Hearing Date & Time: September 16, 2020 at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: September 8, 2020 at 4:00 p.m. (prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
AVIANCA HOLDINGS S.A., *et al.*,[1]	:	Case No. 20-11133 (MG)
Debtors.	:	(Jointly Administered)

NOTICE OF HEARING ON DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING INCURRENCE AND PAYMENT OF BREAK-UP FEE, TRANSACTION EXPENSES, AND INDEMNIFICATION OBLIGATIONS IN CONNECTION WITH POSTPETITION FINANCING

[1] The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

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PLEASE TAKE NOTICE that a hearing will be held at **10:00 a.m. (prevailing Eastern Time) on September 16, 2020** before the Honorable Martin Glenn, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 to consider *Debtors' Motion for Entry of an Order Authorizing Incurrence and Payment of Break-Up Fee, Transaction Expenses, and Indemnification Obligations in Connection with Postpetition Financing* (the "Motion").

PLEASE TAKE FURTHER NOTICE that, in accordance with General Order M-543 dated March 20, 2020, the Hearing will be conducted telephonically. Any parties wishing to participate must do so telephonically through CourtSolutions (www.court-solutions.com). Instructions to register for CourtSolutions LLC are attached to General Order M-543.

PLEASE TAKE FURTHER NOTICE that, any objections or responses to the relief requested in the Motion shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York, and the Case Management Order; (c) be filed electronically with this Court on the docket of *In re Avianca Holdings S.A.*, Case 20-11133 (MG) by registered users of this Court's electronic filing system and in accordance with the General Order M-399 (which is available on this Court's website at http://www.nysb.uscourts.gov) by **September 8, at 4:00 p.m., prevailing Eastern Time**; and (d) be promptly served on the following parties: (i) the Chambers of the Honorable Martin Glenn, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004; (ii) the Debtors, c/o Richard Galindo (richard.galindo@avianca.com); (iii) Milbank LLP, 55 Hudson Yards, New York, New York 10001 (Attn: Evan R. Fleck, Esq. and Gregory A. Bray, Esq. (efleck@milbank.com and

gbray@milbank.com)), counsel for the Debtors; (iv) Morrison & Foerster LLP, brettmiller@mofo.com and tgoren@mofo.com (Attn: Brett H. Miller, Esq. and Todd M. Goren, Esq.), counsel to the Official Committee of Unsecured Creditors (the "Committee"); (v) Paul Hastings LLP, Attn: Pedro A. Jimenez, Esq. and Andrew V. Tenzer, Esq. (pedrojimenez@paulhastings.com and andrewtenzer@paulhastings.com); (vi) William K. Harrington, U.S. Department of Justice, Office of the U.S. Trustee, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Brian Masumoto, Esq. and Greg Zipes, Esq.); (vii) the Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549; and (viii) the Federal Aviation Administration, 800 Independence Ave., S.W. Washington, DC 20591 (Attn: Office of the Chief Counsel).

PLEASE TAKE FURTHER NOTICE that copies of the Motion and other pleadings for subsequent hearings may be obtained free of charge by visiting the KCC website at http://www.kccllc.net/avianca. You may also obtain copies of any pleadings by visiting at http://www.nysb.uscourts.gov in accordance with the procedures and fees set forth therein.

PLEASE TAKE FURTHER NOTICE that *your rights may be affected*. You should read the Motion carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult with one.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned thereafter from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing or at a later hearing.

PLEASE TAKE FURTHER NOTICE that you need not appear at the Hearing if you do not object to the relief requested in the Motion.

PLEASE TAKE FURTHER NOTICE that if you do not want the Court to grant the relief requested in the Motion, or if you want the Court to consider your view on the Motion, then you or your attorney must attend the Hearing. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter orders granting the relief requested in the Motion with no further notice or opportunity to be heard.

Dated: August 31, 2020
New York, New York

/s/ Evan Fleck

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
AVIANCA HOLDINGS S.A., *et al.*,[1]	:	Case No. 20-11133 (MG)
Debtors.	:	(Jointly Administered)

DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING INCURRENCE AND PAYMENT OF BREAK-UP FEE, TRANSACTION EXPENSES, AND INDEMNIFICATION OBLIGATIONS IN CONNECTION WITH POSTPETITION FINANCING

[1] The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

Avianca Holdings S.A. and its direct and indirect subsidiaries in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), as debtors and debtors in possession (collectively the "Debtors") respectfully represent as follows in support of this motion (the "Motion"):

RELIEF REQUESTED

1. Pursuant to this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, pursuant to sections 105(a), 363(b), 503(b)(1) and 507(a)(2) of title 11 of the United States Code, (the "Bankruptcy Code"), Rule 6004(h) of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") and Rule 9013-1 of the Local Bankruptcy Rules of the Southern District of New York (the "Local Rules"), (i) approving the Break-Up Fee (defined below) as described in that certain Debtor in Possession Term Loan Credit Facility Backstop Commitment Letter, dated as of August 28, 2020 (the "Commitment Letter") annexed in redacted form hereto and filed separately under seal as Exhibit D to that certain Restructuring Support Agreement, dated as of August 28, 2020, by and among the Debtors and the Consenting Noteholders that are party thereto, attached to this Motion as **Exhibit B** (the "RSA")[2]; (ii) approving the Indemnification Obligations (defined below) as set forth in Section 6 of the Commitment Letter, and (iii) approving the Expense Reimbursement (defined below) pertaining to the transaction expenses incurred by the advisors to the Consenting Noteholders, as more fully described in Section 8.05 of the RSA.

2. To the extent the Court enters an order granting this Motion, the Debtors intend to seek, by separate motion in the near term, approval of their anticipated debtor-in-possession financing facility. The relief requested herein is a predicate to the Consenting Noteholders' participation in the DIP Facility as set forth more fully below.

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[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the RSA, annexed hereto as Exhibit B.

JURISDICTION

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

4. On May 10, 2020 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Amended Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 73].

6. On May 22, 2020, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the "Committee"). See *Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 154]. No trustee or examiner has been appointed in these cases.

7. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to the filing of these cases is set forth in the *Declaration of Adrian Neuhauser in Support of the Debtors' Chapter 11 Petitions and First Day Orders* [Docket No. 20] (the "First Day Declaration").

THE RSA & COMMITMENT LETTER

8. The Debtors have publicly announced that they are in the process of seeking DIP financing in the aggregate amount of nearly $2 billion. The RSA, by and among the Debtors and the Consenting Noteholders, is a significant step for the Debtors towards obtaining this DIP

financing, and eventually, emerging from chapter 11 as a going concern. By its terms, the RSA provides a framework whereby, subject to the terms and conditions set forth therein, the Consenting Noteholders have agreed to (a) backstop a substantial portion of the DIP financing in the amount of $200 million, (b) support the Debtors' eventual chapter 11 plan, and (c) the priming of the prepetition liens on the Shared Collateral (which collateral includes, *inter alia*, key significant intellectual property rights of the Debtors) so that such collateral can be pledged on a senior secured basis as collateral for the entire DIP loan in exchange for the rollup of approximately $220 million of the prepetition Notes.

9. As is standard, the RSA requires each of the Parties to carry out and adhere to certain obligations and, in the case of the Debtors, to indemnify and compensate the Consenting Noteholders for certain fees and expenses. While this Motion does not seek Court approval of the RSA itself, it does seek Court approval of three specific components of the RSA (and the RSA's annexed Commitment Letter) (together, the "Transaction Protections, as summarized in the chart below) that are critical to the Consenting Noteholders' agreement to, among other things, provide the Debtors with DIP financing.

Transaction Protections[3]	
Break-Up Fee *See* Commitment Letter, Sec. 4	Payment to the Backstop Parties of a fee equal to 1.75% of the Commitments, and capped at $4,375,000 (as more fully described in Section 4 of the Commitment Letter, the "Break-Up Fee"), payable as an administrative expense to the Backstop Parties in the event any Debtor determines to enter into any alternative proposal for DIP financing which does not include the Noteholder Roll-Up DIP loans (*i.e.*, the roll-up of $220 million of prepetition Notes into the DIP Loans) (such financing, an "Alternative DIP Financing").

[3] This summary is qualified in its entirety by reference to the provisions of the RSA and Commitment Letter. In the event of a conflict between the descriptions herein and those in the RSA and/or Commitment Letter, the terms as set forth in the RSA (attached hereto as **Exhibit B**) and Commitment Letter (attached to the RSA as Exhibit D) shall control.

Expense Reimbursement *See* RSA, Sec. 8.05 and Commitment Letter, Sec. 6	Payment by the Debtors, on a joint and several basis, in full, in cash, and subject to Bankruptcy Court approval and the terms of the applicable engagement letter or fee reimbursement letters, all fees and expenses (excluding any success fee)[4] of Paul Hastings LLP and Evercore Partners, to the extent not otherwise paid pursuant to the Adequate Protection Stipulation (as more fully described in Section 8.05 of the RSA and Section 6 of the Commitment Letter, the "Expense Reimbursement").
Indemnification Obligations *See* Commitment Letter, Sec. 6	Agreement by the Debtors to indemnify and hold harmless each Backstop Party (including their respective affiliates and affiliates' respective officers, directors, employees, attorneys, accountants, advisors, etc.) (each, an "Indemnified Person") from and against any and all Losses to which any such Indemnified Person may become subject arising out of or in connection with the Backstop Commitment Letter or the DIP Facility (as more fully described in Section 6 of the Commitment Letter, the "Indemnification Obligations").

10. The Parties have engaged in good faith, arm's-length negotiations regarding the RSA, the Commitment Letter, and the Transaction Protections. The Debtors believe that the Transaction Protections represent a sound exercise of their business judgment in the context of their anticipated DIP Facility, and are in the best interests of their estates and creditors. If the Debtors are unable to satisfy these terms, which are a material condition to the Consenting Noteholders' commitments under the RSA and the Commitment Letter, they will lose a substantial funding component of their anticipated DIP Facility and also not be provided with the senior secured priming lien on the Shared Collateral, which could adversely affect the Debtors' ability to obtain the entirety of the anticipated DIP financing.

11. Failure to obtain entry of the Order (and, in turn, the Consenting Noteholders' DIP commitments) could be detrimental to the Debtors' prospects for a meaningful recovery. The Debtors must obtain postpetition financing to operate their businesses and ultimately emerge from

[4] The Debtors anticipate requesting authority to pay Evercore's success fee as part of the motion to approve the DIP Facility.

chapter 11. Reaching a final agreement with the Consenting Noteholders (who require that the Order be entered to participate in the DIP Facility, *see* RSA § 2.01(a)) will help to ensure that the Debtors obtain this liquidity and, in turn, return to normal operations as soon as possible.

12. Time is of the essence regarding the approval of the Transaction Protections. As a preliminary matter, and as explained above, the approval of the Transaction Protections is a condition precedent to the Consenting Noteholders' agreement to fund the DIP Facility. Moreover, the RSA contains a milestone requiring that the Debtors obtain an order approving the Transaction Protections no later than fifteen (15) business days after the Agreement Effective Date (i.e., by September 21, 2020). *See* RSA § 6.01(k). A failure by the Debtors to obtain such order would result in a termination right in favor of the Consenting Noteholders.

BASIS FOR RELIEF

I. The Debtors' Agreement to Provide the Transaction Protections Represents a Sound Exercise of the Debtors' Business Judgment

13. "Section 363 [of the Bankruptcy Code] . . . governs the use of funds by the debtor in possession while it operates its business after the bankruptcy petition is filed." In re Enron Corp., 335 B.R. 22, 27 (S.D.N.Y. 2005). Section 363(b) of the Bankruptcy Code provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b); In re Lionel Corp., 772 F.2d 1063, 1066 (2d. Cir. 1983). Section 105(a) of the Bankruptcy Code provides that, "the court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title," including the provisions of section 363(b). See 11 U.S.C. § 105 (a); In re Enron Corp., 335 B.R. at 27.

14. Courts generally will approve a request for relief under section 363 of the Bankruptcy Code where the debtor demonstrates a sound business justification for seeking such

relief. In re Lionel Corp., 722 F.2d at 1071 ("The rule we adopt requires that a judge determining a section 363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application."); In re Fairfield Sentry Limited, 539 B.R. 658, 668 (Bankr S.D.N.Y. 2015) (SMB) (same); In re MF Global Inc., 467 B.R. 726, 730 (Bankr. S.D.N.Y. 2012) (MG) ("Although not specified by section 363, the Second Circuit requires that transactions under section 363 be based on the sound business judgment of the debtor or trustee.").

15. To determine if a "good business reason" exists, courts apply the business judgment rule. In re Integrated Resources, Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992). The business judgment rule is "a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interest of the company." Id. Additionally, courts generally will not interfere with corporate decisions as to what is in a debtor's best interest absent a showing of bad faith, self-interest, or gross negligence. Id. Generally, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will not entertain objections to the debtor's conduct." MF Global Inc., 467 B.R. at 730 (citing In re Johns–Manville Corp., 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986)). Furthermore, "[i]f a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate; the burden of rebutting that presumption falls to parties opposing the transaction." Id.

