marchés financiers*, investors in France are informed that the Notes may only be issued, directly or indirectly, to the public in France in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the *Code monétaire et financier*.

***Hong Kong***

These listing particulars have not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Notes will not be offered or sold in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to Notes which are or are intended to be disposed of only to person outside Hong King or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

***Ireland***

The Notes will not and may not be offered, sold, transferred or delivered, whether directly or indirectly, otherwise than in circumstances which do not constitute an offer to the public within the meaning of the Irish Companies Act, 1963-2006, and the Notes will not and may not be the subject of an offer in Ireland which would require the publication of a prospectus pursuant to Article 3 of Directive 2003/71/EC.

***Italy***

The offering of the Notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation. Accordingly, each Initial Purchaser has represented and agreed that it has not offered, sold or delivered, directly or indirectly, any Notes to the public in the Republic of Italy except:

1. to qualified investors *(investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of February 24, 1998, as amended (the "Italian Financial Act"), as implemented by Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended ("Regulation No. 16190"), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("Regulation No. 11971"); or

2. in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and its implementing CONSOB regulations including Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of these listing particulars or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restriction under (1) and (2) above and:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 16190, Legislative Decree No. 385 of September 1, 1993 as amended (the "Banking Act") and any other applicable laws or regulation;

(b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

***Luxembourg***

These listing particulars have not been approved by and will not be submitted for approval to the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier* or the "CSSF"), or a competent authority of another EU Member State for notification to the CSSF, for the purposes of a public offering or sale in Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither these listing particulars, the indenture nor any other circular, prospectus, form of application, advertisement or other material related to such offer may be distributed, or otherwise be made available in or from, or published in, Luxembourg except in circumstances which do not constitute an offer of securities to the public requiring the publication of a prospectus in accordance with the Luxembourg Act of 10 July 2005 on prospectuses for securities, as amended (the "Luxembourg Prospectus Act"), and implementing the Prospectus Directive. Consequently, these listing particulars and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed to (i) Luxembourg qualified investors as defined in the Luxembourg Prospectus Act, (ii) to fewer than 150 prospective investors, which are not qualified investors and/or (iii) in any other circumstance contemplated by the Luxembourg Prospectus Act.

***Mexico***

The Notes have not been and will not be registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission *(Comisión Nacional Bancaria y de Valores* or the "CNBV"), and therefore may not be offered or sold publicly, or otherwise be the subject of brokerage activities in Mexico, except that the Notes may be offered pursuant to a private placement exemption set forth under Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*). The information contained in these listing particulars is exclusively the responsibility of the bank and has not been reviewed or authorized by the CNBV. The acquisition of the Notes by an investor resident of Mexico will be made under its own responsibility.

***Netherlands***

In the Netherlands, these listing particulars may only be directed or distributed to, and the Notes may only be offered or sold to, qualified investors (*gekwalificeerde beleggers*) within the meaning of article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

***Panama***

The Notes have not been and will not be registered under the Panamanian Securities Laws with the Panamanian Superintendence. Accordingly, (i) the Notes cannot be publicly offered or sold in Panama, except in transactions exempted from registration under the Panamanian Securities Laws, (ii) the Panamanian Superintendence has not reviewed the information contained in these listing particulars, (iii) the Notes and the offering thereof are not subject to the supervision of the Panamanian Superintendence, and (iv) the Notes do not benefit from the tax incentives provided by Panamanian Securities Laws.

***Peru***

The Notes and these listing particulars have not been registered in Peru under the Decreto Supremo Nº 093-2002-EF: *Texto Único Ordenado de la Ley del Mercado de Valores* (the "Peruvian Securities Law"), or before the *Superintendencia del Mercado de Valores* and cannot be offered or sold in Peru except in a private offering under the meaning of the Peruvian Securities Laws. The Peruvian Securities Law provides that an offering directed exclusively to "institutional investors" (as defined in the Institutional Investors Market Regulations) qualifies as a private offering. Notes acquired by institutional investors in Peru cannot be transferred to a third party, unless such transfer is made to another institutional investor or the Notes have been previously registered with the *Registro Público del Mercado de Valores*.

***Qatar***

The Notes described in these listing particulars have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. These listing particulars have not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. These listing particulars are intended for the original recipient only and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

***Spain***

Neither the Notes nor this offering have been registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Consequently, the Notes may not be offered or sold or distributed to persons in Spain, except in circumstances which do not qualify as a public offer (*oferta pública*) of securities in Spain within the meaning and in accordance with Article 35 of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015, of October 23 (T*exto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), as amended and restated, or pursuant to an exemption from registration in accordance with Spanish Royal Decree 1310/2005, of November 4, on the listing of securities, public offers and applicable prospectus, as amended (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores*, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos), and any regulations developing it which may be in force from time to time.

***Singapore***

These listing particulars have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore ("MAS"), and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore ("SFA"). Accordingly, these listing particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any

person in Singapore other than (i) to an institutional investor pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

(a) an institutional investor (as defined in Section 4A of the SFA);

(b) a relevant person (as defined in Section 275(2) of the SFA); or

(c) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (the "SFR").

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six (6) months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) pursuant to Section 276(7) of the SFA; or

(v) pursuant to Regulation 32 of the SFR.

***Switzerland***

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither these listing particulars nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or the rules of any other stock exchange or regulated trading facility in Switzerland, and neither these listing particulars nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

***United Arab Emirates***

The Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates, or the U.A.E., other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out below. The information contained in these listing particulars does not constitute a public offer of the Notes in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer.

These listing particulars have not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority, or DFSA. If you do not understand the contents of these listing particulars you should consult an authorized financial adviser. These listing particulars are provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

## Transfer Restrictions

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act or any other applicable U.S. securities laws. The Issuer has not been registered under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. Accordingly, the Notes are being offered and sold only:

- in the United States, to investors that are both (1) qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act and (2) Qualified Purchasers; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions in compliance with Regulation S under the Securities Act.

The terms "United States," "U.S. persons," and "offshore transaction" used in this section have the meanings given to them under Regulation S. The term "qualified institutional buyer" used in this section has the meaning given to it under Rule 144A.

**Purchasers' Representations and Restrictions on Resale and Transfer**

Each purchaser of the Notes offered (other than the Initial Purchasers in connection with the initial issuance and sale of the Notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

1. it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer who is also a Qualified Purchaser and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;

2. it acknowledges that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act; that the Notes have not been registered under the Securities Act or with any securities regulatory authority of any U.S. state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below; and that the seller may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or other exemptions under the Securities Act;

3. it understands that the Issuer is not and will not be registered as an "investment company" under the Investment Company Act;

4. it understands and agrees that the Notes initially offered in the United States to qualified institutional buyers who are also Qualified Purchasers will be represented by a global note and that the Notes offered outside the United States pursuant to Regulation S will also be represented by a global note;

5. it will not offer, pledge, resell or otherwise transfer any of such Notes except (a) to the Issuer, (b) within the United States to a person who the purchaser reasonably believes is both a qualified institutional buyer and a Qualified Purchaser in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (d) pursuant to the

exemption from registration (if available) or (e) pursuant to an effective registration statement under the Securities Act;

6. it agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes;

7. confirms that (A) it has requisite knowledge and experience in financial and business matters so that it is capable of evaluating the merits and risks of purchasing Notes, and the purchaser and any accounts for which it is acting are each able to bear the economic risks of its or their investment, including a complete loss of the investment, (B) it is not acquiring Notes with a view to any distribution of the Notes in a transaction that would violate the Securities Act or the securities laws of any state of the United States or another applicable jurisdiction; *provided* that the disposition of its property and the property of any accounts for which the purchaser is acting as fiduciary shall remain at all times within its control and (C) it has received a copy of these listing particulars and acknowledges that the purchaser has had access to the financial and other information, and has been afforded the opportunity to ask questions of our representatives and receive answers to those questions, as it deemed necessary in connection with its decision to purchase Notes;

8. it acknowledges that prior to any proposed transfer of the Notes (other than pursuant to an effective registration statement or in respect of the Notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such Notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture;

9. it acknowledges that the trustee, registrar, paying agent or transfer agent for the Notes will not be required to accept for registration transfer of any Notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar, paying agent or transfer agent that the restrictions set forth herein have been complied with;

10. if it is a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, it acknowledges that until the expiration of the "40-day distribution compliance period" within the meaning of Rule 903 of Regulation S, any offer or sale of the Notes shall not be made by it to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(k) of the Securities Act, except to a qualified institutional buyer in compliance with Rule 144A in a transaction meeting the requirements of the indenture;

11. it acknowledges that we, the Issuer, the Initial Purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it will promptly notify the Issuer and the Initial Purchasers;

12. if it is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and

13. to the extent the purchaser and holder of any Note is a Plan (which term includes (i) employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) plans, individual retirement accounts and other

arrangements that are subject to Section 4975 of the Code, or to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Laws") and (iii) entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements), at any time when regulation 29 C.F.R. Section 2510.3-21, as modified in 2016, is applicable, will be deemed to represent that none of the Issuer, the Initial Purchasers or the trustee or other persons that provide marketing services, or any of their affiliates (each, an "ERISA Transaction Party," and collectively, the "ERISA Transaction Parties") has provided or will provide advice with respect to the acquisition or holding of the Notes by the Plan and that the decision to acquire or hold the Notes has been made by one or more persons which (a) meets all of the requirements of an "independent fiduciary with financial expertise" as described in 29 C.F.R. Sec. 2510.3-21(c)(1), (b) is responsible for exercising independent judgment in evaluating the transaction and (c) it is not paying any fee or other compensation to an ERISA Transaction Party for investment advice (as opposed to other services) in connection with the transaction. In addition, such fiduciary will be deemed to acknowledge and agree that it (i) has been informed (and it is hereby expressly confirmed) that none of the ERISA Transaction Parties has provided, and none of them will provide, impartial investment advice and they are not giving any advice in a fiduciary capacity, in connection with the investor's acquisition or holding of Notes and (ii) has received and understands the disclosure of the existence and nature of the financial interests contained in this offering and related materials. Notwithstanding the foregoing, any Plan fiduciary which is directing his or her own individual retirement account shall not be deemed to represent that it holds, manages or controls total assets of at least U.S.$50 million.

**Legends**

The following is the form of restrictive legend which will appear on the face of the Rule 144A global note, and which will be used to notify transferees of the foregoing restrictions on transfer (the "Restricted Note Legend"):

**THIS NOTE (OR ITS PREDECESSOR) HAS** NOT BEEN **AND WILL NOT BE** REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") **OR ANY STATE SECURITIES LAWS**. THE ISSUER OF THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) AND A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND RELATED RULES) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN

> EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT IT SHALL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THIS LEGEND MAY BE REMOVED FROM THIS NOTE ONLY AT THE OPTION OF THE ISSUER.

Each purchaser of the Notes offered in reliance on Regulation S will be deemed to have represented and agreed that it is not a U.S. person and is purchasing such Notes in an offshore transaction (as such terms are defined in Regulation S) pursuant to Regulation S and understands that such Notes will bear a legend substantially to the following effect (the "Regulation S Legend"):

> THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION. THIS LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DATE ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ISSUE DATE OF THE NOTES.

Notes offered in reliance on Rule 144A may be exchanged for Notes not bearing the Restricted Notes Legend but bearing the Regulation S Legend upon certification by the transferor in the form set forth in the indenture that the transfer of any such Restricted Notes has been made in accordance with Rule 904 under the Securities Act.

**Other Jurisdictions**

The distribution of these listing particulars and the offer and sale or resale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession these listing particulars comes are required by us, the Issuer and the Initial Purchasers to inform themselves about and to observe any such restrictions.

## Legal Matters

The validity of the Loans and Notes will be passed upon for the Issuer by White & Case LLP and for the Initial Purchasers by Milbank LLP. Certain Ecuadorian legal matters relating to the Loans and Notes will be passed upon for the Issuer by Pérez Bustamante & Ponce and for the Initial Purchasers by Noboa, Peña & Torres Abogados Ecuador. Certain Spanish legal matters relating to the Loans and Notes will be passed upon for the Issuer by Uría Menéndez Abogados, S.L.P. and for the Initial Purchasers by J&A Garrigues, S.L.P.

## Independent Auditors

The Financial Statements of Corporación Quiport S.A. as of and for the years ended December 31, 2018, 2017 and 2016 included in these listing particulars have been audited by Deloitte & Touche, Ecuador Cía. Ltda., as stated in their report appearing herein.

## Independent Traffic Consultant

ALG has prepared the Independent Traffic Consultant's Report solely in its capacity as an independent traffic advisor to Quiport and has consented to the inclusion of such report, which is attached hereto as Appendix A to these listing particulars. The Independent Traffic Consultant's Report was prepared by ALG without any input whatsoever from the Initial Purchasers or our or the Initial Purchasers' respective affiliates. None of the Initial Purchasers, their affiliates or our affiliates take any responsibility therefor. It has been included in these listing particulars solely as additional information for prospective investors about the matters described therein.

The Independent Traffic Consultant's Report contains operational and other business-related information provided by Quiport. To the extent ALG does express any opinion on the information or explanations provided, it shall be construed as ALG opinion only and, unless ALG agrees otherwise, it shall have no duty of care or liability to Quiport or anyone else arising in connection with the expression of such opinions.

The Independent Traffic Consultant's Report provides general information and should not be used or taken as business, financial, tax, accounting, legal or other advice, or relied upon in substitution for the exercise of your independent judgment. For your specific situation or where otherwise required, expert advice should be sought. Although ALG believes that the information contained in this publication has been obtained from and is based upon sources ALG believes to be reliable, ALG does not guarantee its accuracy and it may be incomplete or condensed. ALG makes no representation or warranties of any kind whatsoever in respect of such information. ALG accepts no liability of any kind for loss arising from the use of the material presented in this publication.

ALG (i) makes no representation and gives no warranty or other assurance to any third party or for any third party's benefit as to the accuracy, suitability or sufficiency of the data or the information in the Independent Traffic Consultant's Report and (ii) has not accepted and will not accept any responsibility, liability or other obligations, any third party or for any third party's benefit in connection with or relating to the use of the Independent Traffic Consultant's Report in these listing particulars.