16. Here, the Transaction Protections are both reasonable and appropriate, and represent a sound exercise of the Debtors' business judgement as an integral part of their anticipated DIP Facility. The Transaction Protections are the product of extensive and arm's-length negotiations among the Debtors and the Consenting Noteholders, with each of the Parties

represented by counsel and financial advisors. The Debtors and the Consenting Noteholders completed numerous rounds of negotiations regarding the terms of the Transaction Protections, and during these negotiations, the Debtors were able to obtain additional economic and non-economic concessions from the Consenting Noteholders that are reflected herein. The Transaction Protections reflect market terms and conditions, and are fair and reasonable in light of the type of transaction and the size of the proposed financings.

17. With respect to the Break-Up Fee, this component of the Commitment Letter is designed to compensate the Consenting Noteholders for the financial risk they are undertaking in agreeing to provide new money financing to the Debtors. The Consenting Noteholders have incurred a significant opportunity cost by agreeing to hold available at least $200 million of capital for use in the anticipated DIP Facility that, but for their commitment, could be deployed elsewhere. Additionally, the Break-Up Fee is only payable in the event of an Alternative DIP Financing.

18. The Expense Reimbursement is also warranted in light of the substantial diligence undertaken by the Consenting Noteholders, as well as their good faith negotiations and incurrence of legal and advisor fees leading up to their decision to enter into the RSA and Commitment Letter. The expenses to be reimbursed by the Debtors are reasonable in light of the amount of work undertaken by the Consenting Noteholders and their advisors, as well as the significant benefits that the Debtors and their estates stand to realize from consummation of the anticipated DIP Facility. Additionally, the Debtors are already obligated to make adequate protection payments to the Trustee in connection with the Debtors' use of certain aircraft equipment collateral, which payments are applied first to the professional fees of the Trustee (including Paul Hastings and Evercore).[5]

[5] As set forth in paragraph E of that First Stipulation and Order Between Debtors and Finance Parties Concerning Certain Collateral [Docket No. 691] (the "Adequate Protection Stipulation"), "All amounts paid pursuant to this

19. The Indemnification Obligations are similarly reasonable. The Consenting Noteholders require the assurance of indemnification from the Debtors before they will enter into the anticipated DIP Facility. As the Consenting Noteholders will be providing the commitments necessary to ensure that the Debtors can obtain critically needed postpetition financing, it is appropriate for such parties to be protected from claims and litigation arising in connection therewith. Furthermore, the Indemnification Obligations are subject to customary carve-outs for losses arising out of the Consenting Noteholders' bad faith, willful misconduct, or gross negligence.

20. Without the inducements of the Transaction Protections, the Consenting Noteholders would not have agreed to the terms and conditions of the RSA, Commitment Letter, and anticipated DIP Facility. The Transaction Protections are a material condition to the Consenting Noteholders' commitments under the RSA and Commitment Letter. If the Debtors cannot satisfy the Transaction Protections for the benefit of the Consenting Noteholders, the Debtors will be unable to finalize an agreement with the Consenting Noteholders concerning the anticipated DIP financing, and in turn, jeopardize their prospects for obtaining postpetition liquidity required to fund their operations. Accordingly, the Transaction Protections are reasonable and enhance the value of the Debtors' estates.

21. Bankruptcy courts in this jurisdiction and others routinely approve break-up fees and expense reimbursements under restructuring support or similar agreements. See, e.g.; Order, In re TK Holdings Inc., Case No. 17-11375 (Bankr. D. Del. Dec. 8, 2017) [Docket No. 1335]

Stipulation by or on behalf of any Debtor shall be paid to Wilmington Savings Fund Society, FSB, as the Trustee and Applicable Authorized Representative (the "Trustee") under the CSA (as defined in Exhibit A). The Trustee shall first, apply such amounts to payment of the fees, expenses and costs of the Trustee including advisors to the Indenture Trustee including, without limitation, the fees and expenses of Pryor Cashman LLP, Paul Hastings LLP and Evercore to the full extent permitted by the CSA (as defined in Exhibit A), and second, hold any remaining amounts for application pursuant to this Stipulation, the CSA (as defined in Exhibit A) or further order of the Court."

(approving break-up fee and reimbursement of expenses for lenders under RSA); Order, In re Genco Shipping & Trading Ltd., Case No. 14-11108 (SHL) (Bankr. S.D.N.Y. Apr. 25, 2014) [Docket No. 47] (same); Order, In re Breitburn Energy Partners LP, Case No. 16-11390 (SMB) (Bankr. S.D.N.Y. Dec. 1, 2017) [Docket No. 1886] (same, including indemnification obligations, under backstop commitment agreement); Order, In re KIT Digital, Inc., Case No. 13-11298 (REG) (Bankr. S.D.N.Y. Jun. 17, 2013) [Docket No. 238] (approving break-up fee and expense reimbursement under plan support agreement); Order, In re General Maritime Corp., Case No. 11-15285 (MG) (Bankr. S.D.N.Y. Dec. 15, 2011) [Docket No. 140] (same, under equity commitment agreement); Order, In re NextMedia Group, Inc., Case No. 09-14463 (Bankr. D. Del. Jan. 22, 2010) [Docket No. 126] (same, under RSA); see also In re Residential Capital, LLC, Case No. 12-12020 (MG) (Bankr. S.D.N.Y. Jun. 28, 2012) [Docket No. 538] (authorizing break-up fees for stalking horse bidders under two separate APAs).

22. Bankruptcy courts frequently approve break-up fees and expense reimbursements for the benefit of anticipated DIP lenders. See, e.g., Order, In re LATAM Airlines Group, S.A., Case No. 20-11254 (JLG) (Bankr. S.D.N.Y. Jul. 26, 2020) [Docket No. 679] (approving 0.75% break-up fee for anticipated DIP lender); In re Grupo Aeroméxico, S.A.B. de C.V., Case No. 20-11563 (SCC) (Bankr. S.D.N.Y. Aug. 13, 2020) [Docket No. 269] (Debtors' motion authorizing a 1.2% break fee approved at hearing held August 17, 2020); In re Pacific Exploration & Production Corp., Case No. 16-11189 (JLG) (Bankr. S.D.N.Y. Jun. 10, 2016) [Docket No. 25] (giving full force and effect in chapter 15 case to Canadian court's approval of 5% break-up fee and expense reimbursement for anticipated DIP lender); Order, In re Arcapita Bank B.S.C.(c), Case No. 12-11076 (SHL) (Bankr. S.D.N.Y. May 17, 2013) [Docket No. 1113] (approving 2% break-up fee for anticipated DIP lender); Order, In re Sea Launch Co., L.L.C., Case No 09-12153 (Bankr. D. Del.

May 12, 2010) [Docket No. 697] (same); Order, In re Point Blank Solutions, Inc., Caser No. 10-11255 (Bankr. D. Del. Dec. 28, 2010) [Docket No. 968] (approving 3.75% break-up fee and expense reimbursement for anticipated DIP lender).

23. In addition, bankruptcy courts regularly approve the incurrence by debtors of indemnification obligations under restructuring support or similar agreements. See, e.g., Order, In re Roust Corp., Case No. 16-23786 (RDD) (Bankr. S.D.N.Y. Jan. 10, 2017) [Docket No. 40] (approving debtors' indemnification obligations to lenders as part of RSA and backstop agreement); Order, In re Forbes Energy Services Ltd., Case No. 17-20023 (Bankr. S.D. Tex. Mar. 29, 2017) [Docket No. 205] (same, under RSA); Order, In re MPM Silicones, LLC, Case No. 14-22503 (RDD) (Bankr. S.D.N.Y. Jun. 23, 2014) [Docket No. 509] (same, under backstop commitment agreement in connection with RSA); Order, In re Point Blank Solutions, Inc., Caser No. 10-11255 (Bankr. D. Del. Dec. 28, 2010) [Docket No. 968] (same, with respect to indemnifying DIP lenders under plan support agreement).

24. In sum, the Debtors respectfully submit that their agreement to provide the Transaction Protections is a valid exercise of their business judgment, reasonable and justified under the circumstances, and should be approved.

II. The Transaction Protections Should Be Granted Administrative Expense Status Pursuant to Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

25. The Transaction Protections under the RSA and Commitment Letter constitute "necessary costs and expenses of preserving the estate" under section 503(b)(1)(A) of the Bankruptcy Code. Without the ability to pay the Break-Up Fee, Expense Reimbursement, and Indemnification Obligations, the Debtors would be unable to secure the commitment of the Consenting Noteholders under the anticipated DIP Facility. Such a result would jeopardize the

Debtors' ability to obtain critically needed postpetition financing, thereby impairing the value of their businesses to the detriment of their stakeholders.

26. Bankruptcy courts in this district and others regularly grant administrative expense status to the type of transaction protections sought to be approved herein. See, e.g., Order, In re LATAM Airlines Group, S.A., Case No. 20-11254 (JLG) (Bankr. S.D.N.Y. Jul. 26, 2020) [Docket No. 679] (break-up fee for anticipated DIP lender deemed allowed, to the extent payable under commitment letter, as administrative priority claim); Order, In re Breitburn Energy Partners LP, Case No. 16-11390 (SMB) (Bankr. S.D.N.Y. Dec. 1, 2017) [Docket No. 1886] (break-up fee, expense reimbursement, and indemnification under backstop agreement deemed allowed administrative expense claims); Order, In re Genco Shipping & Trading Ltd., Case No. 14-11108 (SHL) (Bankr. S.D.N.Y. Apr. 25, 2014) [Docket No. 47] (break-up fee under RSA deemed administrative expense); Order, In re KIT Digital, Inc., Case No. 13-11298 (REG) (Bankr. S.D.N.Y. Jun. 17, 2013) [Docket No. 238] (break-up fee and expense reimbursement deemed allowed administrative expenses).

27. Accordingly, the circumstances justify awarding the Transaction Protections administrative expense status pursuant to section 503(b) and 507(a)(2) of the Bankruptcy Code.

REQUEST FOR WAIVER OF STAY

28. The Debtors seek a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As set forth above, the relief requested herein is essential to prevent immediate and irreparable damage to the Debtors' operations, going-concern value, and their efforts to pursue a resolution to these chapter 11 cases.

29. A delay in obtaining final Court approval of the Transaction Protections may cause a delay in the Debtors obtaining access to the proceeds of the DIP Facility, and could thereby jeopardize the Debtors' ability to continue operating as a going concern. Accordingly, the Debtors submit that the relief requested herein is necessary to avoid immediate and irreparable harm and, therefore, the relief requested herein is appropriate under the circumstances and under Bankruptcy Rule 6004(h).

NOTICE

30. Notice of this Motion has been or will be given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Standard Parties (as defined in the *Order Implementing Certain Case Management and Notice Procedures* [Docket No. 47]); and (b) any party that has requested service pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no further notice need be given.

NO PRIOR REQUEST

31. No prior request for the relief sought in this motion has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: August 31, 2020
New York, New York

/s/ Evan Fleck

Dennis F. Dunne
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Counsel for Debtors and
Debtors-in-Possession

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
AVIANCA HOLDINGS S.A., *et al.*,[1]	:	Case No. 20-11133 (MG)
Debtors.	:	(Jointly Administered)

ORDER AUTHORIZING INCURRENCE AND PAYMENT OF CERTAIN BREAK-UP FEE, TRANSACTION EXPENSES, AND INDEMNIFICATION IN CONNECTION WITH POSTPETITION FINANCING

Upon the motion (the "Motion")[2] of the debtors and debtors in possession in the above-captioned cases (the "Debtors") for entry of an order (this "Order") seeking approval of the Debtors' incurrence and payment of the Transaction Protections under the RSA, pursuant to sections 105(a), 363(b), 503(b)(1) and 507(a)(2) of the Bankruptcy Code, Rule 6004(h) of the Bankruptcy Rules, and Rule 9013-1 of the Local Bankruptcy Rules of the Southern District of New York, and upon review and consideration of the Letter Agreements, the RSA, and the Commitment Letter; and the Court having to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334;

[1] The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. § 1408; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and *Amended Standing Order of Reference* from the United States District Court for the Southern District of New York dated January 31, 2012 (Preska, C.J.); the Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and a final hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having overruled all objections to the Motion; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. The Transaction Protections under the RSA (*i.e.*, the Break-Up Fee, Expense Reimbursement, and Indemnification Obligations) are hereby approved in all respects, and the Debtors are authorized to perform all of their obligations thereunder and implement the actions contemplated thereby.

3. The Transaction Protections, to the extent payable under the RSA and the Commitment Letter, are actual and necessary costs and expenses of preserving the Debtors' estates and shall be treated as an allowed administrative priority claim against the Debtors under sections

503(b)(1) and 507(a)(2) of the Bankruptcy Code; *provided*, that the Debtors shall file a notice with the Court at least three (3) business days' prior to paying the Break-Up Fee; *provided*, further, that nothing in this Order or the Commitment Letter shall preclude any party in interest from objecting to payment of the Break-Up Fee solely on the basis that it is not due and payable under the terms of the Commitment Letter, with all parties' rights and defenses to any such objection expressly reserved.

4. The Transaction Protections shall not be discharged, modified or otherwise affected by any chapter 11 plan proposed by the Debtors, dismissal of these Chapter 11 Cases or conversion of these Chapter 11 Cases to chapter 7 cases, nor shall any of such amounts be required to be disgorged.

5. Notice of the Motion as provided therein shall be deemed good and sufficient notice, and the requirements of Rule 6004(a) are satisfied by such notice.

6. Notwithstanding the possible applicability of Bankruptcy Rules 6004(a), 6004(h), or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

8. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation, interpretation or enforcement of this Order.

Dated: _____, 2020
New York, New York

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

RSA

EXECUTION VERSION

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER OR A SOLICITATION OF AN OFFER WITH RESPECT TO ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE AGREEMENT EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO. THIS RESTRUCTURING SUPPORT AGREEMENT IS SUBJECT IN ALL RESPECTS TO FEDERAL RULE OF EVIDENCE 408 AND ANY STATE LAW EQUIVALENTS.

RESTRUCTURING SUPPORT AGREEMENT

This Restructuring Support Agreement (together with all exhibits, schedules, and attachments hereto, which includes the Term Sheet (as defined herein), each as may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof, this "Agreement"), dated as of August 28, 2020, is entered into by and among:

(i) Avianca Holdings S.A.; Aero Transporte de Carga Unión, S.A. de C.V.; Aeroinversiones de Honduras, S.A.; Aerovías del Continente Americano S.A. Avianca; Airlease Holdings One Ltd.; America Central (Canada) Corp.; America Central Corp.; AV International Holdco S.A.; AV International Holdings S.A.; AV International Investments S.A.; AV International Ventures S.A.; AV Investments One Colombia S.A.S.; AV Investments Two Colombia S.A.S.; AV Taca International Holdco S.A.; Avianca Costa Rica S.A.; Avianca Leasing, LLC; Avianca, Inc,; Avianca-Ecuador S.A.; Aviaservicios, S.A.; Aviateca, S.A.; Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc.; Grupo Taca Holdings Limited; International Trade Marks Agency Inc.; Inversiones del Caribe, S.A.; Isleña de Inversiones, S.A. de C.V.; Latin Airways Corp.; Latin Logistics, LLC; Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.); Regional Express Américas S.A.S.; Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A.; Servicios Aeroportuarios Integrados SAI S.A.S.; Taca de Honduras, S.A. de C.V.; Taca de México, S.A.; Taca International Airlines S.A.; Taca S.A.; Tampa Cargo S.A.S.; Technical and Training Services, S.A. de C.V. (collectively, the "Debtors"); and

(ii) The undersigned noteholders (collectively, the "Consenting Noteholders")[1] under that certain Indenture, dated December 31, 2019, by and among Avianca Holdings S.A., as issuer, Wilmington Savings Fund Society, FSB, as Trustee and Collateral

[1] Attached hereto as Exhibit E is a confidential schedule setting forth, as applicable, the new money commitment by each Consenting Noteholder for the DIP Facility, and the principal amount of Notes for each Consenting Noteholder that will become Noteholder Roll-Up DIP Loans. The schedule shall be added to the Agreement subsequent to the Agreement Effective Date.

Trustee, and the other parties thereto (as amended, modified, supplemented, or otherwise restated from time to time, the "Indenture", and the 9.000% Senior Secured Notes due 2023 issued thereunder, the "Notes") solely in their capacity as holders of the Notes (unless specifically provided herein).

Each of the Debtors, the Consenting Noteholders, and any subsequent person or entity that becomes a party hereto in accordance with the terms hereof is referred to herein as a "Party" and collectively as the "Parties." Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Term Sheet setting forth the terms of the Transaction (as defined herein), a copy of which is attached hereto as **Exhibit A** (including any exhibits and schedules thereto, the "Term Sheet").

RECITALS

WHEREAS, on May 10, 2020 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, the Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Amended Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 73];

WHEREAS, on May 22, 2020, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors;

WHEREAS, Avianca Holdings S.A., the other Grantor parties thereto, and Wilmington Savings Fund Society, FSB, as Trustee and Collateral Trustee for the Notes under the Indenture and the Collateral Sharing Agreement (the "Trustee") are parties to that certain Collateral Sharing Agreement, dated November 1, 2019 (the "Collateral Sharing Agreement") which governs, among other things, the rights of the parties thereto in respect of the Shared Collateral (as defined in the Collateral Sharing Agreement, and for which a summary is set forth on **Exhibit C** hereto, the "Shared Collateral");

WHEREAS, the Debtors and the Consenting Noteholders are party to that certain First Stipulation and Order Between Debtors and Finance Parties Concerning Certain Collateral dated as of July 29, 2020 (the "Adequate Protection Stipulation");

WHEREAS, the Parties have engaged in arm's-length, good faith discussions regarding a debtor-in-possession financing facility (the "DIP Facility") to be provided in part by the Consenting Noteholders, and the restructuring of the Debtors' indebtedness and obligations under the Indenture, in each case as more fully set forth in the Term Sheet (together with the DIP Facility and the Plan, as defined below, the "Transaction");

WHEREAS, as of the date hereof, the Consenting Noteholders collectively hold a majority of the aggregate outstanding principal amount of the Notes;

WHEREAS, subject to the terms and conditions set forth herein, the Parties desire to express to one another their mutual support for and commitment in respect of the matters set forth in the Term Sheet and this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtors and each Consenting Noteholder, on a several but not joint basis, agree as follows:

AGREEMENT

Section 1. Definitive Documents. Any documents implementing and achieving the DIP Facility as set forth in the Term Sheet, including, without limitation, credit documents, note purchase agreements, intercreditor agreement(s) (including any collateral sharing agreements), any direction letter(s) to the Trustee, guaranty, collateral, security and any material ancillary documentation for the DIP Facility, the motion seeking approval of the DIP Facility (the "DIP Motion"), and the order(s) approving the DIP Motion (the "DIP Order," and collectively with each of the foregoing, the "DIP Documents"), and the motion (the "Break-Up Fee Motion") seeking approval of and the order approving the break-up fee described in Section 2.01(a) and the transaction expenses described in Section 8.05 (the "Break-Up Fee Order" and together with the Break-Up Fee Motion, the "Break-Up Fee Documents"), shall be consistent with this Agreement and the Term Sheet in all material respects and otherwise in form and substance (a) acceptable to the Debtors, (b) except for the Break-Up Fee Documents, acceptable to the Consenting Noteholders who hold, in the aggregate, a majority of the principal amount outstanding under the Indenture held by the Consenting Noteholders (the "Required Consenting Noteholders") and (c) with respect to the Break-Up Fee Documents, acceptable to the Backstop Commitment Parties. Additionally, (i) the Debtors' chapter 11 plan (as may be amended from time to time, the "Plan"), the disclosure statement for the Plan (the "Disclosure Statement"), the ballots, the motion to approve the form of the ballots and the solicitation of the Plan, the plan supplement and all documentation contained and provided for therein, (ii) all material motions or pleadings that are necessary in connection with effectuating the Transaction and any such motions or pleadings that are necessary to file in connection with the documents contemplated in the immediately preceding clause (i), and (iii) any proposed order(s) to approve any of the foregoing, the Disclosure Statement, solicitation procedures, and the Plan (collectively (i)-(iii) plus any material exhibits, appendices and/or supplements thereto, the "Transaction Documents", and collectively with the DIP Documents, the "Definitive Documents") shall be consistent with this Agreement and the Term Sheet in all material respects and otherwise in form and substance (x) acceptable to the Debtors, and (y) acceptable to the Required Consenting Noteholders solely with respect to provisions adversely affecting their rights or treatment under the DIP Facility or the Plan.

Section 2. Transaction and Related Support.

2.01. The Debtors' Obligations. During the Effective Period (as defined herein), the Debtors covenant and agree to perform and comply, as applicable and subject to the terms and conditions set forth in this Agreement, with the following obligations:

(a) file the Break-Up Fee Motion and Break-Up Fee Order, each in form and substance acceptable to the Backstop Commitment Parties, seeking approval of (i) a breakup fee equal to 1.75% of the commitments to the DIP Facility by the Backstop Parties, (ii) Section 6 (Indemnity and Expenses) of the Backstop Commitment Letter, each of (i) and (ii) as further described in the Backstop Commitment Letter attached hereto as **Exhibit D**, and (iii) the transaction expenses described in Section 8.05 hereof. The Debtors shall file the motion and proposed form of order with the Bankruptcy Court not later than three (3) business days after the Agreement Effective Date;

(b) take all actions necessary to implement and consummate the Transaction (including, without limitation, the DIP Facility), the Definitive Documents (including, without limitation, the DIP Documents), and confirmation of the Plan, in each case subject to the terms and conditions set forth herein;

(c) not take any action, and not encourage any other person or entity to, take any action, directly or indirectly, that would breach or reasonably be expected to breach or be inconsistent with this Agreement, or take any other action, directly or indirectly, that would interfere or reasonably be expected to interfere with the acceptance or implementation of the Transaction, the Definitive Documents, or this Agreement;

(d) (i) complete the preparation or review (as applicable), as soon as reasonably practicable after the Agreement Effective Date, of each of the DIP Documents (including all motions, applications, orders, agreements and other documents, each of which, for the avoidance of doubt, shall contain terms and conditions consistent in all material respects with this Agreement and shall otherwise be in form and substance acceptable to the Required Consenting Noteholders), (ii) provide, as applicable, each of the Definitive Documents to, and afford reasonable opportunity for comment and review of each of the Definitive Documents by, counsel to the Consenting Noteholders and the Trustee and its counsel no less than five (5) business days (or as much time as is reasonably practicable) in advance of any filing, execution, distribution or use (as applicable) thereof, (iii) consult in good faith with Paul Hastings LLP and Evercore Group L.L.C., on behalf of the Consenting Noteholders, to the extent practicable regarding the form and substance of each of the Definitive Documents in advance of the filing, execution, distribution or use (as applicable) thereof, and (iv) negotiate in good faith, execute, perform their obligations under, and consummate the transactions contemplated by the Definitive Documents; provided, however, that the obligations under this Section 2.01(d) shall in no way alter or diminish any right expressly provided in this Agreement to the Required Consenting Noteholders and their counsel to each review, comment on, and/or consent to the form and/or substance of any document;

(e) unless otherwise required by the Bankruptcy Court or other tribunal or government agency with jurisdiction over the Debtors, cause the amount of the Notes

held by the Required Consenting Noteholders as set forth on the signature pages attached to this Agreement (or, with respect to any Consenting Holder that becomes a party hereto after the date hereof, to any Joinder Agreement) to be redacted to the extent this Agreement (including the Term Sheet) is (A) filed on the docket maintained in the Chapter 11 Cases or (B) otherwise made publicly available; provided, that if such disclosure is required, the Debtors shall afford the relevant Consenting Holder a reasonable opportunity to review and comment in advance of such disclosure and shall take all reasonable measures to limit such disclosure at such Consenting Holder's sole expense;

(f) timely file a formal objection to any motion filed with the Bankruptcy Court seeking the entry of an order (A) directing the appointment of an examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) or a trustee, (B) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (C) dismissing any of the Chapter 11 Cases, or (D) subject to Section 2.02, approving any other transaction and/or financing, other than the DIP Facility, which precludes or prohibits the consummation of the Transaction with the Consenting Noteholders (clause (D) being an "Alternative Transaction");

(g) subject to Section 2.02, not directly or indirectly propose, file, seek, solicit, encourage or support an Alternative Transaction; provided, however, that nothing herein shall prohibit the Debtors from receiving proposals for an Alternative Transaction;

(h) timely file a formal objection to any motion filed with the Bankruptcy Court seeking the entry of an order modifying or terminating any Debtor's exclusive right to file and/or solicit acceptances of a plan of reorganization;

(i) timely file a formal objection to any motion, application or adversary proceeding (including, without limitation, by a holder of Additional Allowed Secured Claims) challenging (A) the amount, validity, allowance, character, enforceability or priority of the Non-Rolled Notes and/or Deficiency Claims (as each such term is defined in the Term Sheet) held by any of the Consenting Noteholders (solely with respect to the principal and interest due under the Indenture and without any makewhole or other enhancement outside the terms of the Indenture), or (B) the validity, enforceability or perfection of any lien or other encumbrance securing the Non-Rolled Notes and/or Deficiency Claims of any of the Consenting Noteholders and in no event shall the Debtors commence, support, encourage or direct a third party with respect to the foregoing; provided, however, that the Consenting Noteholders shall only be permitted to assert a Non-Rolled Notes or Deficiency Claim (i) to the extent that any Additional Allowed Secured Claims are allowed, and (ii) solely to the extent contemplated in the Term Sheet;

(j) timely file a formal objection to any motion, application or adversary proceeding filed with the Bankruptcy Court pursuing or seeking standing to pursue claims or causes of action of the Debtors against any RSA Claims of the Consenting Noteholders, any director, manager, officer or employee of, or lender to, or any consultant or advisor that is retained or engaged by, any of the Consenting Noteholders and in no event shall the Debtors commence, support, encourage or direct a third party with respect to the foregoing; and

(k) if any Debtor receives an offer, proposal or expression of interest with respect to any Alternative Transaction, within two (2) Business Days after the receipt of such offer, proposal or expression of interest, notify counsel to the Consenting Noteholders of the receipt thereof, with such notice to include the material terms thereof (including the identity of the Person(s) involved).