ALG's agreement with Quiport to prepare the Independent Traffic Consultant's Report contains limitations of liability. ALG shall have no liability, and expresses no duty of care, to any third party for any services or advice it provides to Quiport unless it has agreed in writing that the third party can rely on such services or advice. Furthermore, ALG shall not have any liability for any services or advice given by any third party whom it instructs on Quiport's behalf including, without limitation, any other professional advisers.

## Listing and General Information

1. An application has been made for the listing and quotation of the Notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF. The Luxembourg Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained elsewhere in these listing particulars. Admission to the Luxembourg Stock Exchange of, and listing and quotation of the Notes on, the Euro MTF are not to be taken as an indication of the merits of the Issuer or the Notes.

2. The Notes have been accepted for clearance through DTC, and its direct and indirect participants, including Clearstream and Euroclear. The CUSIP, ISIN and Common Code numbers for the Notes are as follows:

| | Rule 144A Global Note | Regulation S Global Note |
|---|---|---|
| CUSIP Number | 45900T AA0 | E6R69L AA2 |
| ISIN | US45900TAA07 | USE6R69LAA27 |
| Common Code | 196541268 | 196471103 |

3. The issuance of the Notes being offered hereby was authorized by the board of directors and the shareholders meeting of the Issuer on February 25, 2019.

4. Copies of the following documents will be available (free of charge) to holders of the Notes at the office of the Issuer during normal business hours:

   - the Indenture;
   - the Notes issued on the Issue Date;
   - any Additional Notes;
   - the Issuer Security and Accounts Agreement;
   - the Issuer Share Pledge Agreement;
   - the Borrower Share Pledge Agreement;
   - the organizational documents of the Issuer; and
   - the most recent audited financial statements of the Issuer and Quiport and any interim financial statements available from time to time.

4. Except as disclosed in these listing particulars, there has been no material adverse change in the prospects of Quiport since December 31, 2018, the date of the latest audited Financial Statements included elsewhere in these listing particulars.

5. Except as disclosed in these listing particulars, there has been no material adverse change in the prospects or financial position of the Issuer since January 31, 2019, its date of incorporation as a *sociedad anónima* under the laws of Spain.

# Appendix A - Independent Traffic Consultant's Report

## Index to Financial Statements

**Audited Financial Statements of Corporación Quiport, S.A. as of and for the Years Ended December 31, 2018, 2017 and 2016**

# CORPORACIÓN QUIPORT S.A

Financial Statements for the years Ended December 31, 2018, 2017 and 2016 and Independent Auditor's Reports

Deloitte.

Deloitte & Touche
Ecuador Cía. Ltda.
Av. Amazonas N3517
Telef: (593 2) 381 5100
Quito - Ecuador

Tulcán 803
Tel: (593 4) 370 0100
Guayaquil - Ecuador
www.deloitte.com/ec

## INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
Corporación Quiport S.A.:

### Opinion

We have audited the financial statements of Corporación Quiport S.A. ("The Corporation" or "Quiport"), which comprise the statement of financial position as at December 31, 2018, 2017 and 2016 and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Quiport as at December 31, 2018, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Corporación Quiport S.A. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the independence provisions of the Ecuadorian Superintendence of Companies, Securities and Insurance, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matters

As stated in note 1.1 to the accompanying financial statements, Quiport has prepared such financial statements only for their incorporation in an offering memorandum in connection with the proposed offering of corporate notes in the international markets.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Corporation's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Quiport's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Quiport to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche

Quito, February 15, 2019

Rodrigo López
Partner

**CORPORACIÓN QUIPORT S.A.**

**FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018, 2017 AND 2016 AND FOR THE YEARS THEN ENDED**

**Contents** **Page**



Abbreviations:

| | |
|---|---|
| IAS | International Accounting Standards |
| IFRS | International Financial Reporting Standards |
| IFRIC | International Financial Reporting Interpretations Committee |
| SRI | Internal Revenue Service |
| FV | Fair value |
| FVTPL | Fair value through profit or loss |
| US$ | U.S. dollars |
| NQIA | New Quito International Airport |
| MSIA | Mariscal Sucre International Airport |
| CCC | Canadian Commercial Corporation |
| CCR | Constructora CCR SAC |
| EPC | EPC Engineering, Procurement and Construction |
| CORPAQ | Corporación Aeropuerto y Zona Franca del Distrito Metropolitano de Quito |
| ECL | Expected Credit Losses |
| EPMSA | Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regímenes Especiales (Ex - CORPAQ) |
| DAC | Civil Aviation Authority |
| OPIC | Overseas Private Investment Corporation |
| IDB | Inter-American Development Bank |
| US EXIM | Export Import Bank of the United States |
| EDC | Export Development Canada |
| SAA | Strategic Alliance Agreement |
| VAT | Value Added Tax |
| CGE | Comptroller General of the State |

**CORPORACIÓN QUIPORT S.A.**

**STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Expressed in thousands of U.S. dollars)

| **ASSETS** | **Notes** | **31/12/18** | **31/12/17** | **31/12/16** |
|---|---|---|---|---|
| CURRENT ASSETS: | | | | |
| Cash and banks | 5 | 23,056 | 52,151 | 47,487 |
| Restricted cash | 6 | 25,000 | 1,680 | 25,662 |
| Other financial assets | | - | - | 13 |
| Trade and other receivables | 7 | 13,943 | 15,675 | 14,909 |
| Current tax assets | 13 | 58 | 52 | 41 |
| Other assets | 8 | 6,655 | 1,987 | 2,007 |
| Total current assets | | 68,712 | 71,545 | 90,119 |
| NON-CURRENT ASSETS: | | | | |
| Property and equipment | 9 | 5,151 | 3,918 | 7,323 |
| Intangible asset | 10 | 736,499 | 748,111 | 757,070 |
| Total non-current assets | | 741,650 | 752,029 | 764,393 |
| TOTAL | | 810,362 | 823,574 | 854,512 |
| CURRENT LIABILITIES: | | | | |
| Borrowings | 15 | 66,092 | 108,997 | 39,269 |
| Trade and other payables | 11 | 11,215 | 11,867 | 17,774 |
| Accrued liabilities | 12 | 11,307 | 9,917 | 9,223 |
| Current tax liabilities | 13 | 1,172 | 481 | 515 |
| Contract liabilities | 14 | 10,519 | 10,508 | 10,666 |
| Total current liabilities | | 100,305 | 141,770 | 77,447 |
| NON-CURRENT LIABILITIES: | | | | |
| Trade and other payables | | | | 41 |
| Contract liabilities | 14 | 208,738 | 219,156 | 229,643 |
| Borrowings | 15 | 79,041 | 103,768 | 220,207 |
| Defined benefits | | 205 | 174 | - |
| Total non-current liabilities | | 287,984 | 323,098 | 449,891 |
| Total liabilities | | 388,289 | 464,868 | 527,338 |
| EQUITY: | 16 | | | |
| Share capital | | 66,000 | 66,000 | 66,000 |
| Legal reserve | | 25,412 | 19,854 | 14,760 |
| Retained earnings | | 330,661 | 272,852 | 246,414 |
| Total equity | | 422,073 | 358,706 | 327,174 |
| TOTAL | | 810,362 | 823,574 | 854,512 |

See notes to the financial statements

**CORPORACIÓN QUIPORT S.A.**

**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016**

(Expressed in thousands of U.S. dollars)

| | | ... Year ended ... | | |
|---|---|---|---|---|
| | **Notes** | **31/12/18** | **31/12/17** | **31/12/16** |
| Revenue | 17 | 171,712 | 157,364 | 157,156 |
| Interest revenue | | 19 | 132 | 95 |
| Amortization of intangible assets | 10 | (32,789) | (31,392) | (31,520) |
| Employee benefit expenses | 18 | (12,418) | (10,856) | (10,495) |
| Employee profit-sharing | 12 | (11,183) | (9,809) | (8,989) |
| Financial costs | 19 | (14,050) | (18,450) | (23,381) |
| Services and supplies | | (9,114) | (8,129) | (7,362) |
| Operation and maintenance fees | 21.1 | (6,707) | (6,318) | (6,296) |
| Professional fees | | (10,254) | (5,888) | (6,375) |
| Maintenance and repair expenses | | (3,254) | (3,031) | (2,903) |
| Utilities | | (2,505) | (2,311) | (2,603) |
| Insurance expenses | | (2,280) | (2,249) | (2,370) |
| Taxes and contributions | | (1,805) | (1,224) | (1,494) |
| Equipment depreciation | | (851) | (994) | (1,244) |
| Others | | (1,154) | (1,263) | (1,283) |
| PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME | | 63,367 | 55,582 | 50,936 |

See notes to the financial statements

**CORPORACIÓN QUIPORT S.A.**

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016**
(Expressed in thousands of U.S. dollars)

| | Share Capital | Legal Reserve | Retained Earnings | Total |
|---|---|---|---|---|
| Balances as at January 1, 2016 | 66,000 | 8,875 | 214,363 | 289,238 |
| Dividends | - | - | (13,000) | (13,000) |
| Transfer | - | 5,885 | (5,885) | - |
| Profit for the year | - | - | 50,936 | 50,936 |
| Balances as at December 31, 2016 | 66,000 | 14,760 | 246,414 | 327,174 |
| Transfer | - | 5,094 | (5,094) | - |
| Dividends | - | - | (24,050) | (24,050) |
| Profit of the year | - | - | 55,582 | 55,582 |
| Balances as at December 31, 2017 | 66,000 | 19,854 | 272,852 | 358,706 |
| Transfer | - | 5,558 | (5,558) | - |
| Profit of the year | - | - | 63,367 | 63,367 |
| Balances as at December 31, 2018 | 66,000 | 25,412 | 330,661 | 422,073 |

See notes to the financial statements

**CORPORACIÓN QUIPORT S.A.**

**STATEMENT OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016**

(Expressed in thousands of U.S. dollars)

| | … Year ended … | | |
|---|---|---|---|
| | **31/12/18** | **31/12/17** | **31/12/16** |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Received from clients | 161,528 | 133,329 | 146,284 |
| Cash paid to suppliers and employees | (62,968) | (44,198) | (54,648) |
| Other interest | 19 | 132 | 95 |
| Net cash received from operating activities | 98,579 | 89,263 | 91,731 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES: | | | |
| Decrease in other financial assets | - | 13 | - |
| Decrease in restricted cash | - | 25,000 | 4 |
| Increase in restricted cash | (23,320) | (1,018) | (313) |
| Increase in intangible assets | (21,177) | (19,861) | (10,767) |
| Acquisition of equipment | (1,598) | (103) | (61) |
| Disposal of equipment | - | - | 55 |
| Net cash received from (used in) investing activities | (46,095) | 4,031 | (11,082) |
| CASH FLOWS USED IN FINANCING ACTIVITIES: | | | |
| Borrowings payments | (47,468) | (53,987) | (63,555) |
| Interest payments | (34,121) | (10,593) | (15,497) |
| Dividend payments | - | (24,050) | (13,000) |
| Net cash used in financing activities | (81,579) | (88,630) | (92,052) |
| CASH AND BANKS: | | | |
| Net (decrease) increase during the year | (29,095) | 4,664 | (11,403) |
| Cash and banks at the beginning of the year | 52,151 | 47,487 | 58,890 |
| Cash and banks at the end of the year | 23,056 | 52,151 | 47,487 |

See notes to the financial statements

## 1. OPERATIONS AND GENERAL INFORMATION

Corporación Quiport S.A. ("the Corporation", "the Concessionaire", "Quiport" or "The Company") was incorporated in Ecuador on September 11, 2002 by AECON Construction Group Inc., Andrade Gutierrez Concession S.A., Airport Development Corporation - ADC and Houston Airport System Development Corporation - HASDC. During 2012, Andrade Gutierrez Concession S.A. transferred its participation to CCR S.A. On December 11, 2015, AECON Construction Group and Airport Development Corporation (ADC) transferred their shareholding to Grupo Odinsa S.A., whereby 49.99% of the final shareholding in Quiport is held by CCR Group of Brazil, Grupo Odinsa S.A. of Colombia (49.99%) and HASDC 0.0109%.

Quiport's principal objective is to act as the concessionaire responsible for the administration, maintenance and operation of the New Quito International Airport and the execution of all activities inherent in the concession contract which was awarded by Corporación Aeropuerto y Zona Franca del Distrito Metropolitano de Quito (CORPAQ) (currently Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regímenes Especiales - EPMSA) (Note 26).

In accordance with the operation and maintenance contract for the NQIA, signed with ADC & HAS Management Ltd. "BVI" (currently Quiama Ltd. BVI) a joint venture comprised of ADC and HASDC, the subsidiary of the company Quito Airport Management Quiama Ecuador S.A. (formerly ADC & HAS Management Ecuador S.A.), incurs various costs and expenses that are reimbursed by the Corporation.

The NQIA opened and began its operations on February 20, 2013. Since that date, Quiport has recorded 89% of the regulated revenue as revenue in the comprehensive income according to the SAA.

***1.1*** ***Purpose of these financial statements*** - These financial statements have been prepared with the purpose of its incorporation in an Offering Memorandum in connection with the issuance of corporate notes in the international markets, by the Corporation.

***1.2*** ***Financial condition of the Corporation*** - As of December 31, 2018, the Corporation showed a negative working capital of US$31,594 arising from the Bridge Loan received on December 20, 2018 to substitute the senior lenders' debt, as explained further in note 15. The Corporation expects to pay the referred loan through the issuance of Corporate bonds to be undertaken in the first quarter of 2019.

## 2. SIGNIFICANT ACCOUNTING POLICIES

***2.1*** ***Statement of compliance*** - The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).

***2.2*** ***Functional currency*** - The Corporation's functional currency is the United States of America dollar (U.S. Dollar), the legal tender in circulation in Ecuador. The amounts in the notes to the financial statements are expressed in thousands of U.S. dollars, unless otherwise specified.

***2.3*** ***Basis of presentation*** - The financial statements have been prepared on a historical cost basis, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or the price paid to transfer a liability between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Corporation takes into account the characteristics of the asset or liability that market participants would consider in pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for transactions related to share-based payments that are within the scope of IFRS 2, lease operations that are within the scope of IAS 17, and measurements with similarities to fair value but are not fair value such as net realizable value in IAS 2 or the value in use in IAS 36.

In addition, for financial reporting purposes, the fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable in their entirety, which are described below:

*Level 1*: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

*Level 2*: inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, whether directly or indirectly, and

*Level 3:* inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted in preparing the financial statements are set out below:

***2.4*** ***Revenue recognition*** - Is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Quiport recognizes revenue when it transfers control of a product or service to a customer. The Corporation recognizes revenues from the following major sources:

***2.4.1*** ***Regulated revenue*** - Comprises 89% of the regulated airports tariffs for passengers and services established in the concession contract. Such services are recognized as a performance obligation satisfied at a point in time. Company Management has assessed that the performance obligation is satisfied when the passenger has made use of the airport facilities. Regulated tariff notifications are issued to airlines on a monthly basis (general services and domestic passengers) and every ten days (international passengers).

***2.4.2 Non-regulated revenue*** - Is calculated and recognized as a performance obligation satisfied over time, in accordance with signed contracts and corresponds principally to the lease of commercial premises, internal passengers transport services among others. Company Management has assessed that the performance obligation is satisfied over the time in which the client makes use of the services and the leased facilities under a fee with a variable and fixed component, which is paid monthly.

The recognition of advance payment at the beginning of the contract has been recognized as income received in advance and is recognized as revenue in profit or loss over the time of the contract.

***2.4.3 Income from MSIA Concession Right*** - See Note 2.11.

***2.5 Costs and expenses*** - Are recorded at historical cost. Costs and expenses are recognized as incurred, regardless of the date on which payment was made, and are recorded in the period in which such were known.

***2.6 Valuation of property and equipment*** - At cost of acquisition. Cost of property and equipment is depreciated in accordance with the straight-line method over the estimated useful lives of 20 years for improvements to installations, 10 years for furniture and fixtures, 5 years for vehicles and other assets (usufruct) and 3 years for computer equipment. Ordinary maintenance and repair expenses are charged as current airport operating expenses.

***2.7 Intangible Assets*** - Quiport applies the Intangible Asset Model in accordance with IFRIC 12 *Service Concession Arrangements* and SIC 29 *Disclosure - Service Concession Arrangements* for the accounting of the Concession Contract and the corresponding disclosures in the financial statements.

The amount recorded for the concession relates to the cost of the asset received to be operated, which includes the construction costs of the NQIA, the related expenses to obtaining the concession and subsequent improvements to the referred asset.

Amortization of intangible assets is charged to profit and loss based on the straight-line method. The Corporation took the remaining concession period of the NQIA as the useful life of the intangible asset, until February 28, 2041.

The useful life of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights, but may be shorter depending on the period over which the entity expects to use the asset.

***2.8 Derecognition of intangible assets*** - An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

***2.9*** ***Impairment of tangible and intangible assets*** - At the date of each statement of financial position, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units. Otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the varying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

***2.10*** ***Financial costs*** - Financial costs directly attributable to the acquisition and construction of assessed assets, that initially require a substantial period of time to prepare them for sale or use, are capitalized up to the date that the assets are substantially complete for sale or use. All other financial costs are recognized as a gain or loss in the period in which they are incurred. The financial costs generated during the construction period of the NQIA were included in the concession's intangible assets.

***2.11*** ***Contract liabilities of the MSIA*** - Quiport recorded the concession right on revenues from the old airport (MSIA) granted by EPMSA (Ex CORPAQ) as an intangible asset and as contract liability (See Note 14). The intangible asset was amortized as from the effective date until the opening date of the NQIA. Contract liability is amortized over the operating period of the new airport (NQIA) as from the start of commercial operations of the new airport through to the end of the concession under the straight-line method.

Deferred revenue is being recognized in profit or loss over the operating period of the new airport (NQIA) as from the start of commercial operations of the new airport through to the end of the concession under the straight-line method in accordance with IAS 20, as a government grant related to assets.

***2.12*** ***Concessionaire contract liabilities*** - Correspond to amounts paid by concessionaires for the right to use commercial premises within the NQIA. These amounts are recorded as contract liabilities (in liabilities) at the time of payment. The revenues are subsequently recognized using the realization base over the effective contract period. Contract liabilities exceeding 12 months as of the statement of financial positions are classified as non-current liabilities.

***2.13*** ***Taxes*** - Quiport is deemed to be a free trade zone user of the Mariscal Sucre Airport and is thereby tax exempt. A summary of the principal tax benefits are included in Note 13.

***2.14*** ***Provisions*** - Provisions are recognized only when the Corporation has a current obligation, either legal or implicit, deriving from a past event, and it is probable that fulfillment of that obligation will require resources and the amount of the obligation can be accurately estimated. Provisions are reviewed each year and updated to reflect the best estimate at the financial statements date. When the monetary effect in time is important, the provision amount is the present value of the expenses that would be incurred to fulfill the obligation.

***2.15*** ***Employee benefits***

***2.15.1*** ***Employee profit-sharing*** - The Corporation recognizes a liability and an expense for employee profit-sharing in the Corporation's statements. This benefit is calculated based on 15% of net income in accordance with current legislation.

***2.16*** ***Leases*** - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

***2.16.1*** ***The Corporation as lessor*** - Operating leases are charged to profit and loss on a straight-line basis over the lease term, during the corresponding lease period.

***2.16.2*** ***The Corporation as lessee*** - Operating lease payments are recognized in profit and loss on a straight-line basis over the lease term, during the corresponding lease period.

***2.17*** ***Offsetting balances and transactions*** - As a general rule neither assets and liabilities nor income and expenses are offset in the financial statements, except in those cases in which compensation is required or permitted under a standard and such presentation reflects the essence of the transaction.

Income and expenses originating in transactions that, contractually or by statute, provide for the possibility of offset and that the Corporation has the intention of settling for their net amount or of realizing assets and proceeding to pay the liability simultaneously are presented net in profit and loss.

***2.18*** ***Financial instruments*** **-** Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial asset and financial liabilities at fair value though profit or loss are recognized immediately in profit or loss.

***Financial assets*** - Financial assets are classified into the following specified categories: "financial assets at fair value through other comprehensive income (FVTOCI)", "financial assets at fair value though profit or loss (FVTPL)" and "amortized cost". The classification depends on the Corporation's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A debt instrument is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. By default, all other financial assets are subsequently measured at FVTPL.

***2.18.1 Financial assets subsequently measured at amortized cost*** - Financial assets subsequently measured at amortized cost are non-derivative financial assets with fixed or determinable payments, not traded in an active market. Loans and accounts receivable (including trade and other receivables, bank balances and cash and others) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective rate, except for short term receivables when the effect of discounting is immaterial.

***2.18.2 Effective interest method*** - The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is a rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective

interest rate, transaction costs and other premium or discount) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognized in profit or loss and is included in the "Interest revenue" line item.

*Impairment of financial assets*

The Corporation recognizes a loss allowance for expected credit losses on trade receivables, other financial assets and lease receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses are estimated using a provision matrix based on the Corporation’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For trade and other receivables, other financial assets and lease receivables, Quiport recognizes a loss allowance for expected credit losses for the next twelve months (simplified scope). The expected credit losses on these financial assets are estimated using a provision matrix based on the Corporation’s historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, Quiport recognizes lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk - In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Corporation compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Corporation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information includes various external sources of actual and forecast economic information that relate to the Corporation's core operations and the industry in which the Corporation operate.

Definition of default - Quiport considers the following as constituting an default event for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Corporation, in full (without taking into account any collaterals held by the Corporation).

Irrespective of the above analysis, the Corporation considers that default has occurred when a financial asset is more than 30 days past due unless the Corporation has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The carrying amount of the financial asset is reduced by the expected credit losses directly for all financial assets. When a trade receivable is considered uncollectible, it is written off against the provision for expected credit losses. Subsequent recoveries of amounts previously written off are credited against the expected credit losses account. Changes in the

carrying amount of the expected credit losses are recognized in profit or loss.

***2.18.3 Derecognition of financial assets*** - Quiport derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers substantially all the risks and rewards of ownership of the financial asset. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset as well as any collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Corporation has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

***2.19 Financial liabilities and equity instruments issued by Quiport*** - Debt and equity instruments are classified as financial liabilities in accordance with the substance of the contractual arrangements.

Financial liabilities are classified as current liabilities unless the Corporation has unconditional entitlement to defer settlement during at least 12 months after the statement of financial position date.

***2.19.1 Financial liabilities subsequently measured at amortized cost*** - Financial liabilities subsequently measured at amortized cost (including loans and trade accounts payable and others) are subsequently measured at amortized cost using the effective interest method.

The effective interest rate method is used to calculate the amortized cost of a financial asset and liability and to allocate the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the cash flows receivable or payable (including all fees and points paid or received that form part of the effective interest rate, transaction costs and other premiums or discounts) estimated over the expected life of the financial liability (or, where appropriate), in a shorter period to the net carrying amount on initial recognition.

***2.19.2 Derecognizing a financial liability*** - Quiport derecognizes a financial liability if, and only if, its contractual obligations are extinguished, canceled or fulfilled. The difference between the carrying amount and the consideration paid and payable is recognized in profit and loss for the year.

## 3. ADOPTION OF NEW AND REVISED STANDARDS

### *3.1 Application of new and revised International Financial Reporting Standards with mandatory application in the current year*

During the period, Quiport has applied various IFRS amendments issued by the International Accounting Standards Board (IASB), and which are of mandatory application as of January 1, 2018 or subsequently, and which had no significant impact on Quiport's financial statements.

**IFRS 9 Financial instruments**

In the current year, Quiport has applied IFRS 9 retroactively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the effect of initially applying this standard, if any, recognized at the date of initial application. The effects of the application were not material. The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Company's services are set out below and in the accounting policies described above.

IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the Quiport's financial statements are described below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the Corporation's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI); or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

All recognized financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The directors of Quiport reviewed and assessed the Corporation's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Corporation's financial assets as regards their classification and measurement:

- Trade and other receivables, cash and banks and other financial assets under IAS 39 that were measured at amortized cost as they were classified as "loan and trade receivables", continue to be measured at amortized cost under IFRS

9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Even though, the classification changed, all financial assets and financial liabilities continue to be measured on the same basis as is previously adopted under IAS 39.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Corporation to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, IFRS 9 requires the Corporation to recognize a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortized cost or at FVTOCI;
(2) Trade receivables and contract assets; and
(3) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Corporation to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Corporation is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

In the impairment analysis performed by the Corporation, it was decided to use the simplified method proposed by IFRS 9 in which expected loan losses over time are recognized and calculated using a provision matrix that incorporates the portfolio's historical recovery behavior. As a result of this analysis, it was determined that the change in the impairment methodology under IFRS 9 had no significant impact on the Corporation's financial statements.

Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

As a result of the analysis of this change in accounting policy, the directors of Quiport concluded that the initial application of IFRS 9 has not had any impact on the Corporation's financial statements.

Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities which the Corporation had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Corporation has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Corporation has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The application of IFRS 9 has had no impact on the cash flows of the Corporation.

**IFRS 15 Revenue from contracts with customers**

Quiport has applied IFRS 15 using the retroactively effect method, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the effect of initially applying this standard, if any, recognized at the date of initial application. The effects of the application were not material. The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to Quiport's services are set out below and in the accounting policies described above.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of contractually established goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract with a customer.
Step 2: Identity the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Quiport evaluated the impacts of IFRS 15 on the following sources of revenue:

Regulated Revenue - Quiport management has determined that the concession contract that granted Quiport the right to charge the users for the services met the criteria of the standard of a contract with customers. Furthermore, this contract includes a single performance obligation, which is satisfied when providing airport services to users of the airport facilities. In addition, Quiport has established that the transaction prices don't have a variable component.

Non-regulated Revenue - Consist of:

- Fees, rents, duties and other charges collected from third parties engaged in commercial or airline activities in the Airport, including airside retail and food and beverage;
- Office, hangar and warehouse rentals;
- Cargo;
- Passenger services;
- Ground transportation such as parking and car rental;
- Utilities recovery;
- Landside retail and food and beverage;
- Common use terminal equipment; and
- Other commercial services

When determining the transaction price, Quiport evaluated the existence of a variable consideration. Revenue transactions are recorded net of discounts. Business incentives are recorded by decreasing revenues when there is reasonable certainty that clients will comply with all requirements to be creditors of such discounts. Management performs a monthly evaluation as to whether the clients will fulfill their contractual requirements in order to record discounts on a timely basis.

Apart from providing additional disclosures on the Quiport's revenue transactions and the change of the denomination of "Contract liabilities" instead of "Deferred Revenues", the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

### *3.2 New and revised standards issued but not effective*

Quiport has not applied the following new and revised International Financial Reporting Standards (IFRS) that have been issued but are not yet effective:

| IFRS | Title | Effective from |
|---|---|---|
| IFRS 16 | Leases | January 1, 2019 |
| Amendments to References to the Conceptual Framework in IFRS Standards | Amendments to References to the Conceptual Framework in IFRS Standards | January 1, 2020 |
| IFRIC 23 | Uncertainty over income tax treatments | January 1, 2019 |
| Amendments to IAS 19 *Employee Benefits* | Plan Amendment, Curtailment or Settlement | January 1, 2019 |
| Amendments to IAS 1 and IAS 8 regarding the definition of materiality | Definition of Material (Amendments to IAS 1 and IAS 8) | January 1, 2020 |
| Annual improvements to IFRS Standards 2015-2017 | Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 | January 1, 2019 |

Early application of the new and revised standards is permitted.

**IFRS 16 Leases**

General impact of application of IFRS 16

Leases IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

Impact of the new definition of a lease

The Corporation will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Corporation will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Corporation has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not change the scope of contracts that meet the definition of a lease for the Corporation.

Impact on Lessee Accounting

*Operating leases*

IFRS 16 will change how the Corporation accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.