2.02. Nothing in this Agreement shall require any director or officer of any Debtor to take any action or inaction that would be inconsistent with their fiduciary duties to the Debtors or would violate any applicable law. No action or inaction on the part of any director or officer of the Debtors that such officer or director believes is consistent with their fiduciary duties shall be limited or precluded by this Agreement.

2.03. Notwithstanding anything to the contrary herein, nothing in this Agreement shall create or impose any additional fiduciary obligations upon any Debtor or any members, partners, managers, managing members, officers, directors, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents or other representatives of the same or their respective affiliated entities, in such person's capacity as a member, partner, manager, managing member, officer, director, employee, advisor, principal, attorney, professional, accountant, investment banker, consultant, agent or other representative of any Debtor, that such entities did not have prior to the Agreement Effective Date.

2.04. Consenting Noteholders' Obligations. During the Effective Period, the Consenting Noteholders severally and not jointly, (and specifically excluding portfolio companies that do not hold any claims against the Debtors), shall:

(a) (x) support and implement the Transaction, the Plan, and the DIP Facility, including, as applicable, by implementing and complying with this Agreement, the Plan, applicable Definitive Documents, and the transactions contemplated hereby and thereby, (y) act in good faith, and (z) take any actions reasonably necessary or reasonably requested by the Debtors in a timely matter, including to obtain the requisite regulatory and/or third-party approval, so as to effectuate and implement the Transaction as soon as possible;

(b) support the Debtors' DIP Motion and entry of the DIP Order in accordance with this Agreement (including all adequate protection terms therein);

(c) backstop and fund the DIP Financing on the terms set forth in the Term Sheet and the Definitive Documents; provided, that nothing herein shall obligate any Consenting Noteholder (excluding the Backstop Commitment Parties on the terms and conditions set forth in the Backstop Commitment Letter), to agree to, commit to or fund any portion of the DIP Facility other than the Noteholder Roll-Up DIP Loans in Tranche A (as described in the Term Sheet) and only on the terms set forth in the Term Sheet and the Definitive Documents;

(d) support the roll up of claims under the Indenture as set forth herein and in the Term Sheet for any holder of Notes that participates in the roll up under the DIP Facility, but withhold consent over such DIP Facility participation unless such holder of Notes becomes a Consenting Noteholder under this Agreement;

(e) permit the Shared Collateral to be used by the Debtors and pledged to secure the DIP Facility on a senior secured priming basis pursuant to Section 364(d)(1) of the Bankruptcy Code in respect of the First Lien Obligations (as defined in the Collateral Sharing Agreement) on the terms set forth in the Term Sheet;

(f) waive any right at law or equity to require the Debtors, any of the guarantors under the Indenture, or any other person that has a valid lien on the Shared Collateral to marshal or realize upon any type of Shared Collateral (or any other Collateral securing any of the First Lien Obligations, as defined in the Collateral Sharing Agreement), or to sell, dispose of or otherwise liquidate all or any portion of such Shared Collateral (or any other collateral securing any First Lien Obligations), in any manner that would maximize the return to any First Lien Secured Parties with respect to such Shared Collateral;

(g) negotiate in good faith and use commercially reasonable efforts to execute and deliver any appropriate additional or alternative provisions or agreements, whether requested by the Debtors or otherwise, to address any legal, financial, or structural impediment that may arise that would prevent, hinder, impede, delay, or are necessary to effectuate the consummation of the Transaction;

(h) upon execution of this Agreement or execution of any Joinder Agreement (as herein defined), and promptly upon written request by the Debtors, disclose to the Debtors (on a confidential basis) such Consenting Noteholder's holdings of Notes;

(i) subject to the last sentence of Section 1 and receipt of the Disclosure Statement and any other solicitation materials with respect to the Plan, timely vote any claims against the Debtors arising under the Indenture or the Tranche A DIP Facility (as described in the Term Sheet), respectively (such claims, the "RSA Claims") to accept the Plan by delivering a duly executed and completed ballot accepting the Plan on a timely basis during the solicitation of votes for the Plan (the "Solicitation") and consenting to and, if applicable, not opting out of, the releases set forth in the Plan;

(j) subject to the last sentence of Section 1, not (x) change or withdraw (or cause to be changed or withdrawn) its vote to accept the Plan, (y) object to, delay, impede, or take any other action to interfere with, delay, or postpone acceptance, consummation, or implementation of this Agreement, the Plan, or the DIP Facility, or (z) propose, file, support, finance, or vote for any restructuring, sale of assets, workout, or plan of reorganization for the Debtors other than the Debtors' Plan;

(k) (A) not directly or indirectly solicit approval or acceptance of, encourage, propose, file, support, participate in the formulation of or vote for, any restructuring, sale of assets, merger, workout, or plan of reorganization for the Debtors other than the Plan proposed by the Debtors, and (B) not directly or indirectly propose or provide financing for any Alternative Transaction, restructuring, sale of assets, merger, workout, or plan of reorganization for the Debtors (other than the DIP Facility or as expressly authorized in writing by the Debtors), and to oppose each of the foregoing;

(l) not take any action or fail to take any action, and not encourage any other person or entity to, take any action, directly or indirectly, that would reasonably be expected to, breach or be inconsistent with this Agreement, or take or fail to take any other action, directly or indirectly, that would reasonably be expected to interfere with the acceptance or implementation of the Transaction, this Agreement, or the Plan;

(m) not take any other action, including, without limitation, initiating or joining in any legal proceeding, that is materially inconsistent with its obligations under this Agreement;

(n) not file, publish, circulate, or issue any critical, disparaging, derogatory, defamatory, or negative statement relating to this Agreement, in each case without prior written authorization from counsel to the Debtors;

(o) except as set forth in the Adequate Protection Stipulation, not assert any further claim against the Debtors for adequate protection (or the failure to provide adequate protection) pursuant to sections 361, 362, 363, 364 or otherwise; provided, that the foregoing shall not limit the rights of any Consenting Noteholder to assert a claim in connection with any breach of the Adequate Protection Stipulation; provided further, that subject to the terms of the Adequate Protection Stipulation, all rights and defenses of the Debtors are reserved with respect to any claim against the Debtors for adequate protection (or the failure to provide adequate protection) pursuant to sections 361, 362, 363, 364 or otherwise;

(p) to the extent that all reasonable fees and expenses of the advisors to the Required Consenting Noteholders have been reimbursed by the Debtors under the order approving the final DIP Order, (A) refrain from filing any claim for substantial contribution pursuant to section 503 of the Bankruptcy Code or otherwise in the Chapter 11 Cases (a "Substantial Contribution Claim"), unless a bar date that requires the filing of such Substantial Contribution Claim during the Effective Period is established by the Bankruptcy Court, (B) refrain from prosecuting any Substantial Contribution Claim during the Effective Period if such Substantial Contribution Claim has been filed, and (C) waive any Substantial Contribution Claim effective upon the occurrence of the effective date of the Plan;

(q) to the extent inconsistent with this Agreement or the Transaction, (A) forbear from exercising, directly or indirectly, its rights or remedies or from asserting or bringing any claims under or with respect to the Indenture, as applicable, against the Debtors or any guarantor thereof or any of their respective assets, and (B) agree to direct the Trustee to refrain from exercising any remedy available or power conferred to the Trustee under the Indenture against the Debtors or any guarantor thereof or any of their respective assets;

(r) provide one or more written direction letters to the Trustee (which shall be in form and substance satisfactory to the Debtors and the Consenting Noteholders, may not be amended or modified without the written consent of the Debtors, and shall be subject to the terms of Section 6.06 in the event the direction letter is terminated) (each, a "Direction Letter") within two (2) Business Days of the Agreement Effective Date, and otherwise cause and direct the Trustee to (a) support entry of the DIP Motion and DIP Order, (b) not object to the rollup of claims of the Consenting Noteholders as contemplated by the DIP Order and DIP

Facility, and (c) permit the Shared Collateral to be used by the Debtors and pledged to secure the DIP Facility on a senior secured priming basis pursuant to Section 364(d)(1) of the Bankruptcy Code in respect of the First Lien Obligations (as defined in the Collateral Sharing Agreement); and

(s) notwithstanding anything herein to the contrary, each Consenting Noteholder shall not, in any capacity, including but not limited to its capacity as a holder of Notes, object to (i) the Bankruptcy Court's approval of the Noteholder Roll-Up DIP Loans, (ii) the DIP Facility, (iii) the treatment of the Notes and the DIP Facility under the Plan, except in each case to the extent that the Debtors amend or modify any term or condition in this Agreement, the Term Sheet, or the DIP Facility after the date hereof without the consent of such Consenting Noteholder that directly and adversely affects such Consenting Noteholder in such other capacity (excluding their capacity as a holder of Notes), or (iv) any other relief sought by the Debtors in the Chapter 11 Cases unless such relief materially and adversely affects such Consenting Noteholder in such other capacity (excluding their capacity as a holder of Notes), except any relief sought by the Debtors (a) in the USAVflow contested matter and adversary proceeding or (b) in connection with any Consenting Noteholders' participation in the Tranche B DIP Loans (as defined in the Term Sheet).

Notwithstanding anything to the contrary contained herein, nothing shall limit (A) the rights of a Consenting Noteholder under any applicable bankruptcy, insolvency, foreclosure of similar proceeding, including appearing as a party in interest in any matter arising in the Chapter 11 Cases, so long as the exercise of any such right is not inconsistent with such Consenting Noteholder's obligations hereunder, (B) the ability of a Consenting Noteholder to purchase or sell any claims against or interests in the Debtors, subject to the terms hereof, (C) except as set forth in this Agreement, any right or remedy of any Consenting Noteholder under the Indenture, the Collateral Sharing Agreement or any other applicable agreement, instrument or document that gives rise to a Consenting Noteholder's claims and interests, (D) the ability of a Consenting Noteholder to consult with the Trustee or any other Consenting Noteholder regarding the Transaction, (E) the rights of the Debtors or any Consenting Noteholder to engage in any discussions, enter into any agreement or take any other action after the expiration or termination of the Agreement, (F) the ability of the Debtors and a Consenting Noteholder to enforce any right, remedy, condition, consent or approval requirement under this Agreement or any of the Definitive Documents, or (G) subject to the other terms of this Agreement, the ability of a Consenting Noteholder to exercise and enforce any right or remedy with respect to any claims or interests against any Debtor that do not arise under the Indenture and which other claims or interests for the avoidance of doubt are not subject to the terms or conditions of this Agreement. Without limiting the foregoing in any way, if this Agreement is terminated in accordance with its terms for any reason, each Consenting Noteholder fully reserves any and all of its respective rights, remedies and interests (subject to the terms herein). For purposes of the foregoing paragraph, the term "Consenting Noteholder" shall include each of their respective controlled affiliates (but specifically excluding portfolio companies that do not hold any claims against or interests in the Debtors), employees, investment managers and investment advisors.

2.05. Specific Performance. It is understood and agreed by the Parties that the exact nature and extent of damages resulting from a breach of this Agreement are uncertain and that any breach by a Party of this Agreement would result in irreparable damage for which

monetary damages would not be an adequate remedy. Each Party accordingly agrees that each other Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach thereof. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party or any other Party.

2.06. Additional Parties.

Any holder of Notes may, at any time after the occurrence of the Agreement Effective Date and with the consent of counsel to each of the Debtors and the Consenting Noteholders, become a party to this Agreement as a Consenting Noteholder (an "Additional Consenting Noteholder") by executing a joinder in the form attached hereto as **Exhibit B** (the "Joinder Agreement"), pursuant to which such Additional Consenting Noteholder shall be bound by the terms of this Agreement as a Consenting Noteholder hereunder.

2.07. Transfer of RSA Claims.

(a) Except as expressly provided herein or in the DIP Documents (including the Term Sheet), during the Effective Period, each Consenting Noteholder shall not sell, assign, pledge, transfer, grant a participation interest in, or otherwise dispose of, directly or indirectly any of its RSA Claims (including, for the avoidance of doubt, any Notes or loans under the Tranche A DIP Facility), in whole or in part (any such actions are collectively referred to herein as a "Transfer" and the Consenting Noteholder making such Transfer is referred to herein as the "Transferor"), and any purported Transfer of any RSA Claims shall be void and without effect; provided, however, that such Transfer may be made if it otherwise complies with the requirements of any of the documentation evidencing such RSA Claims and either (i) the transferee is another Consenting Noteholder or (ii) if the transferee is not another Consenting Noteholder, the transferee agrees in writing to be bound by the terms of this Agreement by executing the Joinder Agreement (a transferee that satisfies such requirements, a "Permitted Transferee," and such Transfer, a "Permitted Transfer"). Upon compliance with the foregoing, (x) the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred RSA Claims, and (y) the transferee shall be deemed to be a Consenting Noteholder under this Agreement with respect to such transferred RSA Claims. Each Consenting Noteholder agrees and acknowledges that any Transfer of RSA Claims that does not comply with the terms and procedures set forth in this section shall be deemed null and void *ab initio* and of no force or effect until such a joinder is executed and effective.

This Agreement shall in no way be construed to preclude the Consenting Noteholders from acquiring additional RSA Claims; provided, that (y) any Consenting Noteholder that acquires additional RSA Claims after executing this Agreement shall notify the Debtors of such acquisition within five (5) Business Days after the closing of such trade and (z) any such acquired RSA Claims shall automatically and immediately upon acquisition by a Consenting Noteholder be deemed subject to all of the terms of this Agreement whether or not notice is given to the Debtors of such acquisition.

(b) Notwithstanding Section 2.07(a): (i) a Consenting Noteholder may Transfer its RSA Claims to an entity that is acting in its capacity as a Qualified Marketmaker (as defined below) without the requirement that the Qualified Marketmaker become a Party pursuant to Section 3.08(a); provided, that (A) such Qualified Marketmaker (1) must Transfer such right, title, or interest within five (5) Business Days after its receipt thereof (or such earlier date as need to comply with clause (i)(A)(2) of this Section 2.07(b) and (2) may not hold any RSA Claims in its capacity as Qualified Marketmaker on any date that is also a deadline for voting on the Plan, (B) the subsequent Transfer by such Qualified Marketmaker of the right, title or interest in such RSA Claims is to a transferee that is a Permitted Transferee (by, for the avoidance of doubt, executing a Joinder Agreement and delivering an executed copy thereof to the persons set forth in clause (a) of this Section 2.07) and the Transfer is otherwise a Permitted Transfer, and (C) any Transfer that does not comply with the terms and procedures set forth herein shall be deemed *void ab initio* and the Debtors, the Trustee, and each of the Consenting Noteholders shall have the right to enforce the voiding of such Transfer; and (ii) to the extent that a Consenting Noteholder is acting in its capacity as a Qualified Marketmaker, it may Transfer any right, title, or interests in such RSA Claims that the Qualified Marketmaker acquires from a noteholder under the Indenture who is not a Consenting Noteholder without the requirement that the transferee be or become a Consenting Noteholder.

For these purposes, a "Qualified Marketmaker" means an entity that (x) holds itself out to the market as standing ready in the ordinary course of its business to purchase from customers and sell to customers Notes (including debt securities or other debt) or enter with customers into long and short positions in Notes (including debt securities or other debts), in its capacity as a dealer or market maker in such Notes, and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers (including debt securities and other debt).

2.08. Public Disclosure. The Parties understand and acknowledge that, on or after the Agreement Effective Date (as defined herein), the Debtors may disclose the existence of, or the terms of, this Agreement or any other term of the transactions contemplated herein without the consent of the other Parties, except that the signature pages shall be redacted in accordance with Section 7 hereof; provided, that the Debtors will use commercially reasonable efforts to provide the advisors to the Required Consenting Noteholders with drafts of any press releases disclosing the existence and/or terms of this Agreement not less than two (2) business days prior to such press release being published.

2.09. Marshalling. In no event shall the Debtors, the Lenders, or the Agent be subject to the equitable doctrine of marshalling or any other similar doctrine with respect to any of the Collateral; provided that the Debtors, the Lenders, and the Agent, as applicable, shall first look to, and apply the proceeds of, the Shared Collateral in satisfaction of the applicable obligations before resorting to the remaining Collateral (unless looking first to the Shared Collateral is commercially impracticable).

Section 3. Amendments and Modifications.

This Agreement, including any exhibits, schedules or annexes hereto, may be amended, amended and restated, supplemented, modified or waived only if such amendment, amendment and restatement, supplement, modification or waiver is in writing and signed (with

e-mail being sufficient), (i) in the case of an amendment, amendment and restatement, supplement or modification, by the Debtors and the Required Consenting Noteholders, or (ii) in the case of a waiver, by the Party against whom the waiver is to be effective; provided, however, that the consent of any Consenting Noteholder shall be obtained to the extent that such noteholder is materially and adversely affected disproportionately by any amendment, amendment and restatement, supplement or modification.

Section 4. Undertakings and Representations.

Each Party hereby covenants and agrees to cooperate with each other in good faith with respect to the pursuit, approval, implementation, and consummation of the Transaction and the Plan, as well as the negotiation, drafting, execution, and delivery of documents (including any related orders, agreements, instruments, schedules, or exhibits) described in this Agreement or the Definitive Documents or otherwise necessary or desirable to facilitate the Transaction in accordance with this Agreement and the Definitive Documents. Furthermore, subject to the terms hereof, each Party shall take such action as may be reasonably necessary or reasonably requested by another Party to carry out the purpose and intent of this Agreement, including facilitating any necessary regulatory filings, and shall refrain from taking any action that would frustrate the purposes and intent of this Agreement.

Section 5. Representations and Warranties.

5.01. Each Party, severally and not jointly, represents and warrants to the other Parties that the following statements are true, correct, and complete as of the date hereof (or as of the date on which a subsequent Party becomes a party hereto):

(a) Enforceability. It is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate, partnership, limited liability company, or similar authority to enter into this Agreement, carry out the transactions set forth herein, and perform its obligations set forth hereunder. The execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, limited liability company, partnership, or other similar action on its part. Each Party has no actual knowledge of any event that, due to any fiduciary or similar duty to any other person or entity, would prevent it from taking any action required of it under this Agreement.

(b) No Violation of Law or Breach. Subject to and other than any registration, filing, consent, notice, or approval required in connection with the Transaction, the execution, delivery, and performance by such Party of this Agreement does not and will not (x) violate any provision of law, rule, or regulation applicable to it or its charter or bylaws (or other similar governing documents) in any material respect, or (y) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party, which conflict, breach, or default would have a material adverse effect on the Transaction.

(c) No Consent or Approval. The execution, delivery, and performance by such Party of this Agreement does not and will not require any material

registration or filing with, consent or approval of, or notice to, or other action, with or by, any federal, state or governmental authority or regulatory body, except such filings as may be necessary and/or required by the Securities & Exchange Commission or other securities regulatory authorities under applicable securities laws. For the avoidance of doubt, the Parties acknowledge that the Transaction and this Agreement shall be subject to approval by the Bankruptcy Court.

(d) Binding Obligation. This Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of the Bankruptcy Court.

5.02. Each Consenting Noteholder individually represents on a several basis, and as to itself only, that, as applicable, as of the date such Consenting Noteholder executes and delivers this Agreement: (i) it is the beneficial owner of the aggregate principal amount of the Notes set forth below its name on the signature page hereto (or below its name on the signature page of a Joinder Agreement for any Additional Consenting Noteholder), or (ii) it is the nominee, investment manager, advisor, or subadvisor for one or more beneficial holders thereof, and has, with respect to the beneficial owners of such Notes, (A) sole investment or voting discretion with respect thereto, (B) full power and authority to vote on and consent to matters concerning such Notes or to exchange, assign, and transfer such Notes, and (C) full power and authority to bind or act on the behalf of, such beneficial owners. Each Consenting Noteholder further individually represents on a several basis, and as to itself only, that, other than pursuant to this Agreement, such Notes are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal, or other limitation on disposition or encumbrance of any kind, that would prevent in any way such Consenting Noteholder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed.

Section 6. Termination.

6.01. Required Consenting Noteholder Termination Events. The Required Consenting Noteholders may terminate this Agreement on (a) two (2) Business Days' prior written notice, delivered to the other Parties in accordance with Section 8.08, upon the occurrence and continuance of any of the events listed below; or (b) no prior written notice (i.e., termination shall occur upon written notice being given) shall be required to the extent that any person who is not a party to this Agreement has exercised or is exercising (on notice to the Debtors) similar termination events as set forth in Section 6.01 (excluding sub-sections (g), (h) and the first two bullets of (k)) pursuant to a separate restructuring support agreement or agreement that contains similar terms and rights as this Agreement (such notice, a "Third Party Termination Notice"); provided further, that the resulting right of termination of the Required Consenting Noteholders shall be effective only upon the effectiveness of the termination described in the Third Party Termination Notice. The Debtors shall provide copies of any Third Party Termination notice to counsel to the Consenting Noteholders substantially contemporaneously with their receipt thereof.

(a) the breach in any material respect by the Debtors of any of the undertakings, representations, warranties, or covenants of the Debtors, as applicable, set forth in this Agreement, which remains uncured for a period of ten (10) Business Days after receipt of written notice of such breach (which period shall run concurrently with the notice period set forth in this Section);

(b) if the any of the final DIP Documents are not acceptable to the Required Consenting Noteholders with respect to the Tranche A Facility;

(c) entry of a DIP Order that is not acceptable to the Required Consenting Noteholders;

(d) if the Debtors file any plan of reorganization or liquidation or disclosure statement that is not consistent in any material respect with this Agreement or the Term Sheet;

(e) the occurrence of an event of default under the DIP Facility and an acceleration of the obligations or termination of the commitment under the DIP Facility;

(f) after entry by the Bankruptcy Court of the DIP Order, such order is reversed, dismissed, vacated, reconsidered, or materially modified/amended in a way that is adverse to the Consenting Noteholders without the written consent of the Required Consenting Noteholders;

(g) after entry by the Bankruptcy Court of the Break-Up Fee Order, such order is reversed, dismissed, vacated, reconsidered, or materially modified/amended in a way that is adverse to the Backstop Parties without the written consent of the Backstop Parties;

(h) the Bankruptcy Court enters an order invalidating, disallowing, subordinating, recharacterizing, or limiting, as applicable, any of the RSA Claims held by the Consenting Noteholders;

(i) the Debtors' board of directors, board of managers, or similar governing body of any Debtor determined in good faith that continued performance under this Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law;

(j) the Debtors file, enter into any agreement or otherwise announce support, in each case, for an Alternative Transaction; or

(k) any of the following shall occur:

- the Debtors fail to file the Break-Up Fee Motion and/or DIP Motion within three (3) Business Days after the Agreement Effective Date;

- failure to have the Break-Up Fee Order approving the Break-Up Fee Motion entered within 15 Business Days of the Agreement Effective Date; or

- failure to have the DIP Order entered within 40 days of the Agreement Effective Date.

6.02. Debtors' Termination Events. The Debtors may terminate this Agreement on two (2) Business Days' prior written notice delivered to the Consenting Noteholders in accordance with Section 8.08, upon the occurrence and continuance of any of the following events:

(a) the breach in any material respect by one or more Consenting Noteholder of any of its undertakings, representations, warranties, or covenants set forth in this Agreement which remains uncured for a period of seven (7) Business Days after receipt of written notice of such breach (which period shall run concurrently with the notice period set forth in this Section) such that the non-breaching Consenting Noteholders constitute less than the Required Consenting Noteholders;

(b) the board of directors, board of managers, or similar governing body of any Debtor determines in good faith that continued performance under this Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law;

(c) if any of the final Definitive Documents are not acceptable to the Debtors;

(d) the issuance by any governmental authority (including the Bankruptcy Court), any regulatory authority, or any court of competent jurisdiction, in each case whether in the United States or in a foreign jurisdiction, of any law, statute, ordinance, regulation, injunction, judgment, decree, ruling, or order, in each case whether or not appealable, or any communication or proclamation regarding the same, enjoining or otherwise restricting the substantial consummation of the DIP Facility or any other component of the Transaction, unless such ruling, judgment or order has been stayed, reversed or vacated within seven (7) business days after such issuance;

(e) in the event that the Consenting Noteholders do not hold, in the aggregate, at least a majority of the aggregate principal amount of Notes;

(f) if at any point the Collateral Sharing Agreement ceases to remain in full force and effect, or the Trustee ceases to be the "Applicable Authorized Representative" under the Collateral Sharing Agreement.

6.03. Other Termination Events. Any of the Debtors or Required Consenting Noteholders may terminate this Agreement on three (3) Business Days' prior written notice, delivered to the other Parties in accordance with Section 8.09, upon the occurrence of any of the following events:

(a) the issuance by any governmental authority (including the Bankruptcy Court), any regulatory authority, or any court of competent jurisdiction, in each case whether in the United States or in a foreign jurisdiction, of any final, non-appealable injunction, judgment, decree, ruling, or order directly prohibiting the consummation of the DIP Facility, the Transaction, or the Plan; provided, that the Debtors shall have thirty (30) Business Days to

obtain relief that would allow consummation of the Transaction that does not prevent or materially diminish compliance with the terms of this Agreement;

(b) the Bankruptcy Court grants relief that (A) is inconsistent with this Agreement in any material respect or (B) would, or would reasonably be expected to, frustrate the purposes of this Agreement, including by preventing the consummation of the Transaction;

(c) if an examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), or a trustee or receiver shall have been appointed in the Chapter 11 Cases;

(d) entry of an order converting or dismissing any of the principal Chapter 11 Cases including, for the avoidance of doubt, the Chapter 11 Cases of Avianca Holdings S.A., Grupo Taca Holdings Limited, AV International Holdings S.A., or Aerovías del Continente Americano S.A. Avianca;

(e) if the Bankruptcy Court enters an order in the Chapter 11 Cases terminating the Debtors' exclusive right to file a plan or plans of reorganization or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(f) the Chapter 11 Cases shall have been converted to cases under chapter 7 of the Bankruptcy Code or such cases shall have been dismissed by final, non-appealable order of a court of competent jurisdiction (unless caused by a default by any Consenting Noteholder of its obligations hereunder, in which event the Consenting Noteholder shall not have the right to terminate under this subsection);

(g) if, as of June 1, 2021, the effective date of the Plan has not occurred; or

(h) if at any point a Direction Letter is terminated or if the Trustee indicates in writing (e-mail being sufficient) that it will not be able to perform as directed in a Direction Letter.