On initial application of IFRS 16, for all leases (except as noted below), the Corporation will:

a) Recognize right-of-use assets and lease liabilities in the statement of financial position, initially
b) Measure at the present value of the future lease payments;
c) Recognize depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;

Lease incentives (e.g. rent-free period) will be recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortized as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 *Impairment of Assets*. This will replace the previous requirement to recognize a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Corporation will opt to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

A preliminary assessment indicates that Corporation should recognize a right-of-use asset of US$913 and a corresponding lease liability of the same amount in respect of leases of vehicles, offices and commercial premises.

Under IAS 17, all lease payments on operating leases are presented as part of cash flows from operating activities. The impact of the changes under IFRS 16 would be to reduce the cash generated by operating activities and to increase net cash used in financing activities.

Impact on Lessor Accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

**Amendments to References to the Conceptual Framework in IFRS Standards**

The International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework, this new Framework:

- Reintroduces the terms stewardship and prudence.
- Introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument.
- Removes from the asset and liability definitions references to the expected flow of economic benefits-this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement.
- Discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability.
- States that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability.
- Discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

- Together with the revised Conceptual Framework, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

At the issue date of the financial statements, Quiport Management is in the process of evaluating the impact of amendments of Conceptual Framework on its financial statements. Consequently, the effects of applying the referred standard on the financial statements and their disclosures cannot be determined.

**IFRIC 23 Uncertainty over income tax treatments**

On June 7, 2017, the IASB issued IFRIC 23 "Uncertainty over income tax treatments". The Interpretation establishes how to determine a tax position when there is uncertainty over income tax treatments. IFRIC 23 requires an entity to: (i) determine whether uncertain tax positions are assessed separately or as a whole; (ii) assess whether it is probable that the taxation authority will accept an uncertain tax treatment used, or planned to be used by an entity in its income tax fillings: (a) If it accepts it, the entity shall determine the accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. (b) If it does not accept it, the entity shall reflect the effect of uncertainty in determining the accounting tax position. IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019. Companies may apply IFRIC 23 either wholly retrospectively or use a modified retrospective application without restatement of the comparative information.

At the issue date of the financial statements, Quiport Management is in the process of evaluating the impact of IFRIC 23 on its financial statements. Consequently, the effects of applying the referred standard on the financial statements and their disclosures cannot be determined.

**Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognized in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. An entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19.99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

The amendments are applied prospectively. They apply only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which the amendments to IAS 19 are first applied. The amendments to IAS 19 must be applied to annual periods beginning on or after 1 January 2019, but they can be applied earlier if an entity elects to do so.

The directors of the Corporation do not anticipate that application of the amendments in the future will have an impact on the Corporation's financial statements.

**Amendments to IAS 1 and IAS 8 regarding the definition of materiality**

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

**Annual improvements to IFRS Standards 2015-2017**

The annual improvements include amendments to the following standards:

- IFRS 3 Business Combinations **-** Clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.
- IFRS 11 Joint Arrangements - Clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- IAS 12 Income Taxes - Clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- IAS 23 Borrowing Costs - Clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowing.

## 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Quiport's accounting policies, which are described in note 2, the Management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following critical accounting estimates and judgments have been used by Quiport management in the process of applying accounting criteria:

### *4.1 Critical judgements in applying the Corporation's accounting policies*

***Asset impairment*** - At the end of the period, the Corporation determines whether there is any indicators of impairment of its assets by the examination of internal and external information.

The recoverable amount of a cash generating unit is the higher of its fair value less costs of disposal and its value in use. This valuation process involves the use of methods such as discounted cash flows. Such estimated cash flows are based on significant management assumptions about key factors that may affect future business performance, such as a larger number of customers, tariff increases, investments, salary increases, capital structure, cost of capital, etc. Actual results might differ from estimates, and therefore projected cash flows might be materially affected if any of the above mentioned factors is subject to changes in the near future.

As of December 31, 2018, 2017 and 2016, the Corporation determined that there were no indicators of impairment of its assets, hence no impairment losses were recognized in each of the periods presented.

***Valuation of the business model*** - Classification and measurement of financial assets depends on the results of the SPPI and the business model test (See Note 2.18). Quiport determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This valuation is based on all the relevant evidence, including how the performance of the assets is evaluated and measured, the risks that affect the performance of the assets and how they are managed and how the asset managers are compensated. Quiport monitors financial assets measured at amortized cost to understand the reason for their disposal and whether the reasons are consistent with the business objective for which the asset was held. Monitoring forms part of the ongoing valuation that Quiport undertakes of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not appropriate, whether there has been a change in the business model and therefore a prospective change to the classification of those assets.

***Estimated useful lives of equipment, intangibles assets and deferred income*** - The estimate of the useful lives and residual value is performed as described in Note 2.6 and 2.7.

### *4.2 Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Calculation of expected credit losses allowance -** When measuring ECL, the Corporation uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

## 5. CASH AND BANKS

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Cash | 9 | 9 | 9 |
| Overseas banks | 39,543 | 43,516 | 36,074 |
| Local banks | 8,504 | 8,626 | 11,404 |
| Subtotal | 48,056 | 52,151 | 47,487 |
| Transfer to restricted cash (Note 6) | (25,000) | | |
| Total | 23,056 | 52,151 | 47,487 |

***Overseas banks*** - Comprises cash managed in overseas checking accounts of Bank of America.

***Local banks*** - Include balances in the Fideicomiso Mercantil Quiport On Shore Trust bank account in which all regulated income is received, until transferred to the Municipality of Quito by the Trust and the Corporation's own account. Also includes the bank account in which collection of non-regulated income is received, which is managed by the Trust to fulfill the obligations contracted by Quiport.

## 6. RESTRICTED CASH

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| *Financial assets measured at amortized cost:* | | | |
| Restricted minimum balance | 25,000 | | |
| Restricted offshore account | | 1,680 | 25,662 |
| Total | 25,000 | 1,680 | 25,662 |

***Restricted minimum balance*** **-** At December 31, 2018, according to the Omnibus Amendment and Restatement to Common Terms Agreement and Facility Agreements (See note 15), Quiport shall at all times maintain free and unencumbered cash for at least $25 millions ("Unencumbered Cash"). Notwithstanding, nothing shall prevent Quiport from using any Unencumbered Cash in connection with or related to repayment of its obligations under the new terms of such agreement in full.

***Restricted offshore account*** **-** At December 31, 2017 and 2016, under the Master Security and Accounts Agreement dated as of August 24,2005, Quiport had to maintain a Debt Service Reserve Account for the purpose of guaranteeing a Debt Service. This reserve could be covered by a Reserve Letter of credit and/or cash. During 2017, the Corporation's reserve was covered by a Letter of credit in the amount of US$25 millions provided by the Sponsors. As of December 31, 2018, Quiport does not need to maintain a Debt Service Reserve Account as the conditions requiring such reserve were modified on December 20, 2018 (Note 15).

## 7. TRADE AND OTHER RECEIVABLES

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| *Trade accounts receivables:* | | | |
| Invoices issued | 2,684 | 3,716 | 2,682 |
| Provision for expected credit losses | (285) | (325) | (121) |
| Subtotal | 2,399 | 3,353 | 2,532 |
| Accrued for revenue | 8,791 | 7,859 | 7,715 |
| Subtotal | 11,190 | 11,212 | 10,247 |
| Accounts receivable from related companies (See Note 21) | 843 | 866 | 1,786 |
| *Other accounts receivable:* | | | |
| Contractor prepayments | 291 | 1,839 | 1,115 |
| EPMSA (Ex Corpaq) | 1,364 | 1,364 | 1,365 |
| Others | 255 | 356 | 367 |
| Total | 13,943 | 15,675 | 14,909 |

***Trade accounts receivables*** - Include principally invoices issued to form part of the Fideicomiso Mercantil de Administración y Garantía Quiport Onshore Trust related to non-regulated income and the 89% of notifications from regulated income issued on behalf of the Municipality (See Note 26).

The principal clients comprise airlines for services rendered. At December 31, 2018, 2017 and 2016, the total of airlines was 42, 54 and 47, respectively.

The average credit period on regulated revenue is 4 business days and is 15 calendar days on non-regulated revenue. No interest is charged on trade receivables.

Before accepting any new customer, the Corporation assess the potential customer's quality and defines credit limits by customer.

The following table details the risk profile of trade receivables based on the Corporation's provision matrix. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Corporation's different customer bases.

| | | Trade receivables - days past due | | | | | |
|---|---|---|---|---|---|---|---|
| *December 31, 2018:* | Not past due | < 30 | 31 - 60 | 61- 90 | 91 - 120 | > 120 | Total |
| Expected credit loss rate | 0.55% | 1.94% | 5.04% | 7.69% | 10.46% | 79.32% | |
| Estimated total gross carrying amount at default | 1,104 | 862 | 228 | 130 | 65 | 295 | 2,684 |
| Expected credit losses | 6 | 17 | 11 | 10 | 7 | 234 | 285 |

| | | Trade receivables - days past due | | | | | |
|---|---|---|---|---|---|---|---|
| *December 31, 2017:* | Not past due | < 30 | 31 - 60 | 61- 90 | 91 - 120 | > 120 | Total |
| Expected credit loss rate | 0.49% | 2.04% | 5.08% | 7.00% | 10.53% | 65.43% | |
| Estimated total gross carrying amount at default | 2,459 | 491 | 197 | 100 | 38 | 431 | 3,716 |
| Expected credit losses | 12 | 10 | 10 | 7 | 4 | 282 | 325 |

**BLANK SPACE**

Movements in the expected credit losses (ECL) accounts:

| | …Year ended… | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Beginning balance | 325 | 121 | 105 |
| Provision | | 204 | 16 |
| Reversal | (40) | | |
| Ending balance | 285 | 325 | 121 |

***Accrued for revenue*** - Comprises the provision for revenue from services provided to airlines in December 2018, 2017 and 2016, corresponding to regulated and non-regulated revenue, not notified and pending invoicing respectively. In January 2019, 2018 and 2017, notifications and invoices were issued for the provisioned amounts.

At December 31, 2018, includes US$7,397 for regulated revenue and US$1,394 for non-regulated revenue (US$6,461 of regulated revenue and US$1,398 of non-regulated revenue at December 31, 2017 and US$6,066 of regulated revenue and US$1,649 of non-regulated revenue at December 31, 2016).

***EPMSA (Ex Corpag)*** - At December 31, 2018, 2017 and 2016, constitutes an account receivable related to reimbursements for US$1 million and the difference for fuel levy.

## 8. OTHER ASSETS

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Prepaid insurance | 1,947 | 1,987 | 2,007 |
| Other prepaid | 4,708 | | |
| Total | 6,655 | 1,987 | 2,007 |

***Prepaid insurance*** - Comprises premiums on insurance policies contracted to cover the airport's operation, related principally to property, operational liability and terrorism (See Note 24).

***Other prepaid*** - Comprises the transaction costs that are directly attributable to the issuance of bonds to be undertaken in 2019, this amount will be part of the amortization cost calculation.

## 9. PROPERTY AND EQUIPMENT

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Cost | 10,686 | 8,613 | 11,845 |
| Accumulated depreciation | (5,535) | (4,695) | (4,522) |
| Total | 5,151 | 3,918 | 7,323 |
| *Classification:* | | | |
| Land | 47 | 47 | 82 |
| Other assets | 923 | 42 | 1,280 |
| Vehicles | 2,484 | 2,946 | 343 |
| Machinery and equipment | 266 | 334 | 3,328 |
| Furniture and fixtures | 422 | 506 | 1,688 |
| Computer equipment | 35 | 43 | 589 |
| Equipment in transit | 974 | | 13 |
| Total | 5,151 | 3,918 | 7,323 |

Movements in property and equipment, net, were as follows:

| | Land, and other assets | Vehicles | Machinery and equipment | Furniture and fixtures | Computer equipment | Equipment in transit | Total |
|---|---|---|---|---|---|---|---|
| Net balances at January 1, 2016 | 2,080 | 3,845 | 1,960 | 619 | 47 | | 8,551 |
| Additions | | | | 50 | 11 | | 61 |
| Write-offs | | (61) | | | | | (61) |
| Depreciation expense | (375) | (456) | (272) | (80) | (45) | | (1,228) |
| Net balances at December 31, 2016 | 1,705 | 3,328 | 1,688 | 589 | 13 | | 7,323 |
| Reclassification to intangible assets | (1,261) | | (1,236) | | | | (2,497) |
| Other reclassifications | (35) | | | | | | (35) |
| Additions | | 62 | 5 | | 36 | | 103 |
| Depreciation expense | (320) | (444) | (123) | (83) | (6) | | (976) |
| Net balances at December 31, 2017 | 89 | 2,946 | 334 | 506 | 43 | - | 3,918 |
| Additions | 1,108 | | | | 2 | 974 | 2,084 |
| Depreciation expense | (227) | (462) | (68) | (84) | (10) | | (851) |
| Net balances at December 31, 2018 | 970 | 2,484 | 266 | 422 | 35 | 974 | 5,151 |

## 10. INTANGIBLE ASSET

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Intangible asset of the NQIA | 735,718 | 747,784 | 756,629 |
| Software | 781 | 327 | 441 |
| Total | 736,499 | 748,111 | 757,070 |

***Intangible Asset NQIA*** - A summary of the intangible asset NQIA is as follows:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| New Airport construction | 796,392 | 796,392 | 796,392 |
| Expansion, infrastructure upgrades, equipment and others | 117,959 | 97,460 | 74,287 |
| Accumulated amortization | (178,633) | (146,068) | (114,050) |
| Total cost, net | 735,718 | 747,784 | 756,629 |

*New Airport construction* - Pursuant to the Concession Contract, Quiport built the new airport in exchange for the right and obligation to develop, operate, administer, manage, improve and maintain it during the concession period.

The airport construction includes the interest expense, as well as costs and commissions established in the respective loan contracts. Such were capitalized during the construction period of the new airport.

It also includes amounts paid to the sponsor related to the pre operational expenses and other providers for services rendered in obtaining the concession contract for the NQIA.

*Expansion, infrastructure upgrades, equipment and others* - Comprises complementary works undertaken in construction of the NQIA, including enhancements upgrades to the existing airport infrastructure, cargo apron, and surroundings. Also includes investment capital projects for the improvement of the infrastructure. The capital projects are focused on the Airport buildings, installations and equipment in compliance with the Concession Contract.

According to Strategic Alliance Agreement, Quiport shall directly contribute up to US$10 millions to pay for the security equipment cost and have no obligation regarding to the Highway Contribution under the Concession Contract. (See Note 26).

The movements of the intangible asset NQIA are as follows:

| | …Year ended… | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Beginning balance | 747,784 | 756,629 | 777,205 |
| Additions **(1)** | 20,499 | 19,861 | 10,767 |
| Reclassification from property and equipment | | 2,497 | |
| Adjustments | | 11 | |
| Amortization **(2)** | (32,565) | (31,214) | (31,343) |
| Ending balance | 735,718 | 747,784 | 756,629 |

**(1)** Mainly corresponds to expansion of the passenger terminal, the cargo platform and improvements in the international arriving area.
**(2)** At December 31, 2018, the amortization expense in the statement of comprehensive income includes US$224 related to the amortization of software (US$178 at December 31, 2017 and US$178 at December 31, 2016).

The intangible asset is being amortized from February 20, 2013 using the straight-line method until the concession period.

## 11. TRADE AND OTHER PAYABLES

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| *Trade accounts payable*: | | | |
| Accounts payable to related companies (Note 21) | 4,270 | 3,709 | 10,710 |
| Local suppliers | 3,358 | 4,627 | 2,215 |
| Overseas suppliers | 449 | 752 | 732 |
| Others | 204 | 747 | 1,320 |
| *Others accounts payable:* | | | |
| Provisions for services | 1,359 | 904 | 1,408 |
| Account payable EPMSA | 1,575 | 1,128 | 1,430 |
| Total | 11,215 | 11,867 | 17,815 |
| *Classification:* | | | |
| Current liabilities | 11,215 | 11,867 | 17,774 |
| Non-current liabilities | | | 41 |
| Total | 11,215 | 11,867 | 17,815 |

***Local suppliers*** **-** Principally comprise accounts payable to suppliers for services and goods received related to the airport operation.

***Account payable EPMSA*** - Comprise accounts payable for the usufruct agreement that gives the right to use special equipment for use by the NQIA. During 2018 the contract was renewed for five more years. In addition, includes US$900 as provisions for services payable to EPMSA.

## 12. ACCRUED LIABILITIES

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Employee profit-sharing | 11,183 | 9,809 | 8,989 |
| Social benefits | 124 | 108 | 234 |
| Total | 11,307 | 9,917 | 9,223 |

***Employee profit-sharing*** - In accordance with current legislation, workers are entitled to a 15% share in the Corporation's net profits. Through agreement No.77 of the Ministry of Labor, the Corporation was authorized to consolidate its employee profit-sharing with the profit-sharing generated by QUIAMA Quito Airport Management Ecuador S.A. and consolidate such as one company.

In order to calculate and pay the individual 15% employee profit-sharing, the Corporation includes the employees of SFM Facility Servicios Complementarios S.A. and Protección, Seguridad y Vigilancia S.A., which provide cleaning and security services since such companies provide complementary and continuous services in the airport's installations.

Movements in the provision for employee profit-sharing were as follows:

| | …Year ended… | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Beginning balance | 9,809 | 8,989 | 10,387 |
| Provision for the period | 11,183 | 9,809 | 8,989 |
| Payments made | (9,809) | (8,989) | (10,387) |
| Ending balance | 11,183 | 9,809 | 8,989 |

## 13. TAXES

***13.1 Current year assets and liabilities -*** A summary of current tax assets and liabilities is as follow:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| *Current tax assets:* | | | |
| Overseas remittance tax | 8 | 8 | 8 |
| Withholdings at source | 50 | 44 | 33 |
| Total | 58 | 52 | 41 |
| *Current tax liabilities:* | | | |
| Value Add Tax - VAT payable | 285 | 138 | 337 |
| Withholdings at source payable | 887 | 343 | 178 |
| Total | 1,172 | 481 | 515 |

***13.2 Income tax*** - On December 8, 2005, the 2005-13 resolution from the National Free Trade Zone Council (hereinafter "CONAZOFRA") was published on the Official Gazette No. 161, by which QUIPORT was registered as a user of the Free Trade Zone ("FTZ"), managed by Corporación Aeropuerto y Zona Franca del Distrito Metropolitano de Quito ("CORPAQ") and was thus granted the benefits provided under the law for 20 years.

Pursuant to the Investment Protection Agreement, Ecuador has guaranteed Quiport specific legal and tax stability with respect to the legal framework in effect on June 24, 2003. Furthermore, these rights were reaffirmed on August 9, 2010, when Quiport, the Municipality and the Management Unit entered into the Strategic Alliance Agreement, whereby the Municipality recognized the existence of the Free Trade Zone Tax Exemption and agreed to indemnify Quiport for any tax incurred arising from its loss.

The Free Trade Zone Law enacted on February 19, 1991, provides that FTZ Users shall enjoy a 100% exemption from income tax. Chapter XII of the Tax Regime pertaining to Free Trade Zones establishes the following:

- Management companies and users of free trade zones shall, in all their acts and contracts undertaken in the free trade zone, benefit from exemption from all income tax or any substitute tax thereof, as well as from value added tax, and payment of provincial, municipal and any other taxes created, even if express exoneration is required.

- Free trade zone users shall benefit from total exoneration of all taxes imposed on patents and all current taxes applicable to production, use of patents and trademarks, technology transfers and the repatriation of earnings.

- Management companies and users of free trade zones shall benefit from the exemptions indicated in this chapter for a period of 20 years as from the referred resolution. Such period may be extended if required by Consejo Nacional de Zonas Francas - CONAZOFRA.

- Payments made by users for occasional services received from overseas technicians are income tax exempt and shall not give rise to withholdings at source.

On January 11, 2007, through resolution No. 2007-02, CONAZOFRA approved the request submitted by Quiport to be a user in the Free Trade Zone of the old Mariscal Sucre International Airport (MSIA) with entitlement to the benefits included in the Free Trade Zone Law up to 5 years.

The Organic Code on Production, Trade and Investment published in the Official Gazette on December 29, 2010, eliminates the FTZ regime, but maintains all the rights and obligations established when the user's acquired such designation for previously registered FTZ users.

On October 6, 2011, the Corporation requested to Empresa Pública Metropolitana de Servicios Aeroportuarios y Gestión de Zonas Francas y Regímenes Especiales (EPMSA) to ratify and extend the periods granted for the operation of the New Quito International Airport Project (the Project), which includes not only construction of the new airport but also operation of the former airport, until March 31, 2013.

On October 12, 2011, EPMSA recommended to the Coordinating Ministry of Production, Employment and Competitiveness, in its capacity of President of the Sector Board for Production, that extension of the period requested by Quiport.

On November 30, 2011, the members of the Sector Board for Production resolved to approve that the petition submitted by Quiport with respect to both the Mariscal Sucre International Airport (MSIA) as well as the New Quito International Airport (NQIA) to extend and ratify the qualifications of Free Trade Zones users within the framework of the Strategic Alliance Agreement and Construction Contract.

On February 24, 2017, the Internal Revenue Service (SRI) started a tax assessment for fiscal year 2013. In addition, on January 26, 2018, and on June 14,

2018, Quiport received notices upon tax assessments in connection to fiscal years 2014 and 2015, respectively.

On February 20, 2018, Quiport received SRI Final Determination No. 17201824900154057 , which concluded that Quiport were not eligible for certain exemptions as free trade zone users and were liable for approximately US$6.3 million plus, US$3.7 million of interest and US$1 million of penalties, in respect of Income tax for fiscal year 2013. Quiport filed an administrative claim on March 19, 2018 in connection to the Final Determination No. 17201824900154057, which was rejected by the SRI on September 10, 2018 through resolution No. 117012018RREC280266. Therefore, Quiport filed a lawsuit before the Ecuadorian tax courts on December 5th, 2018 against the September 10, 2018 SRI Resolution and on January 9, 2019, the court admitted the lawsuit.

On November 26, 2018, Quiport received SRI Final Determination No. 17201824901288349, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately US$ 10 millions plus interest regarding to Income tax for fiscal year 2014. On December 21, 2018, Quiport filed an administrative claim against the November 26, 2018 SRI Final Determination and the Tax Authority has 120 business days to resolve the challenge.

On January 16, 2019, Quiport received Final Determination No. 17201924900048637 from the SRI, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately US$17 million plus interest in respect of Income tax for fiscal year 2015. Quiport filed an administrative claim on February 11, 2019.

The Quiport management's position regarding to the non-payment of taxes and tax contributions is supported by the opinion of its legal advisors who ratify that Quiport is entitled to the Income Tax exemption due to it continues to be applicable for all free trade zone users and administrators that are still in operation for the term of their authorization and failing to recognize the income tax exemption would infringe several guarantees granted by the Ecuadorian State, including the general and specific guarantees of legal stability granted to QUIPORT in respect of the tax legal framework, in accordance to the Investment Protection Agreement. As of the date of these financial statements, no amount has been recognized for this proceeding.

For the administrative and judicial tax proceedings regarding to the disputes for the Income Tax Exemption for fiscal years 2013, 2014 and 2015, Quiport is entitled to legal actions before the Tax Courts, National Court and Constitutional Court in Ecuador, as applicable.

SRI tax assessment notices for the years 2016 and 2017 have not yet been received but are anticipated to be US$26.6 million plus interest.

## 14. CONTRACT LIABILITIES

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Contract liabilities | 289,472 | 289,178 | 289,163 |
| Accrued recognition of contract liabilities | (70,215) | (59,514) | (48,854) |
| Total | 219,257 | 229,664 | 240,309 |
| *Classification:* | | | |
| Current | 10,519 | 10,508 | 10,666 |
| Non-current | 208,738 | 219,156 | 229,643 |
| Total | 219,257 | 229,664 | 240,309 |

Contract liabilities comprises:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| MSIA concession right | 215,232 | 224,978 | 234,724 |
| Contract liabilities - concessionaires | 4,025 | 4,686 | 5,585 |
| Total | 219,257 | 229,664 | 240,309 |

***MSIA concession right*** - As part of the concession to construct and operate the NQIA, Quiport was granted the right to operate the old airport (MSIA) until the new airport began operations, February 20, 2013 (See Note 26). Consequently, Quiport determined the fair value of this right and recorded it as an intangible asset and as contract liabilities. The intangible asset was fully amortized during the construction period and up to the beginning of operations. The Contract liability is being amortized over a straight line and during the remainder of the concession period.

***Contract liabilities - concessionaires*** **-** Corresponds to concession rights on commercial premises and publicity services paid in advance by clients and that are amortized using the straight-line method over the contract periods.

Movements in contract liabilities were as follows:

| | …Year ended… | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Balances, beginning of year | 229,664 | 240,309 | 251,138 |
| Additions | 294 | 15 | 169 |
| Recognition of MSIA income | (9,746) | (9,746) | (9,746) |
| Recognition of concessionaire income | (955) | (914) | (1,252) |
| Ending balance | 219,257 | 229,664 | 240,309 |

## 15. BORROWINGS

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| *Unsecured - at amortized cost:* | | | |
| Senior secured credit facilities | | 108,997 | 160,983 |
| Bridge loan | 66,092 | | |
| Related companies | 79,041 | 103,768 | 98,493 |
| Total | 145,133 | 212,765 | 259,476 |
| *Classification:* | | | |
| Current | 66,092 | 108,997 | 39,269 |
| Non-current | 79,041 | 103,768 | 220,207 |
| Total | 145,133 | 212,765 | 259,476 |

***Senior Secured Credit Facilities*** - The Corporation entered into a "Project Finance" structure with its lenders as source of financing the NQIA´s investment. Under such structure, there are no financial guarantees on the loans granted, other than the numerous contracts entered into by the Corporation with respect to the Concession. Such contracts range from all revenue generating contracts with the Corporation's clients, service contracts with its providers, and all Concession related contracts entered into with but not limited to EPMSA and/or the Municipality of Quito; in addition to the pledge of all capital stock owned by the Corporation's shareholders directly or through intermediary companies. In accordance with Section 6.1.20 and 6.1.21 to the Common Terms Agreement executed among the Corporation and its Senior Lenders, the Corporation must make all efforts to safeguard all collateral pledged to its lenders.

The loan agreement included affirmative and negative covenants, as it is usual in the market. In addition, there are specific covenants such as Breach of Transaction Documents, Expropriation Events, Termination or Invalidity of transaction documents, Material Adverse Effect, Attachments, Judgments and breaches under the Treaty between the Republic of Ecuador and United States of America or the Government of Canada on the Promotion and Reciprocal Protection of Investments. The Material Adverse Effect covenant is defined as any event including Environmental Claim asserted against the borrower or again any Project Participant, or any Event of Force Majeure or Political Event, shall occur or any other condition or circumstances shall exist that has had, or could reasonably be expected to have, a Material adverse effect. A Political Event means any action or omission on the part of the Republic of Ecuador or of any Competent Authority after the Date of Subscription of the Agreement of Protection of Investment, which adversely changes the legal, economic or commercial situation of the Concessionaire.

A summary of Senior Secured Credit Facilities as of December is as follows:

| | 31/12/17 | 31/12/16 |
|---|---|---|
| Loan payable to Overseas Private Investment Corporation with half yearly due dates as from November 2010 and up to November 2020 with an annual effective interest rate fluctuating between 6.01% and 7.3% | 58,672 | 87,086 |
| Loan payable to Export - Import Bank with half yearly due dates as from November 2010 and up to November 2020 with an annual effective interest rate fluctuating between 8.3% and 11.19% | 17,641 | 25,599 |
| Loan payable to Inter-American Development Bank with half yearly due dates as from November 2010 and up to November 2020 with an annual effective interest rate fluctuating between 6.06% and 10.14% | 21,695 | 32,064 |
| Loan payable to Export Development Canada with half-yearly due dates as from November 2010 and up to November 2020 with an annual effective interest rates fluctuating between 10.73% and 11.24% | 10,989 | 16,234 |
| Total | 108,997 | 160,983 |

On December 20, 2018, the Senior Lenders received all of the amounts owed by Quiport. Once the amounts owed were canceled, the Senior Lenders proceeded to assign their contractual position in the Trust.