6.04. Mutual Termination. This Agreement and the obligations of all Parties hereunder may be terminated by mutual agreement among the Debtors and the Required Consenting Noteholders.

6.05. Automatic Termination. This Agreement shall terminate automatically upon the effective date of the Plan.

6.06. Effect of Termination. Notwithstanding anything to the contrary in this Agreement, other than as provided in Section 6.04 or Section 6.05, (x) neither the Debtors nor any of the Consenting Noteholders may terminate this Agreement, as applicable, if such Party failed to perform or comply in all material respects with the terms and conditions of this Agreement, with such failure to perform or comply causing, or resulting in, the occurrence of one or more termination events specified herein. Subject to Section 8.06 and the proviso at the end of this sentence, upon termination of this Agreement, each Party shall be released from any remaining commitments, undertakings, and agreements under or related to this Agreement and

shall have the rights and remedies that it would have had and shall be entitled to take all actions that it would have been entitled to take had it not entered into this Agreement and for the avoidance of doubt any Party's vote in favor of the Plan including any release granted in connection therewith shall be void *ab initio*; provided, however, that the termination of this Agreement shall not affect the validity or effectiveness of any existing order of the Bankruptcy Court, including the DIP Order, nor the validity or effectiveness of any consents or directions tendered by the parties or obligations of the Parties in respect of the DIP Facility, including under any Direction Letter.

6.07. Automatic Stay. The Debtors acknowledges that during the Chapter 11 Cases, the giving of notice of termination by any Party pursuant to this Agreement shall not be considered a violation of the automatic stay of section 362 of the Bankruptcy Code; provided, that nothing herein shall prejudice any Party's rights to argue that the giving of notice of termination was not proper under the terms of this Agreement.

Section 7. Effectiveness. This Agreement shall become effective and binding on each of the Parties on the date and time (such date, the "Agreement Effective Date") on which counterpart signature pages to this Agreement (including the Backstop Commitment Letter) shall have been executed and delivered by: (i) the Debtors, and (ii) the Consenting Noteholders holding at least a majority of the principal amount of the Notes under the Indenture (such date, the "Signing Date"); provided, that signature pages executed by Consenting Noteholders shall be delivered to (x) other Consenting Noteholders in a redacted form that removes such Consenting Noteholders' holdings, and (y) the Debtors, the advisors to the Debtors, and advisors to the Consenting Noteholders in an unredacted form; provided, further, that the Debtors, the advisors to the Debtors, and the advisors to the Consenting Noteholders shall not disclose the unredacted signature pages and shall keep such unredacted signature pages in strict confidence, except as may be required by law. The Agreement shall be effective from the Agreement Effective Date until validly terminated pursuant to the terms hereof (such period, the "Effective Period").

Section 8. Miscellaneous.

8.01. Complete Agreement. This Agreement together with the exhibits, other documents and instruments referenced herein constitute the entire agreement of the parties hereto and supersedes all prior agreements, arrangements or understandings, whether written or oral, between the parties hereto with respect to the subject matter of this Agreement, other than for any confidentiality agreement. No claim of waiver, modification, consent, or acquiescence with respect to any provision of this Agreement shall be made against any Party, except on the basis of a written instrument executed by or on behalf of such Party on the date hereof or thereafter.

8.02. Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 2.07. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy, or claim under this Agreement. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary hereof.

8.03. Governing Law; Submission to Jurisdiction; Selection of Forum; WAIVER OF TRIAL BY JURY. This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of, or relate to this Agreement or the negotiation, execution, termination, performance, or nonperformance of this Agreement (including exhibits), shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and performed in such State, without giving effect to any applicable conflict of laws principles to the extent that the application of the laws of another jurisdiction would be required thereby. Each Party agrees that it shall bring any action or proceeding in respect of any claim based upon, arising out of, or related to this Agreement, any provision hereof or the Transaction described herein, in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and in connection with claims arising under this Agreement or the Transaction that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Bankruptcy Court, (ii) waives any objection to laying venue in any such action or proceeding in the Bankruptcy Court and (iii) waives any objection that the Bankruptcy Court is an inconvenient forum or does not have jurisdiction over any party hereto. Each party hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. EACH PARTY HERETO WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING BASED UPON, ARISING OUT OF, OR RELATED TO THIS AGREEMENT, ANY PROVISION HEREOF OR THE RESTRUCTURING DESCRIBED HEREIN.

8.04. Execution of Agreement. This Agreement may be executed and delivered (by facsimile, e-mail, or otherwise) in any number of counterparts, each of which, when executed and delivered in accordance with Section 7, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

8.05. Transaction Expenses. Subject to entry of the Break-Up Fee Order and the terms of the applicable engagement letter or fee reimbursement letters, the Debtors hereby agree, on a joint and several basis, to pay in full, in cash, all fees and expenses (but excluding any success fee) of Paul Hastings LLP and Evercore Partners incurred up to (and including) the Agreement Effective Date on or before four (4) business days following the Agreement Effective Date to the extent not otherwise paid pursuant to the Adequate Protection Stipulation.

8.06. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, and representatives, other than a trustee or similar representative appointed in a bankruptcy case. The agreements, representations, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

8.07. Survival. Notwithstanding the termination of this Agreement, the agreements and obligations of the Parties in Section 6.06 and Section 8 shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

8.08. Relationship Among Parties. It is understood and agreed that no Consenting Noteholder has any duty of trust or confidence in any form with any other Consenting Noteholder, and, except as provided in this Agreement, there are no agreements, commitments, or undertakings between or among them. In this regard, it is understood and agreed that any Consenting Noteholder may trade in the Notes and/or commitments under the Indenture or other debt or equity securities of the Debtors without the consent of the Debtors, as the case may be, or any other Consenting Noteholder, subject to applicable securities laws, the terms of any applicable non-disclosure agreement, and the terms of this Agreement; provided, further, that neither any Consenting Noteholder nor the Debtors shall have any responsibility for any such trading by any other entity by virtue of this Agreement. No prior history, pattern, or practice of sharing confidences among or between the Consenting Noteholders shall in any way affect or negate this understanding and agreement.

8.09. Notices. Unless otherwise provided herein, all notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand (with written confirmation of receipt), (ii) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), or (iii) when sent by electronic mail (with acknowledgment received), in each case at the following addresses (or to such other address as a Party may have specified by notice given to the other Party pursuant to this provision):

(a) If to the Debtors, to:

Avianca Holdings S.A.
Avenida Calle 26 # 59-15
Bogotá, Colombia
Attention: Adrian Neuhauser, Chief Financial Officer
Richard Galindo, General Legal Director
Email: Adrian.Neuhauser@avianca.com
richard.galindo@avianca.com

with a copy to:

Milbank LLP
55 Hudson Yards
New York, New York 10001
Attention: Evan Fleck, Esq.
Gregory Bray, Esq.
Parker Milender, Esq.
Email: efleck@milbank.com
gbray@milbank.com
pmilender@milbank.com

(b) If to the Consenting Noteholders or a transferee thereof, to the addresses set forth below following each such noteholder's signature (or as directed by any transferee thereof), as the case may be, (or at such other addresses as shall be specified by like notice) with a copy to:

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attention: Pedro A. Jimenez, Esq.
Andrew Tenzer, Esq.
Email: pedrojimenez@paulhastings.com
andrewtenzer@paulhastings.com

8.10. No Solicitation. This Agreement does not constitute an offer to issue or sell securities to any person, or the solicitation of an offer to acquire or buy securities, in any jurisdiction where such offer or solicitation would be unlawful. In addition, this Agreement is not and shall not be deemed to be a solicitation for consents to the Plan. The votes of the holders of claims against the Debtors will not be solicited until such holders who are entitled to vote on the Plan have received the Plan, the Disclosure Statement, and any other required solicitation materials.

8.11. Other Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply: (i) when calculating the period of

time before which, within which, or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and, if the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day; (ii) all exhibits attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein; (iii) words imparting the singular number only shall include the plural and vice versa; (iv) the words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires; (v) the word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it; (vi) the division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement; (vii) all references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified; and (viii) "Business Day" means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

(b) The Debtors and Consenting Noteholders have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

COMPANY

AVIANCA HOLDINGS S.A., on behalf of the Debtors

By: _____

Name: Richard Galindo
Title: Secretary

EXHIBIT A

TERM SHEET

AVIANCA HOLDINGS S.A.

SUMMARY OF INDICATIVE TERMS
DEBTOR-IN-POSSESSION FINANCING

*The following describes the terms of a debtor-in-possession financing ("**DIP Facility**") to be used to fund working capital of AVIANCA HOLDINGS S.A. (the "**Company**") and each of its subsidiaries (the "**Subsidiaries**") during the pendency of the cases filed under Chapter 11 ("**Chapter 11 Cases**") of the United States Bankruptcy Code (the "**Bankruptcy Code**").*

Borrower and Guarantors	The Company (the "**Borrower**") and each of its Subsidiaries that are debtors, each as a debtor and debtor-in-possession in the Chapter 11 Cases, AV Loyalty Bermuda Ltd. and Aviacorp Enterprises, S.A. (collectively, the "**Guarantors**" and, together with the Borrower, the "**Credit Parties**").
Agent	An entity to be determined by the Lenders and the Borrower (in such capacity, the "**Agent**"). For the avoidance of doubt, the Agent shall be the entity capable of complying with the seasoning of the DIP Loans.
Lenders	A lender or syndicate of banks, financial institutions and other lenders (including institutional lenders, existing creditors, bondholders, and any affiliates thereof) (the "**Lenders**").
Amount, Type and Availability	The DIP Facility shall be comprised of the following senior secured term loans (the "**DIP Loans**", and the commitment of the Lenders to make the DIP Loans, the "**Commitment**") in an aggregate amount of US$1,988,500,000, of which a total of US$1,288,500,000 shall be comprised of the Tranche A DIP Loans (as defined below) (the "**Tranche A Commitment**"), and US$700,000,000 shall be comprised of Tranche B DIP Loans (as defined below) (the "**Tranche B Commitment**") as follows: a. Tranche A: Up to US$1,288,500,000 of loans comprised of (i) US$220,000,000 of Noteholder Roll-Up DIP Loans (as defined below) as elected by the Noteholders (as defined below) and US$168,500,000 in consideration of the LM Acquisition described below, and (ii) the amount in new money loans that is sufficient, when combined with the amounts in clause (i) to equal the Tranche A Commitment (collectively, the "**Tranche A DIP Loans**"); *provided* that the Borrower shall split the Tranche A DIP Loans into separate *pari passu* classes (the "**Tranche Split**") solely in connection with the cash-out treatment and payment of interest provided to Noteholders who wish to participate in the DIP Facility without participating in the Tranche A Exit

Debt Facility (such class of Tranche A DIP Loans, the "**Cash-Out Tranche A DIP Loans**"); and

b. Tranche B: Not less than US$700,000,000 of loans comprised of (i) all principal and accumulated interest outstanding under those certain convertible secured stakeholder facility loans (the "**Prepetition Stakeholder Facility**") provided by United Airlines, Inc., an affiliate of Kingsland Holdings Limited, an affiliate of Citadel Advisors LLC and Caoba Capital Investors totaling approximately US$384,000,000, which shall be converted into Tranche B DIP Loans and (ii) the amount in new money loans that is sufficient, but not less than US$300,000,000, when combined with the roll up of the obligations owed by the Company under the Prepetition Stakeholder Facility to equal the Tranche B Commitment (collectively, the "**Tranche B DIP Loans**").

US$220,000,000 of Tranche A DIP Loans (the "**Noteholder Roll-Up DIP Loans**") will be provided by certain noteholders (the "**Noteholders**") of the outstanding Senior Secured Notes Due 2023 (the "**Notes**") issued pursuant to that certain Indenture (the "**Indenture**") dated as of December 31, 2019 among the Company, as issuer, the guarantors party thereto, Wilmington Savings Fund Society, FSB, as trustee (the "**Trustee**") and Citibank, N.A., as registrar, transfer agent and principal paying agent. Each Noteholder will have the right to commit Noteholder Roll-Up DIP Loans solely at the election of such Noteholder (each such consenting Noteholder, a "**Consenting Noteholder**"). A Consenting Noteholder may elect and shall thereafter promptly notify the Borrower that it will be providing its Tranche A DIP Loan in the form of a Cash-Out Tranche A DIP Loan; *provided* that if the Tranche Split is not elected by any Consenting Noteholders, all Consenting Noteholders shall provide Tranche A DIP Loans without any cash-out option.

At the election of a Consenting Noteholder in its Lender capacity, any or all of its Tranche A DIP Loans must be documented as notes issued pursuant to a note purchase agreement. The terms of the notes pursuant to such note purchase agreement will have the exact same economic, guarantee and collateral, representations and warranties, covenants and payment terms and conditions as the Tranche A DIP Loans and the issuer of the notes must commit to list such notes on a stock exchange within one year of issuance of such notes.

Any Noteholder who does not commit to convert its Notes into Noteholder Roll-Up DIP Loans will have a junior claim on all of the collateral governed by the terms of the Collateral Sharing Agreement (the "**Shared Collateral**") with respect to such Noteholder's Notes.