Since these loans have ended and there is no contractual obligation or debt in favor of the Senior Lenders, Quiport is in the formal process of releasing the guarantees.

Quiport considers that the process of releasing the guarantees would not take more than thirty days.

Until December 20, 2018 (date the loan was in effect), Quiport complied with all covenants under the Common Terms Agreement, except for the following what it is explained below:

***Event of Default under the Senior Secured Credit Facility***

Pursuant to a letter dated June 30, 2017, following a letter from Quiport to EMPSA in connection with a potential declaration of a Political Event under the Concession Contract, the Original Administrative Agent ("The Royal Bank of Scotland N.V"), for itself and on behalf of the Original Senior Lenders (Export Development Canada, Export-Import Bank of the United States, Inter-American Investment Corporation and Overseas Private Investment Corporation), reserved all of its and their rights to exercise, without further notice to Quiport, any and all of their respective rights, remedies, powers and privileges under the Common Terms Agreement dated as of May 23, 2006 (Original Common Terms Agreement) and the other related documents at any time, and from

time to time, as the Original Administrative Agent or the Original Senior Lenders, as the case may be, deem appropriate in respect of any Political Event; default or event of default under the Original Common Terms Agreement or other breach that may exist. ("Reservation of Rights").

Pursuant to the Original Common Terms Agreement, the occurrence of a Political Event that has had, or could have reasonably be expected to have, a material adverse effect constituted an event of default, which would give the Original Senior Lenders the right to accelerate the terms of the loan payment. As this breach existed at the end of the fiscal year 2017 and Quiport did not received a waiver as of that date regarding such alleged event of default, Quiport has classified the loan as current as of December 31, 2017.

On September 12, 2017, Quiport provided notice to the Municipality and EPMSA that the General Comptroller of Ecuador's failure to reconsider the its resolutions, confirming that Quiport is liable for an aggregate amount of US$138,884,709.11; and issuance of the writs constitute a Political Event under the Concession Contract and Strategic Alliance Agreement. In addition, on September 12, 2017, Quiport separately notified Ecuador of the existence of a Political Event under the Investment Protection Agreement.

On March 22, 2018, in accordance with the Concession Contract, Quiport provided notice to the Municipality and EPMSA that the SRI's Final Determination for the fiscal year 2013 constitutes a Political Event under the Concession Contract. In addition, on April 12, 2018, Quiport separately notified Ecuador of the existence of a Political Event under the Investment Protection Agreement.

In connection to the SRI's Final Determination for the fiscal year 2014, Quiport provided notice on December 26, 2018 to the Municipality and EPMSA that such Final Determination constitutes a Political Event under Concession Contract.

On December 4, 2018, Citibank N.A., Banco Santander, S.A. and Banco Santander (Brasil) S.A. Luxembourg Branch (collectively "the New Senior Lenders"), Quiport, and the Original Senior Lenders entered into an Assignment Agreement, by which the New Senior Lenders agreed to purchase, and the Original Lenders agreed to sell, the Senior Secured Credit Facilities (hereinafter referred to as the "Original Loans") and, as of the Assignment Effective Date on December 20, 2018, an amended and restated Common Terms Agreement has been in force under new terms and conditions. As a result, the Reservation of Rights from the Original Senior Lenders is no longer effective because the contractual provisions, on which the Reservation of Rights was based on, are no in force.

***Bridge loan*** - As a result of the Assignment Agreement, on December 20, 2018 Quiport as Borrower and the New Lenders, signed the "OMNIBUS AMENDMENT AND RESTATEMENT TO COMMON TERMS AGREEMENT AND FACILITY AGREEMENTS" whereby new terms were agreed regarding the outstanding amounts on the Original Loans (hereinafter the "Bridge Loan").

As result of the Refinancing Assignment Agreement, the New Lenders have agreed to purchase and the Original Lenders have agreed to sell, the Original Loans. Therefore, Citibank N.A., Banco Santander, S.A. and Banco Santander (Brasil) S.A. Luxembourg Branch have become the New Lenders.

The main conditions regarding the Bridge Loan include: principal amount of US$65.9 million divided in two tranches, one for US$1 million and the other for $ 64.9 million with

a maturity date at January 20, 2020, interest rate LIBOR plus the applicable margin which is defined as follows:

"Applicable Margin" means:

(a) for the first (1st) Interest Period, 4.00% per annum;
(b) for the second (2nd) Interest Period, 4.50% per annum; and
(c) thereafter 5.75% per annum.

Interest payable shall be computed on the basis of 360-day year for the actual number of days elapsed in the Interest Period during which it accrues.

The loan of US $65.9 million, together with a part of owns funds, has been used to fully paid the outstanding balance with the Senior lenders, under the original terms of the loans. This loan constitutes a credit facility that the Corporation took, as a prior step to the issuance of corporate notes.

Once the amounts owed were paid, the lenders proceeded to transfer their contractual status in the "Fideicomiso Mercantil Onshore Trust". Quiport's legal advisors are currently undertaking the formal procedure to lift the guarantees. This process will take approximately 30 days.

***Related companies*** **-** A summary of loans payable to related companies is as follows:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Principal loans | 70,351 | 73,000 | 73,000 |
| Interest payable | 8,690 | 30,768 | 25,493 |
| Total | 79,041 | 103,768 | 98,493 |

*Principal loans* - Loans payable to related companies coming due from the year 2037 and up to 2040 when an Excess Cash Surplus will be available thereafter and with an annual interest rate fluctuating between 3.25% and 9.36%.

Details of principal payable to related companies is as follows:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Green Coral (ex AECON Investment Corp.) | 21,854 | 22,854 | 22,854 |
| Alba Concession Inc. (ex - AG Concessions Inc.) | 26,121 | 27,375 | 27,375 |
| Icaros Development Corp. | 18,250 | 18,250 | 18,250 |
| Black Coral Investment Inc. | 4,126 | 4,521 | 4,521 |
| Total | 70,351 | 73,000 | 73,000 |

*Interest payable* - In accordance with the First Amended and Restated Base Sub Debt Loan Agreement signed by the shareholders and Corporación Quiport S.A. on April 26, 2006, on each interest payment date, Quiport shall pay from Quiport Available Funds to each Base Sub Debt Lender such Base Sub Debt Lender's Proportionate share or interest accrued on the Base Sub Debt Loans. If on any Interest payment date prior to the final maturity date there are sufficient Quiport Available Funds to permit Quiport to pay in full the interest otherwise payable on such interest payment date, the Quiport Available

Funds shall be used to pay such interest to the fullest extent possible and, if no Event of Default has occurred and be continuing, the amount of any shortfall shall be capitalized and bear interest at the Interest Rate in accordance with clause 7.1; provided, however, that on the Final Repayment Date all accrued interest due hereunder shall be paid in full by Quiport.

Details of interest payable to related companies is as follows:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Green Coral (ex AECON Investment Corp.) | 22 | 9,681 | 8,028 |
| Alba Concession Inc. (ex - AG Concessions Inc.) | 26 | 11,545 | 9,566 |
| Icaros Development Corp. | 8,638 | 7,813 | 6,488 |
| Black Coral Investment Inc. | 4 | 1,729 | 1,411 |
| Total | 8,690 | 30,768 | 25,493 |

On December 21, 2018, Quiport paid US$30,000 (US$2,649 of principal and US$27,351 of interest) to the related companies as follows:

| | |
|---|---|
| Green Coral (ex AECON Investment Corp.) | 12,313 |
| Alba Concession Inc. (ex - AG Concessions Inc.) | 14,750 |
| Icaros Development Corp. | 500 |
| Black Coral Investment Inc. | 2,437 |
| Total | 30,000 |

***Reconciliation of liabilities arising from financing activities***

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

| | January 1, 2017 | Financing cash flows **(1)** | Other changes **(2)** | December 31, 2017 |
|---|---|---|---|---|
| Senior Secured Credit Facilities | 160,983 | (64,580) | 12,594 | 108,997 |
| Related companies | 98,493 | | 5,275 | 103,768 |
| Total | 259,476 | (64,580) | 17,869 | 212,765 |

| | January 1, 2018 | Financing cash flows **(1)** | Assignment of debt **(3)** | Other changes **(2)** | December 31, 2018 |
|---|---|---|---|---|---|
| Senior Secured Credit Facilities | 108,997 | (51,579) | (65,950) | 8,532 | - |
| Related companies | 103,768 | (30,000) | | 5,273 | 79,041 |
| Bridge loan | | - | 65,950 | 142 | 66,092 |
| Total | 212,765 | (81,579) | - | 13,947 | 145,133 |

**(1)** Corresponds to principal and interest payments.

**(2)** Includes accrual of provisions interest and amortized cost non-cash movements. In 2018, includes a premium redemption related to the pre-payment of the Senior Secured Credit Facilities for a total amount of US$845.

**(3)** Corresponds to the assignment of the Original Senior Secured Credit Facility, entered into on May 23, 2006, by the Senior Lenders, on December 20, 2018, to the New Lenders in an amount of US$65,950. Immediately following that assignment, Quiport and the Senior Lenders amended and restated the Original Senior Secured Credit Facility pursuant to an Omnibus Amendment and Restatement of the Common Terms ("the Bridge Loan").

## 16. EQUITY

***Share capital*** - Authorized share capital consists of 66,000,000 shares with a nominal value of US$1.00 each.

***Legal reserve*** - The Ecuadorian Companies Law requires that at least 10% of annual earnings be appropriated as a legal reserve until such reaches at least 50% of the share capital. This reserve is not available for the payment of cash dividends but can be fully capitalized.

***Retained earnings*** - According to the Omnibus Amendment and Restatement to Common Terms Agreement and Facility Agreements, Quiport shall not authorize, declare, pay or set apart, directly or indirectly, any dividends or make any other distribution (whether in cash, property or obligations) on, other payment or deposit made on account of, or purchase, redeem, retire or otherwise acquire, any portion of the Equity Interests in Quiport, including any payment made by the Corporation to its shareholders, affiliates, or other entities for or on account of capital reductions, repurchases or redemptions of outstanding stock, options or warrants, and investments in, and capital contributions, loans and advances (including any subordinated shareholder loans) to, Quiport, and other similar payments in respect of any equity interests, but excluding the Operator Fee and any other payments consisting of payments for goods and services in connection with the operation of the airport and not in violation of Section 6.9 of the Omnibus Amendment and Restatement to the Common Terms Agreement (each a "Restricted Payment"); provided that Quiport may make Restricted Payments so long as the Corporation shall have delivered to the new Administrative Agent (Citibank N.A.), at least ten (10) Business Days prior to the date of such Restricted Payment, a certificate from an Authorized Representative of the Borrower certifying that (a) no Default or Event of Default hall have occurred and be continuing or would result from such Restricted Payment and (b) attached thereto is evidence that immediately after to such Restricted Payment the Borrower has cash (excluding any cash that is (i) subject to any Liens, (ii) held for the benefit of any third party or (iii) held as cash reserves for the payment of future obligations) in an amount not less than $25 millions.

***Dividends*** - On September 22, 2017, Quiport paid a dividend of US$0.36 dollars per share, equivalent to a total dividend of US$24 million to the holders of ordinary, fully paid shares. The payment was approved by the Lenders.

## 17. REVENUE

| | …Year ended… | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Regulated revenue: | | | |
| Passenger tariffs | 77,279 | 70,984 | 69,594 |
| Airport services tariffs | 43,804 | 39,858 | 38,813 |
| Subtotal | 121,083 | 110,842 | 108,407 |
| Non-regulated revenue: | | | |
| Non-regulated revenue | 43,366 | 38,918 | 38,066 |
| Recognition of concessionaire contract liabilities (Note 14) | 955 | 914 | 1,252 |
| Subtotal | 44,321 | 39,832 | 39,318 |
| Commercial incentives | (3,438) | (3,056) | (315) |
| Recognition of MSIA contract liabilities (Note 14) | 9,746 | 9,746 | 9,746 |
| Total | 171,712 | 157,364 | 157,156 |

***Regulated revenue*** **-** Corresponds to the regulated revenue of NQIA. In accordance with the renegotiation process and as an outcome of the Strategic Alliance Agreement, the Corporation has been entitled to receive the 89% of regulated revenue starting in the Airport Openning day until to the end of the concession period. The remaining 11% belongs to the Municipality. This amount shall increase to 12% during the final 5 years of the concession period.

As of December 31, 2018, 2017 and 2016, total passenger departures were 2,602,629, 2,427,688 and 2,444,000, respectively and total aircraft movements were 57,397, 52,227 and 55,122, respectively.

Details of participation are as follows:

| | Total regulated revenue | Participation | |
|---|---|---|---|
| | | 89% Quiport | 11% Municipality |
| Year 2018 | | | |
| Regulated revenue: | | | |
| Passenger tariffs | 86,830 | 77,279 | 9,551 |
| Airport services tariffs | 49,218 | 43,804 | 5,414 |
| Total | 136,048 | 121,083 | 14,965 |
| Year 2017 | | | |
| Regulated revenue: | | | |
| Passenger tariffs | 79,757 | 70,984 | 8,773 |
| Airport services tariffs | 44,784 | 39,858 | 4,926 |
| Total | 124,541 | 110,842 | 13,699 |
| Year 2016 | | | |
| Regulated revenue: | | | |
| Passenger tariffs | 78,196 | 69,594 | 8,602 |
| Airport services tariffs | 43,610 | 38,813 | 4,797 |
| Total | 121,806 | 108,407 | 13,399 |

***Non-regulated revenue*** - Details of non-regulated revenues are as follows:

| | … Year ended … | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| *Aeronautical revenue:* | | | |
| Check-in counters | 4,164 | 3,889 | 3,832 |
| Cargo | 3,643 | 3,345 | 2,989 |
| Aircraft handling GSE | 3,223 | 3,033 | 3,152 |
| Fuel levy | 2,667 | 2,323 | 1,984 |
| Aeronautical services | 1,380 | 1,185 | 1,150 |
| Bussing (service) | 1,320 | 1,063 | 1,037 |
| Catering revenues | 1,065 | 1,010 | 914 |
| Others | 2,469 | 2,371 | 2,400 |
| Subtotal | 19,931 | 18,219 | 17,458 |
| *Non-aeronautical revenue:* | | | |
| Duty free | 6,989 | 6,581 | 6,478 |
| VIP lounge | 6,112 | 4,264 | 4,031 |
| Car parking | 3,986 | 3,872 | 3,822 |
| Advertising | 2,301 | 2,243 | 2,484 |
| Retail | 1,138 | 1,228 | 1,113 |
| Others | 2,335 | 2,087 | 2,476 |
| Subtotal | 22,861 | 20,275 | 20,404 |
| Others and subtotal | 574 | 424 | 204 |
| Total | 43,366 | 38,918 | 38,066 |

***Commercial incentives*** - During 2018 and 2017, the Corporation initiated an incentives program to increase passenger traffic. As a result of this program, the Corporation issued credit notes for US$3,438 to airlines in 2018 (US$3,056 in 2017).

The Chief Executive Officer (''CEO'') of the Corporation has been identified as the Chief Operating Decision Maker, who is responsible for the allocation of resources and evaluating the performance of operating segments. The CEO considers the business as one single segment, the airport concession.

The Corporation has its domicile in Ecuador. All its revenues are derived from customers in Ecuador and all of its non-current assets are located in Ecuador.

## 18. EMPLOYEE BENEFIT EXPENSES

| | … Year ended … | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Employee salaries | 6,388 | 6,482 | 6,331 |
| IESS and legal benefits | 4,055 | 2,351 | 2,414 |
| Employee insurance | 541 | 523 | 447 |
| Training | 194 | 317 | 201 |
| Defined benefits | 42 | 117 | 147 |
| Other benefits | 1,198 | 1,066 | 955 |
| Total | 12,418 | 10,856 | 10,495 |

## 19. FINANCIAL COSTS

| | … Year ended … | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Senior secured credit facilities | 8,508 | 12,594 | 17,479 |
| Related companies | 5,273 | 5,275 | 5,290 |
| Bridge loan | 142 | | |
| Others | 127 | 581 | 612 |
| Total | 14,050 | 18,450 | 23,381 |

## 20. FINANCIAL INSTRUMENTS

***20.1 Financial risks management*** - During the normal course of its business and financing activities, Quiport is exposed to different types of financial risks that may significantly affect, to a greater or lesser extent, the economic value of its cash flows and activities and, consequently, its revenue.

Quiport can call on an organization and financial systems, administered by the Finance Committee comprising 'lenders' and 'sponsors' representatives and which provide for the identification of such risks, determines their size, suggests mitigation measures, executes such measures and controls their effectiveness. The following is a definition of the risks faced by Quiport, the nature and quantification thereof, and a description of the mitigation measures currently used by Quiport, if any.

***20.1.1 Credit risk management*** - Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to Quiport. As a means of mitigating the risk of financial loss from defaults, the Corporation has started a process of obtaining reasonable guarantees, where appropriate, from new commercial clients operating and/or leasing facilities at the airport. Quiport has inherited most of the current counterparties and is in the process of reviewing these entities to ascertain whether they satisfy solvency and good credit standing through bank and trade referrals. Management diligently monitors potential events that could affect counterparty risk.

Trade receivables consist of airline operators and commercial clients, with a significant concentration of potential credit risk exposure from a small group of counterparties in the same industry. Quiport has monitored performance of the most significant counterparties and believes that they do not represent a material risk of default or financial loss to the Corporation.

***20.1.2 Interest rate risk*** - Quiport is not exposed to interest rate risks since loans are maintained at fixed rates.

***20.1.3 Liquidity risk*** - Financial Management is ultimately responsible for liquidity management. Financial Management has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity Corporation requirements. The Corporation manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities, by continuously monitoring forecasts and

actual cash flows and matching the maturity profiles of financial assets and liabilities.

Quiport practices a careful liquidity risk management and, therefore, keeps enough cash and other readily available financial assets to fulfill its payables and borrowings. However, as of December 31, 2018, the Corporation's working capital showed a negative balance of US$31,594 (Note 1.2). Management of Quiport believes that the liquidity risk exposure is temporally since Quiport has been generating cash flows from its operating activities, supported by strong profits. In addition, new financing facilities are in process of negotiation.

***20.1.4 Capital Risk Management*** - The greater part of the capital structure of Quiport comprises loans granted by overseas investment entities, capital paid in by shareholders and net income from the old airport during the construction period and the new airport, since it was opened and started its operations. Overseas investment entities financing the project have set up a series of trusts to ensure recovery of amounts invested and to guarantee the appropriate management of resources and, consequently, payment of obligations.

***20.2 Categories of financial instruments*** - Details of financial assets and liabilities held by the Corporation are as follows:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| *Financial assets:* | | | |
| Amortized cost: | | | |
| Cash and bank (Note 5) | 23,056 | 52,151 | 47,487 |
| Restricted cash (Note 6) | 25,000 | 1,680 | 25,662 |
| Trade and other receivables (Note 7) | 13,943 | 15,675 | 14,909 |
| Total | 61,999 | 69,506 | 88,058 |
| *Financial liabilities:* | | | |
| Amortized cost: | | | |
| Trade and other payables (Note 11) | 11,215 | 11,867 | 17,815 |
| Borrowings (Note 15) | 145,133 | 212,765 | 259,476 |
| Total | 156,348 | 224,632 | 277,291 |

***20.3 Fair value of financial instruments*** - Except as detailed in the following table, Management believes that the carrying amounts of financial assets and liabilities recognized at amortized cost in the financial statements approximate to their fair value:

| | 31/12/18 | | 31/12/17 | | 31/12/16 | |
|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| *Financial liabilities:* | | | | | | |
| Amortized cost: | | | | | | |
| Borrowings | | | | | | |
| Senior Secured Credit Facilities | | | 108,997 | 112,629 | 160,983 | 164,812 |
| Related companies | 79,041 | 82,299 | 103,768 | 97,364 | 98,493 | 93,144 |
| Total | 79,041 | 82,299 | 212,765 | 209,993 | 259,476 | 257,956 |

Regarding the Bridge loan, the management considers that the carrying amount approximate the fair value due to its short-term of repayment expected by management.

***20.3.1 Valuation techniques and presumptions applied for the purpose of measuring the fair value of financial instruments*** - The fair value of financial liabilities is determined at level 3 as follows:

***Non-active market: valuation technique*** **-** If the market for a financial liability is not active, the Corporation establishes the fair value using valuation techniques that include the use of available information on recent transactions between interested and duly informed parties, reference to other substantially similar instruments and / or the analysis of discounted cash flows based on appropriately supported assumptions (example: with prices or market rates).

As of December 31, 2018, 2017 and 2016, the rates used to determine the fair value of borrowings were 8.94%, 8.08% and 7.25%, respectively, based on loan market rates.

## 21. SIGNIFICANT RELATED COMPANIES TRANSACTIONS AND BALANCES

### *21.1 Principal transactions with related companies*

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Administrative and logistic expenses: | | | |
| Quito Airport Management Quiamaecuador S.A. and total | 18,905 | 17,311 | 16,947 |
| Interest expense: | | | |
| Green Coral (ex AECON Investment Corp.) | 1,654 | 1,654 | 1,659 |
| Alba Concessions | 1,977 | 1,978 | 1,984 |
| Icaros Development Corporation | 1,325 | 1,325 | 1,329 |
| Black Coral Investments Inc. | 317 | 318 | 318 |
| Total | 5,273 | 5,275 | 5,290 |
| Operation and maintenance fee : | | | |
| Quito Airport Management Quiama Ltd. and total | 6,707 | 6,318 | 6,296 |
| Reimbursement: | | | |
| Quito Airport Management Quiamaecuador S.A. and total | 290 | 144 | - |
| Software acquisition: | | | |
| Companhia de Particip. em Concessões EngelogTec and total | 860 | - | - |

### *21.2 Balances pending at the end of the reporting*

| | Balances owed by related parties | | | Balances owed to related parties | | |
|---|---|---|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 | 31/12/18 | 31/12/17 | 31/12/16 |
| Quito Airport Management Quiama Ltd. | | | 1,044 | 3,190 | 2,772 | 9,582 |
| Quito Airport Management Quiamaecuador S.A. | 843 | 866 | 742 | 919 | 937 | 765 |
| AECON Construction Group Inc. | | | | | | 363 |
| Companhia de Particip. Em Concessões (EngelogTec) | | | | 161 | | |
| Total | 843 | 866 | 1,786 | 4,270 | 3,709 | 10,710 |

### *21.3 Remuneration of key management personnel*

The Corporation's Management includes directors and others members of the different areas of the Corporation as key members Administration. The remunerations costs of key management personnel are as follows:

| | 31/12/18 | 31/12/17 | 31/12/16 |
|---|---|---|---|
| Remuneration of Directors and key personnel | 2,583 | 2,273 | 1,673 |

## 22. OPERATING LEASE ARRANGEMENTS

*Quiport as lessor:*

Operating leases relate to the infrastructure of the New Quito International Airport with lease terms of between 2 and 25 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Non-cancellable operating lease receivable:

| | Minimum lease payments | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Up to 1 year | 19,592 | 21,163 | 20,905 |
| More than 1 year and up to 5 years | 64,387 | 70,576 | 73,891 |
| Thereafter | 85,736 | 98,580 | 114,635 |
| Total | 169,715 | 190,319 | 209,431 |

The lease receivable includes a fixed fee plus an annual fee as a percentage of revenues.

The present value of minimum lease payments receivable for each period are as follows:

| | Minimum lease payments | | |
|---|---|---|---|
| | 31/12/18 | 31/12/17 | 31/12/16 |
| Up to 1 year | 18,688 | 20,265 | 19,235 |
| More than 1 year and up to 5 years | 49,838 | 55,766 | 60,013 |
| Thereafter | 37,400 | 45,434 | 33,242 |
| Total | 105,926 | 121,465 | 112,491 |

A summary of the principal lease contracts are as follows:

***Fuel Facilities Agreement*** **-** Servicio de Aviación Allied Ecuatoriana C. L. (Allied) as a Fuel Facility Operator entered into an agreement with Quiport on April 1, 2009, for the construction, operations and maintenance of the Fuel Facilities at the New Quito International Airport, and the furnishing of Fuel Facilities Services and related services at the New Airport. The term of this agreement is 20 years as of February 20, 2013.

Allied constructed, maintains and operates the Fuel Facilities under standards satisfactory to Quiport. Allied pays to the Concessionary the Fuel Concession Fee and an annual fee as a percentage of revenues derived from the Fuel Facilities Services.

Quiport's responsibilities, among others, are to provide reasonable cooperation in seeking assistance from relevant authorities, providing right of access to Allied and its subcontractors to the Fuel Facilities sites and the relevant areas of the New Quito International Airport, and providing information regarding any event that could potentially affect the project.

***Duty Free Agreement*** - Quiport and Attenza DF Ecuador S.A. entered into a contract on July 30, 2012. The contract establishes that Quiport shall grant the commercial space to the Duty Free Operator for building and providing services in accordance with such agreement. The terms of contract is for 12 years as of February 20, 2013.. Attenza DF Ecuador S.A. paid US$5 million to Quiport, which is considered as the transaction fee and US$8 million for a lease.

***Administrative Building***- Quiport and Quitotelcenter S.A. entered into an agreement on November 06, 2013 whereby Quiport provides rights to Quitotelcenter to commercially have a space for the construction and administration of a building for using such infrastructure as commercial offices and the provision of other services required by the NQIA in food, beverages and services areas and airport businesses-related activities.

Quitotelcenter shall pay Quiport a share based on the billing and another share as an office lease for 1,700 square meters. The agreement will be in force until January 26, 2041.

***Gas Station Contract.-*** Quiport and Aeroquitoserv S.A. entered into an agreement, on March 1, 2015, by which whose purpose is to lease the space from 5470 meters to adapt and build a gas station. The term of this contract is 12 years with the possibility of extending three more years.

***Hotel Agreement*** **-** Quiport S.A. and Promotores Inmobiliarios "PRONOBIS" S.A. entered into an agreement on August 2013. The purpose of this agreement is to provide to the operator access to build and operate the HOTEL in accordance with the terms and

conditions of this contract. This agreement will be in force until January 26, 2041 or the termination of the Quiport - Municipality Concession Contract.

## 23. GUARANTEES

At December 31, 2018, Quiport has a US$10 millions bank guarantee issued by Produbanco in favor of the Municipality of Quito with an expiration date of February 20, 2019, that has been established in the Concession contract to ensure compliance.

## 24. INSURANCE

The following are the main insurance policies in place at December 31, 2018:

| Policy | Amount Insured (in thousands of U.S. dollars) | Liabilities Guaranteed |
|---|---|---|
| General Liability | 25,000 | Third party liability for bodily injury and property. |
| Directors and Officer´s Liability | 10,000 | Directors and Officers liability and legal costs. |
| Crime | 10,000 | Fraud or dishonest acts caused by the employee and a third party. |
| Terrorism and Sabotage | 667,000 | Economic loses or damages caused as a consequence of terrorism and sabotage to the property. |
| Property Damage and Business Interruption | 667,000 | Multi - risk contract for the property. |
| Pymes – leased facilities | 1,107 | Loses or damages caused by incidents related to fire, earthquake and theft in connection with the usufruct agreement. |
| Pymes leased facilities | 630 | Loses or damages caused by incidents related to fire, earthquake and theft in connection with the usufruct agreement. |
| Airport Operator´s Liability | 1,000,000 | Operator Liability in connection with aviation activities |
| Vehicles | 134 | All-risk vehicles in connection with the usufruct |
| Vehicles | 1,000 | All-risk vehicles |

## 25. CONTINGENCIES

### *25.1 Comptroller Resolutions*

Pursuant to the Comptroller Law (Ley Orgánica de la Contraloría General del Estado), published in the Supplement of Official Gazette No. 595 of June 12, 2002 (the "Comptroller Law"), the CGE is an independent governmental institution. This institution was created by the Comptroller Law, with the mission to oversee and regulate the management and disposition of the funds and assets of public entities and, among others, of public resources managed by concessionaire corporations, including Quiport, as well as to examine the accounts related thereto.