Except as otherwise provided herein, any Consenting Noteholder will have no claim for any deficiency in such Consenting Noteholder's Notes.

The Prepetition Stakeholder Facility shall be converted into Tranche B DIP Loans and the collateral securing such loans shall be released to secure all DIP Loans in accordance with the terms set forth herein and the DIP Loans will be made available in multiple drawings (at such times, in such proportion of Tranche A DIP Loans and Tranche B DIP Loans, and in such amounts, as set forth in Schedule A hereto) following entry of an order of the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") approving the DIP Facility on a final basis (the "**Final DIP Order**" and, the date the Bankruptcy Court enters the Final DIP Order, the "**Final DIP Order Entry Date**"), and upon satisfaction of the conditions set forth in the section "Conditions to Borrowings". The Final DIP Order shall be in form and substance acceptable to the Credit Parties, the Agent and the Requisite Lenders, and such Final DIP Order shall not have been vacated, reversed, modified, amended or stayed except as otherwise agreed to in writing by the Credit Parties, the Agent and the Requisite Lenders.

All references to the "**Requisite Lenders**" herein shall mean each of the (a) Majority Non-Government Tranche A Lenders and (b) Majority Tranche B Lenders.[1]

The DIP Loans are provided for working capital and general corporate purposes and for fees and other expenses due and payable under the DIP Facility.

Backstop Commitments

The holders of the Notes identified on Schedule B (the "**Backstop Commitment Parties**") agree, in the allocations set forth therein, to provide a backstop commitment (the "**Backstop Commitment**") of US$200,000,000 of new money Tranche A DIP Loans; *provided* the Backstop Commitment will be reduced on a dollar-for-dollar basis for each dollar of new money Tranche A DIP Loan Commitments from any other Noteholder that exceed

[1] Subject to revision as necessary to provide the Republic of Colombia with separate and distinct voting rights as Tranche A Lenders.

US$50,000,000; *provided further* that, notwithstanding anything to the contrary set forth herein or in the Backstop Commitment Letter, the Backstop Commitment cannot be reduced to less than US$100,000,000.

As consideration for the Backstop Commitment and agreements of the Backstop Commitment Parties, the Backstop Commitment Parties will be allocated the fees set forth in Section 3 of the Backstop Commitment Letter between the Backstop Commitment Parties and the Company (the "**Backstop Commitment Letter**").

LM Stock Acquisition

AV Loyalty Bermuda, Ltd., an exempted company limited by shares incorporated under the laws of Bermuda (the "**Buyer**") and an indirect subsidiary of the Company, owns 70% of the share capital of LifeMiles Ltd., an exempted company limited by shares continued into and now existing under the laws of Bermuda ("**LifeMiles**"). AI Loyalty (Cayman) Limited, a corporation organized under the laws of the Cayman Islands and an affiliate of Advent International (the "**Seller**"), owns 30% of the share capital of LifeMiles.

The Company, the Buyer and the Seller will enter into a Securities Purchase Agreement (the "**LM SPA**") pursuant to which the Seller will (a) agree to sell to the Buyer 66.33% of its 30% stake in the share capital of LifeMiles (*i.e.*, 19.9% of the share capital of LifeMiles) (the "**Sale Shares**") and (b) grant the Buyer a call option (the "**Call Option**") to purchase 33.67% of its 30% stake in the share capital of LifeMiles (*i.e.*, 10.1% of the share capital of LifeMiles) (the "**Call Option Shares**") (collectively, the "**LM Stock Acquisition**").

The consideration payable by the Buyer to the Seller for the Sale Shares will consist of:

(a) US$26,500,000 in cash, *plus*

(b) US$168,500,000 in Tranche A DIP Loans, (i) no more than US$100,000,000 of which will, upon emergence from the Chapter 11 Cases, at the Seller's election either (A) convert into the Tranche A Exit Debt Facility or (B) convert into take back paper and (ii) no less than US$68,500,000 of which will be repaid in cash upon emergence from the Chapter 11 Cases.

The consideration payable by the Buyer to the Seller for the Call Option Shares will consist of US$5,000,000 in cash.

	The closing of the acquisition of the Sale Shares (the "**Sale Shares Closing**") will be subject to the execution of the DIP Loan Documents and the closing under the DIP Loan Documents, among other conditions precedent. The Call Option will become exercisable from and after the Sale Shares Closing and will expire on September 1, 2022.
Financial Covenants	Financial covenants to consist of (i) compliance with the 13-week statement of receipts and disbursements for the Credit Parties, broken down by week, including the anticipated uses of the DIP Facility for such period, acceptable to the Agent and Requisite Lenders ("**Budget**"), which Budget shall be updated, delivered and aggregate disbursements (excluding professionals) and receipts tested every four weeks, subject to a permitted deviation, and the Company shall deliver a bi-weekly report of any variance from the Budget, commencing immediately following the initial funding of the DIP Facility, (ii) maintenance of a minimum total cash balance of US$400,000,000 and (iii) compliance with a maximum monthly cash burn limit, and the Company shall deliver a bi-weekly report confirming compliance with clauses (ii) and (iii).
Collateral and Other Credit Support	All obligations and liabilities under the DIP Facility shall at all times be (a) secured by a perfected lien and security interest (with the priorities described in the "Priority and Liens" section below) in all of the Credit Parties' right, title and interest in, to and under (i) the equity interests of LifeMiles owned by the Company at any time, which currently represents 70% of the voting and economic interests therein, but will be increased pursuant to the LM Stock Acquisition and all other equity interests of Subsidiaries that were pledged in connection with the Prepetition Stakeholder Facility, (ii) all assets and property of the Credit Parties, whether real, personal, tangible or intangible, that are, or become during the course of the Chapter 11 Cases, unencumbered, including, without limitation, all assets that were pledged in connection with the Prepetition Stakeholder Facility (provided such pledge does not impede in any event the Credit Parties receiving the cash proceeds from such receivables on a current basis), (iii) all cash accounts of the Credit Parties (which accounts include the accounts where the payments and receivables of the Credit Parties relating to passenger travel, ticket sales and other services since the commencement of the Chapter 11 Cases have been deposited), (iv) the Shared Collateral (as defined below) under that certain Collateral Sharing Agreement dated as of November 1, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "**Collateral Sharing Agreement**"), (v) the proceeds of any avoidance actions, brought pursuant to sections 502(d), 544,

545, 547, 548, 549, 551, 553(b), 732(2) or 742(2) of the Bankruptcy Code, and (vi) all assets and property of the Credit Parties, whether real, personal, tangible or intangible, that are subject to validly perfected prepetition liens (subject to agreed exclusions) (the "**Junior Collateral**"), in each of the foregoing cases, whether now or hereafter existing or acquired, and wherever located, and all documents, instruments, proceeds and products thereof and related thereto, other than Excluded Property (collectively, the "**Collateral**") and (b) jointly and severally guaranteed by the Guarantors. "**Excluded Property**" means (i) any particular assets, if the pledge thereof or security interest therein is (x) prohibited by applicable law (including rules and regulations of any governmental authority) or (y) prohibited or restricted by contract, lease, license or other agreement with a counterparty that is not a Credit Party or affiliate thereof, in each case of clause (x) and (y), except to the extent any such prohibition or restriction would be rendered ineffective under applicable provisions of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code and after giving effect to the Final DIP Order) or principles of equity, (ii) any accounts used exclusively for escrow, fiduciary, payroll, tax withholding or trust purposes, and (iii) other customary exclusions to be agreed; *provided*, that Excluded Property shall not include any proceeds of any Excluded Property unless such proceeds would otherwise constitute Excluded Property.

Consenting Noteholders shall comply with their obligations under the restructuring support agreement (the "**RSA**") to which this term sheet is an exhibit, with respect to the Direction Letter (as defined in the RSA).

In the event that the Bankruptcy Court determines that any other person not a party to the DIP Facility has a secured claim on the Shared Collateral as determined by entry of a final order not subject to a stay (after first giving effect to the value of such other party's other collateral) (each, an "**Additional Allowed Secured Claim**"), then the Noteholder Roll-Up DIP Loans shall be reduced on a dollar-for-dollar basis in an amount equal to the lesser of (a) US$75,000,000 and (b) the aggregate value of the Additional Allowed Secured Claims. Any recovery on any Additional Allowed Secured Claim shall be shared ratably among any parties that have a secured claim on the Shared Collateral; *provided* that, if any Noteholder Roll-Up DIP Loans are reduced on a dollar-for-dollar basis on account of any Additional Allowed Secured Claims, any resulting reduction of such Noteholder Roll-Up DIP Loans (the "**Non-Rolled Notes**") and (without duplication) any deficiency claims on account of the Consenting Noteholders'

Notes (the "**Deficiency Claim**"), shall be entitled to share pro rata with respect to any recovery solely on account of the Shared Collateral, but in no event shall any such reduction or deficiency result in an unsecured claim against the estates. For the avoidance of doubt, any recovery for Additional Allowed Secured Claims in excess of US$75,000,000 shall be funded by the Borrower and the Guarantors.

The Lenders shall look first to any Shared Collateral pledged as security for the DIP Facility before looking to any other Collateral of the Credit Parties.

Priority and Liens

All obligations and liabilities under the DIP Facility and all other documents related thereto (including any applicable orders of the Bankruptcy Court) shall at all times:

(i) pursuant to Section 364(c)(1) of the Bankruptcy Code, be entitled to superpriority claim status having priority over any and all other claims of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code, other than, in the case of the Tranche B DIP Loans, the superpriority claims of the Tranche A DIP Loans, and, for the avoidance of doubt, no superpriority claims relating to the Tranche B DIP Loans shall be entitled to payment by the Credit Parties unless and until all superpriority claims relating to the Tranche A DIP Loans have been repaid in full;

(ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, be secured by a perfected first priority lien on all Collateral (other than the Junior Collateral and subject to the priority rights accorded among the Tranche A DIP Loans and Tranche B DIP Loans);

(iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, a perfected lien on all Junior Collateral, which, in the case of all DIP Loans, shall be subject to the prior validly existing and permitted senior liens on such Junior Collateral and in the case of the Tranche B DIP Loans to be paid in the waterfall after the payment of the Tranche A DIP Loans; and

(iv) pursuant to Section 364(d)(1) of the Bankruptcy Code, a senior secured priming lien on the Shared Collateral in respect of the obligations of the Company under the Indenture and the obligations of the Company to any other parties under the Collateral Sharing Agreement.

All of the liens described herein with respect to the assets of the Credit Parties shall be effective and perfected by entry of the Final DIP Order and without the necessity of the execution of security agreements, pledge agreements, financing statements or other agreements, but without limitation of the right of the Agent to require any such agreements.

Closing Date

The date upon which all DIP Loan Documents have been executed and all conditions precedent satisfied or waived, as applicable, including the Final DIP Order having become effective.

Maturity Date

The DIP Loans shall be repaid in full as described below, and the DIP Facility shall mature and become due and payable eighteen (18) months from the Final DIP Order Entry Date; **provided that** the maturity (i) may be extended up to an additional sixty (60) days at the option of the Borrower, so long as a chapter 11 plan and disclosure statement acceptable in all material respects to the Borrower and Requisite Lenders has been filed with the Bankruptcy Court by the Credit Parties, and subject to conditions to be agreed, and (ii) shall be accelerated (a) upon effectiveness of a chapter 11 plan, (b) upon the sale of all or substantially all assets of the Credit Parties, (c) upon the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, in either case, unless otherwise consented to by the Requisite Lenders, (d) upon the appointment of a chapter 11 trustee or an examiner with expanded powers, and (e) as directed by the Agent or Requisite Lenders during the existence of an Event of Default.

Upon the maturity of the DIP Facility, including if accelerated as provided in (ii) above, all amounts outstanding thereunder (including, without limitation, accrued interest and all accrued fees, expenses and other amounts) shall be due and payable in cash in full in US dollars (in accordance with the priority rights of the Lenders set forth herein), **provided that** if the Exit Conversion occurs, the DIP Facility shall, to the extent outlined in the "Exit" section below, not be paid in cash (other than the Cash-Out Tranche A DIP Loans) and shall convert in accordance with such section.