The CGE has oversight responsibilities related to state contracts in Ecuador. Based on this authority and in the normal course of business, beginning in May 2015, the CGE undertook an audit of the Concession Contract, the Strategy Alliance Agreement and their related agreements. On January 7, 2016, the CGE issued a report regarding its investigation for the period from August 21, 2010 to March 23, 2015. Any period from March 23, 2015 until the date of these financial statements are still open for review. Prior years are outside the scope of any future investigation from the CGE. On August 5, 2016, the CGE issued Notices for Predetermination of Civil Liability Nos. 1371, 1372 and 1378 (collectively, the "Predeterminations"), for an aggregate amount of US$138,884.

Quiport commented on the Predeterminations to the CGE on October 13, 2016, and submitted arguments supported by evidence and independent legal and financial reports, confirming that the Predeterminations contained errors of fact and law, were untimely, and were outside the competence of the CGE. Notwithstanding Quiport's comments, on May 16, 2017, the CGE issued Resolutions Nos. 10376, 10377, 10378 and 10379 (collectively, the "Resolutions") confirming the Predeterminations and finding Quiport liable for the same amount determined on the predeterminations.

In response to the Resolutions, Quiport filed a Request for Reconsideration with the CGE on July 14, 2017. On June 30, 2017, Quiport filed with EMPSA a letter in connection with a potential declaration of a Political Event under the Concession Contract. In addition, on August 21, 2017, the CGE issued Resolutions Nos. 00667, 00670, 00675 and 00677 (collectively, the "Writs"), which expressly rejected the Request for Reconsideration and confirmed the Resolutions.

On September 12, 2017, in accordance with the Concession Contract, Quiport provided notice to the Municipality and the Management Unit that the CGE's failure to reconsider the Resolutions and issuance of the Writs constituted a Political Event under the Concession Contract.

On September 20, 2017, Quiport commenced four lawsuits against the CGE and the Attorney General of Ecuador before the Administrative Contentious Court of Ecuador requesting that each of the Resolutions be declared null and void on the basis of the CGE's lack of competence to issue them, or, alternatively, that they be declared to have no effect.

A detail of the open cases are as follow:

Case No. 17811-2017-01032 related to resolution No. 10376 by a potential amount in controversy of US$4.5 million plus interest. A preliminary hearing was held on June 21th, 2018 and the judgement hearing is scheduled for May 5th, 2019.

Case No. 17811-2017-01033 related to resolution No. 10377 by a potential amount in controversy of US$200 plus interest. A preliminary hearing was held on May 8, 2018 and the judgement hearing is scheduled for March 25, 2019.

Case No. 17811-2017-01034 related to resolution No. 10379 by a potential amount in controversy of US$57.4 million plus interest. A preliminary hearing was scheduled for February 1st, 2019, but this one was suspended and it has been rescheduled for October 29th, 2019.

Case No. 17811-2017-01035 related to resolution No. 10378 by a potential amount in controversy of US$76.7 million plus interest. A preliminary hearing was held on July 9th, 2018 and the judgement hearing for February 22th, 2019 was suspended. The Administrative Contentious Court of Ecuador will fix a date for the judgement hearing relating to this case.

The lawsuits are ongoing. In the event of an unfavorable decision, Quiport has the right to appeal to the National Court. In addition, Quiport separately notified to the government of Ecuador of the existence of a Political Event under the Investment Protection Agreement. In accordance with the Investment Protection Agreement, Quiport has the right to commence international arbitration proceedings any time.

The Quiport management's position regarding to the General Comptroller of Ecuador's Resolutions is that Quiport is not liable, which is supported with the opinion of its legal advisors who ratify that the resolutions should be declared null and void. As of the date of these financial statements, no amount has been recognized for this legal proceeding.

### *25.2 Internal Revenue Services*

On February 24, 2017, the Internal Revenue Service (SRI) started a tax assessment for fiscal year 2013. In addition, on January 26, 2018, and on June 14, 2018, Quiport received notices upon tax assessments in connection to fiscal years 2014 and 2015, respectively.

On February 20, 2018, Quiport received SRI Final Determination No. 17201824900154057, which concluded that Quiport were not eligible for certain exemptions as free trade zone users and were liable for approximately US$7.6 million plus interest in respect of revenues received for fiscal year 2013. Quiport filed an administrative claim on March 19, 2018 in connection to the Final Determination No. 17201824900154057, which was rejected by the SRI on September 10, 2018 through resolution No. 117012018RREC280266. Therefore, Quiport filed a lawsuit before the Ecuadorian tax courts on December 5, 2018 against the September 10, 2018 SRI Resolution and, on January 9, 2019, the court admitted the lawsuit.

In connection to the 2013 Income Tax Dispute, on March 22, 2018, in accordance with the Concession Contract, Quiport provided notice to the Municipality and EPMSA that the SRI's Final Determination for the fiscal year 2013 constitutes a Political Event under the Concession Contract. In addition, on April 12, 2018, Quiport separately notified Ecuador of the existence of a Political Event under the Investment Protection Agreement.

On November 26, 2018, Quiport received SRI Final Determination No. 17201824901288349, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately US$10 million plus interest regarding to the revenues received for fiscal year 2014. On December 21, 2018, Quiport filed an administrative claim against the November 26, 2018 SRI Final Determination and the Tax Authority has 120 business days to resolve the challenge.

In connection to the 2014 Income Tax Dispute, Quiport provided notice on December 26, 2018 to the Municipality and EPMSA that such Final Determination constitutes a Political Event under Concession Contract.

On January 16, 2019, Quiport received Final Determination No. 17201924900048637 from the SRI, which concluded that Quiport was not eligible for a tax exemption and was liable for approximately US$ 17 million plus interest in respect of revenues received for fiscal year 2015. Quiport filed an administrative claim on February 11, 2019.

The Quiport management's position regarding to the non-payment of taxes and tax contributions is supported by the opinion of its legal advisors who ratify that Quiport is entitled to the Income Tax exemption due to it continues to be applicable for all free trade zone users and administrators that are still in operation for the term of their authorization and failing to recognize the income tax exemption would infringe several guarantees granted by the Ecuadorian State, including the general and specific guarantees of legal stability granted to QUIPORT in respect of the tax legal framework, in accordance to the Investment Protection Agreement. As of the date of these financial statements, no amount has been recognized for this proceeding.

For the administrative and judicial tax proceedings regarding to the disputes for the Income Tax Exemption for fiscal years 2013, 2014 and 2015, Quiport is entitled to legal actions before the Tax Courts, National Court and Constitutional Court in Ecuador, as applicable.

The Quiport administration expects that the Tax assessments for the years 2016 and 2017 will come in a short time.

## 26. COMMITMENTS

At December 31, 2018, the Corporation's most important commitments and agreements are as follows:

***Concession Contract*** - CORPAQ and Canadian Commercial Corporation entered into the First Amended and Restated Concession Contract relating to the Project, dated as of June 22, 2005, which amended and restated the Concession Contract entered into by

such parties on September 16, 2002, and which was further amended by such parties pursuant to the First Deed of Amendment, dated as of January 27, 2006 (as amended, modified, novated, restated and supplemented from time to time, the "Concession Contract"). CORPAQ, CCC and Quiport entered into that certain First Amended and Restated Novation Agreement, dated as of June 22, 2005, which amended and restated the Novation Agreement entered into by such parties on September 16, 2002, and pursuant to which the Concession Contract has been novated so as to replace CCC with Quiport as the Concessionaire thereunder.

The Concession Contract establishes a concession period of 35 years from January 27, 2006 (the Effective Date). The purpose of the concession is to operate, administer, manage, and maintain the old airport (MSIA) until the date of transfer to the New Quito International Airport (NQIA) and design, develop, administer, manage, operate and maintain at the new airport site. Upon termination of the concession period, all installations will be handed back to Municipality.

***Strategic Alliance Agreement*** **-** As a result of the adoption of the 2008 Constitution and other changes to the relevant legal framework, the Constitutional Court declared that the public nature of the revenues derived from the charges for the various airport services at the Old Airport, as well as other airports of the country, and ordered that the relevant agreements be modified to reflect an accurate participation framework for income derived from such regulated sources. As a result, Quiport entered into the Strategic Alliance Agreement to establish a structure for the public and private contributions to the project, as well as the distribution of the economic benefits derived from their respective contributions. Under the Strategic Alliance Agreement, the Municipality is entitled to participate in the economic benefits of the project by way of the Municipality Economic Benefit Participation (11% of the collection from airport charges) and Quiport is entitled to participate in the economic benefits of the project (89% of the collection from airport charges).

In accordance with the Strategic Alliance Agreement and related documents, for the period from the Airport opening date to the end of the concession period, because of the participation of the Municipality in the economic benefits of the project, the Surcharge Collector (Quiport) will cause the transfer of 11% of the Regulated Charges collected by the Surcharge Collector with respect to each calendar quarter to the NQIA Trust Account; provided that with respect to each calendar quarter occurring within the last five years of the Concession Period, the Surcharge Collector will cause the transfer of 12% of the Regulated Charges collected by the Surcharge Collector in each such calendar quarter to the NQIA Trust Account

The Regulated Charges include:

a) Airport services tariffs (landing, lighting, parking, embarking bridge) and;
b) Passenger tariffs: TUT (Terminal use tariff), CFR (Crash, fire and rescue) and ATC (Air Traffic Control)

Participation in the economic benefits is not subject to any adjustment in the event of the Project's actual financial yield being greater or less that the forecast of the Negotiating Parties.

The regulated tariffs will not be increased at any time prior to opening the new airport. On the opening date of the new airport, the regulated charges were established at the maximum permitted level pursuant to Appendix 9 of the Concession Contract.

Thereafter, the tariffs have been adjusted for inflation in accordance with the Municipality Ordinance 335.

***Second Amendment to the Concession Contract*** - Pursuant to the Strategic Alliance Agreement, on August 9, 2010, the Second Amendment to the Concession Contract was signed between the Municipality and the Corporation, in which the economic benefits for the project were set out; and, a provision in connection to the security equipment was introduced into the Concession Contract, by which Quiport, without prejudice to the Municipality's obligations, contribute up to US$10 million to pay for the cost of security equipment instead of the highway contribution.

***Third Amendment to the Concession Contract*** **-** Upon the Municipality's request, Quiport, the Municipality and EPMSA agreed on this amendment that the opening date of the New Quito International Airport shall be on February 20, 2013.

***Consultants regarding to clause 7.2.14 of Concession Contract*** **-** Due to changes to the Airport Development Reference Manual of IATA (the "IATA Manual") made in December 2014, the Comptroller General of Ecuador concluded in its final report DAPyA-0006-2016 dated January 1, 2016, that the standards in the Concession Contract were no longer aligned with those of the IATA Manual and made certain recommendations to the Municipality. Quiport, the Municipality and EPMSA subsequently have engaged in discussions with respect to certain amendments to the Concession Contract in this respect.

***Operation and Maintenance Agreement*** - On August 24, 2005, Quito Airport Management Quiama Ltd. (formerly known as "ADC & HAS Management Ltd."), a company incorporated under the laws of British Virgin Island, entered into an agreement with Quiport for the provision of airport services in Mariscal Sucre International Airport. To undertake this contract, the operator shall administer the employee payroll and the operation and maintenance of airside and landside facilities, buildings and improvements of the Airport. Expenses incurred in the execution of the contract shall be reimbursed by Quiport.

***Usufruct Agreement*** - On March 1, 2018, EPMSA and Quiport entered into an usufruct contract for certain goods used in the operation, maintenance and service for accidents, fire and rescue at the new airport. This usufruct contract grants to Quiport the right to use and receive the economic benefit generated by these assets for a 5-year period as from the opening date of the new airport in exchange for a payment. Upon conclusion of the contract term, Quiport will surrender the goods in the same conditions in which they were at the time of signing the contract, taking into account normal wear and tear. Therefore, Quiport is responsible for the administration, maintenance and custody of the goods.

## 27. SUBSEQUENT EVENTS

Between December 31, 2018 and the date of the issuance of these financial statements (February 15, 2019), no events occurred that in the opinion of Management could have a material effect on the financial statements.

## 28. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by Management and authorized for issue on February 15, 2019.

**ISSUER**
**INTERNATIONAL AIRPORT FINANCE, S.A.**
Calle Ayala 100
Stair 2, Floor 1, Door D
28001, Madrid, Spain

**BORROWER**
**Corporación Quiport S.A.**
Parroquia Tababela S/N vía a Yaruquí
Aeropuerto Internacional Mariscal Sucre
Edif. Quito Airport Center, Nivel 2
Quito, Ecuador

**LEGAL ADVISORS TO ISSUER AND BORROWER**

*As to United States law*

**White & Case LLP**
1221 Avenue of the Americas
New York, New York 10020-1095
United States of America

*As to Ecuadorian law*

**Pérez Bustamante & Ponce**
Av. República de El Salvador N36-140
Edificio Mansión Blanca
Quito, Ecuador

*As to Spanish law*

**Uría Menéndez Abogados, S.L.P.**
Príncipe de Vergara, 187
Plaza de Rodrigo Uría
28002 Madrid, Spain

**LEGAL ADVISORS TO THE INITIAL PURCHASERS**

*As to United States law*

**Milbank LLP**
55 Hudson Yards
New York, New York 10001-2163
United States of America

*As to Ecuadorian law*

**Noboa, Peña & Torres Abogados Ecuador**
Av. República de El Salvador N36-230 y Av. Naciones Unidas
Edif. Citibank, 2do. Piso
Quito, Ecuador

*As to Spanish law*

**J&A Garrigues, S.L.P.**
Calle de Hermosilla, 3
28001 – Madrid
Spain

**INDEPENDENT AUDITORS OF BORROWER**
**Deloitte & Touche**
**Ecuador Cía. Ltda.**
Av. Amazonas N3517
Quito, Ecuador

**INDENTURE TRUSTEE, NOTES COLLATERAL AGENT AND REGISTRAR**
**Citibank, N.A.**
388 Greenwich Street
New York, New York 10013
United States of America

# U.S.$400,000,000

# INTERNATIONAL AIRPORT FINANCE, S.A.

## 12.000% Senior Secured Notes Due 2033

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**LISTING PARTICULARS**

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*Global Coordinators and Joint Book-Running Managers*

**Citigroup** **Santander**

April 2, 2019