Any confirmation order entered in the Chapter 11 Cases ("**Confirmation Order**") shall not discharge or otherwise affect in any way any of the joint and several obligations of the Company or the other Credit Parties to the Lenders under the DIP Facility and all DIP Loan Documents, other than after the payment in full and in cash in US dollars, to the Lenders of all obligations under the DIP Facility and the DIP Loan Documents on or before the

	effective date of any chapter 11 plan or with respect to non-Cash-Out Tranche A DIP Loans or pursuant to the Exit Conversion under the Plan of Reorganization.
Interest Rate	All amounts outstanding under the Tranche A DIP Loans will bear interest at the rate of LIBOR + 9.25% *per annum* (the "**Tranche A DIP Loan Interest Rate**"), which may be payable, at the Company's discretion, in cash or payment-in-kind; with a LIBOR floor equal to 1.0%; *provided* that in the event of a Tranche Split, the Cash-Out Tranche A DIP Loans will bear interest at the greater of (x) LIBOR + 8.25% *per annum* or (y) 100 basis points less than the Tranche A DIP Loan Interest Rate, which may be payable, at the Company's discretion, in cash or payment-in-kind; with a LIBOR floor equal to 1.0%. All amounts outstanding under the Tranche B DIP Loans will bear interest at 14.50% *per annum* (the "**Tranche B DIP Loan Interest Rate**"), which may be payable, at the Company's discretion, in cash or payment-in-kind. With respect to any interest payment, the Borrower shall not be permitted to elect to pay interest in-kind on the Tranche A DIP Loans unless it also elects to pay interest in-kind on the Tranche B DIP Loans. During the occurrence and continuance of any Event of Default, the DIP Loans and all other outstanding obligations in respect of the DIP Facility will bear interest at an additional 2.00% *per annum*.
Fees	**Upfront Yield Enhancement Fee on Tranche A DIP Loans**: An upfront yield enhancement fee on the Tranche A DIP Loans (excluding the Noteholder Roll-Up DIP Loans) equal to (2.0)% payable to each Lender of the Tranche A DIP Loans (excluding any Noteholder Roll-Up DIP Loans) according to its pro rata share of the Tranche A Commitment on the Final DIP Order Entry Date. **Undrawn Commitment Fee on Tranche A DIP Loans**: A commitment fee of 0.50% *per annum* on the Tranche A DIP Loans payable to each Lender of the Tranche A DIP Loans according to its pro rata share of the undrawn Tranche A Commitment. **Undrawn Commitment Fee on Tranche B DIP Loans**: A commitment fee of 0.50% *per annum* on the Tranche B DIP Loans payable to each Lender of the Tranche B DIP Loans according to its pro rata share of the undrawn Tranche B Commitment.

Tranche A Back-end Fees: On repayment or prepayment in full of the Tranche A DIP Loans, the Company shall pay to each Lender of the Tranche A DIP Loans a fee equal to 0.75% on such Lender's pro rata share of the Tranche A Commitment.

Tranche B Back-end Fees: On repayment or prepayment in full or conversion of the Tranche B DIP Loans, the Company shall pay to each Lender of the Tranche B DIP Loans a fee equal to 3.50% on such Lender's pro rata share of the Tranche B Commitment.

Back-end Fees: Collectively, the Tranche A Back-end Fees and Tranche B Back-end Fees will be referred to as the "**Back-end Fees**".

Tranche B Exit Fee: Payable upon any termination (prior to funding in full) of the Commitments in respect of the Tranche B DIP Loans and upon repayment of any portion of the Tranche B DIP Loans (for any reason, including with the proceeds of Tranche A DIP Loans, other indebtedness or cash on Avianca's balance sheet), other than in connection with the Exit Conversion and on the terms provided, in an amount equal to 10% of the undrawn Tranche B Commitments and Tranche B DIP Loans plus all PIK interest.

Prepayments

Voluntary Prepayments: The DIP Loans may be prepaid in full by the Borrower at any time without premium (but subject to payment of any Back-end Fees and the Tranche B Exit Fee, as applicable, as described herein); *provided*, that the Tranche B DIP Loans may not be voluntarily prepaid until the Tranche A DIP Loans are repaid in full. All Tranche A DIP Loans shall be paid ratably in accordance with the outstanding principal amounts thereof.

Mandatory Prepayments: The DIP Facility will be subject to customary or appropriate (in the context of a proposed DIP Facility) mandatory prepayments, with such prepayments to be applied, first, to the repayment in full of the Tranche A DIP Loans (pro rata) and, second, to the repayment in full of the Tranche B DIP Loans.

Representations

The DIP Facility shall contain representations customary or appropriate in the context of the proposed DIP Facility, including, but not limited to, representations that the Credit Parties do not have any material actual liabilities which have not been disclosed to the Agent and Lenders.

Reporting

The Company shall provide the Agent and Lenders with certain reports and notices, including, without limitation:

a. monthly unaudited consolidated financial statements of the Company and its Subsidiaries;

b. quarterly unaudited consolidated financial statements of the Company and its Subsidiaries;

c. annual audited consolidated financial statements of the Company and its Subsidiaries;

d. an updated Budget, not less than every month, and a bi-weekly report of any variance from the Budget, commencing immediately following the initial funding of the DIP Facility;

e. certificates accompanying each of the foregoing reports and deliverables, including demonstrating compliance with the financial covenants;

f. to the extent practicable, (i) (x) prior written notice of any assumption or rejection of any material contracts pursuant to Section 365 of the Bankruptcy Code and (y) copies of all pleadings, motions and other documents related to the DIP Facility, in each case by the earlier of (1) two business days prior to being filed on behalf of the Company with the Bankruptcy Court and (2) the time such documents are provided by or on behalf of any Credit Party to the US trustee or any creditors' committee and (ii) substantially contemporaneously with the filing or distribution thereof, copies of all financial information and other information distributed by or on behalf of any Credit Party to the US trustee or any creditors' committee; **provided** the Company shall not be required to provide any information relating to the DIP Facility if doing so would violate any applicable legal rule or such information contains privileged or confidential (statutorily or by contract) information; and

g. other customary reporting and notification requirements for similar debtor-in-possession financings and other reporting requirements appropriate to the specific transaction, including, without limitation, with respect to litigation, contingent liabilities, ERISA, environmental events, and other material events and defaults, and notice and delivery of certain filings made by the Company.

Affirmative Covenants

The DIP Facility shall contain affirmative covenants customary or appropriate in the context of the proposed DIP Facility, including, but not limited to:

a. compliance with certain milestones, including, but not limited to, filing and pursuing a plan of reorganization on terms acceptable to the Credit Parties and, solely with respect to provisions adversely affecting their rights or treatment, the Requisite Lenders (including a plan that contains releases and other exculpatory provisions for the DIP Loan Lenders), no later than a date to be agreed;

b. compliance with all applicable laws, including, without limitation, the Bankruptcy Code and all orders of the Bankruptcy Court, including the Final DIP Order;

c. maintenance of existence, properties, the Collateral, books and records, contracts, operating rights (including relating to air carrier status), licenses, permits and insurance (subject to materiality qualifications to be agreed); and

d. commercially reasonable efforts to get a rating with respect to the Tranche A DIP Loans from Moody's and S&P.

Negative Covenants

The DIP Facility shall contain negative covenants customary or appropriate in the context of the proposed DIP Facility, including, without limitation, negative covenants prohibiting incurrence of additional indebtedness and the incurrence of any lien not currently existing on assets and properties, and otherwise restricting fundamental changes, loans and other investments, restricted payments, debt prepayments, asset sales, sale and leasebacks, affiliate transactions, restrictive agreements, business activities, bankruptcy related matters, use of proceeds, amendments to material documents and fiscal year and accounting changes (subject to exceptions to be agreed); *provided* that prohibitions on the incurrence of additional indebtedness and incurrence of any lien not currently existing shall not allow the Credit Parties to incur any debtor-in-possession financing (other than in connection with the DIP Facility) without the consent of the Requisite Lenders.

Conditions to Borrowings

The effectiveness of the DIP Facility and the obligation of the Lenders to make the DIP Loans, including to each and every draw, shall be subject to the satisfaction or waiver by the Requisite Lenders of conditions customary or appropriate in the context of the proposed DIP Facility, including, but not limited to:

a. the preparation, authorization, execution and delivery by the Company and the Guarantors of loan and (as applicable) security and perfection documentation, intercreditor agreements including collateral sharing agreements, borrowing notices, legal opinions, closing certificates, organizational documents, evidence of authorization and good standing and the Budget in each case in customary form and acceptable to the Agent and the Requisite Lenders;

b. entry by the Bankruptcy Court of the Final DIP Order, which shall include approval of the granting of the liens securing the DIP Facility to the Agent;

c. the representations and warranties of the Company and Guarantors under the DIP Loan Documents shall be true and correct (subject to materiality qualifiers to be agreed);

d. evidence of release of the liens securing the obligations under the Prepetition Stakeholder Facility;

e. the Company shall have given the Lenders three business days' notice of any requests for any drawing under the DIP Facility;

f. no default under the DIP Loan Documents shall have occurred and be continuing; and

g. all reasonable and documented (x) fees, costs and expenses owed to the Agent, (y) fees, costs and expenses of Paul Hastings LLP and Evercore Group L.L.C., local counsel and specialty counsel as advisors to the Consenting Noteholders and (z) all fees reimbursable pursuant to the Backstop Commitment Letter shall have been paid.

The obligation of all Lenders to make DIP Loans shall be subject to the satisfaction or waiver of the following (as determined by the Majority Tranche B Lenders alone (acting reasonably): *provided* that the condition set forth in clause (d) below can be waived only by each Prepetition Stakeholder Facility Lender as to itself and UMB in its various applicable capacities in respect of the Prepetition Stakeholder Facility (the "**Stakeholder Agent**") as to itself);

a. the Company obtaining short-term relief from labor groups with variability in the cost structure until the later of (x) the termination of the Company's Chapter 11 case and (y) the date on which the Company has operated for a period of 12

consecutive months at a capacity greater than 70% of its 2019 capacity, ensuring that pilot and co-pilot wages do not exceed a to-be-agreed-upon benchmark in any given month and the labor agreements provide sufficient labor to meet the capacity needs of the Company;

b. the Company obtaining permanent, long-term term labor concessions with all pilot and flight attendant unions for a minimum term of six years that include the following provisions:

1. amended work rules and pay rates resulting in effective best-in-class labor cost per block hour, inclusive of all costs and benefits, with productivity based initiatives that bring the productivity levels to best in class; and

2. the implementation of a limit to labor rate inflation adjustment to account for seniority escalation (where the total cost to the Company of seniority escalation will be netted out of total cost to the Company of inflation adjustments);

c. the Company securing power-by-the-hour contracts with all aircraft lenders and lessors with respect to aircraft retained for use in the Company's fleet (the "**PBH Agreements**") with terms applicable for all such aircraft for the duration of the Chapter 11 Cases. (*See "Conditions to Exit"* for additional PBH fleet requirements.); and

d. the Credit Parties shall have paid all accrued and unpaid fees and expenses (including without limitation accrued and unpaid fees and expenses of counsel) incurred by the Prepetition Stakeholder Facility Lenders and the Stakeholder Agent.

Events of Default

The DIP Facility shall contain events of default customary or appropriate in the context of the proposed DIP Facility (the "**Events of Default**"), including, without limitation:

a. the failure to comply with certain milestones applicable to debtor-in-possession financing facilities in the Chapter 11 Cases or with the terms of the Final DIP Order;

b. the application by the Credit Parties for, or any order by the Bankruptcy Court granting, the appointment of a trustee, the dismissal of the Chapter 11 Cases, or the conversion of

the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code;

c. insolvency of LifeMiles;

d. failure or invalidity of the liens granted pursuant to the Final DIP Order or the grant of any superpriority claim or any lien which is *pari passu* with or senior to the claims and liens of the Agent and Lenders;

e. the grant of relief from the automatic stay to permit enforcement of rights by any other party with respect to Collateral having a value in an amount equal to or exceeding an amount to be agreed upon;

f. change of control;

g. nationalization of the Borrower and/or any Guarantor;

h. other bankruptcy related events, including any reversal, amendment, supplement, modification, waiver, stay or vacating of the Final DIP Order or documentation relating to any chapter 11 plan or asset sale, or pursuing any plan that does not provide for the payment in full in cash of the DIP Loans (other than the Plan of Reorganization with respect to the non-Cash-Out Tranche A DIP Loans only), in each case, without the consent of the Agent and Requisite Lenders; and

i. payment of prepetition indebtedness other than as agreed by the Agent and Requisite Lenders and approved by the Bankruptcy Court.

Proceeds received in connection with such remedies or otherwise shall be applied (i) first, to payment or reimbursement of fees, expenses and indemnities of the Agent, (ii) second, to all Tranche A DIP Loans and (iii) third, to all Tranche B DIP Loans.

Expenses and Indemnity

All reasonable and documented fees, costs, disbursements and expenses of the Agent (including, without limitation, the reasonable and documented fees, costs and expenses of its legal counsel, including local counsel, and advisors) shall be paid in accordance with such separate agreements among the parties. All reasonable and documented fees, costs, disbursements and expenses of the Lenders with respect to the DIP Facility (including, without limitation, all fees reimbursable pursuant to the Backstop Commitment Letter and the reasonable and documented fees, costs and expenses of counsel, and advisors) shall be paid by the Credit

Parties. In addition, the Credit Parties shall indemnify the Agent and Lenders and each of their respective affiliates and their and their affiliates' respective officers, directors, employees, agents, advisors, attorneys, representatives and related persons against customary liabilities.

Voting

Except as provided in the last paragraph of this section, all material amendments and waivers with respect to the DIP Loans require (x) the approval of Lenders of the Tranche A DIP Loans (other than the RoC Tranche A DIP Loans) holding more than 50% of the aggregate amount of the Tranche A DIP Loans (excluding any RoC Tranche A DIP Loans) and the Tranche A Commitments (excluding any Tranche A Commitment by the Republic of Colombia) under the DIP Facility (the "**Majority Non-Government Tranche A Lenders**"), (y) the approval of Lenders of the RoC Tranche A DIP Loans holding more than 50% of the aggregate amount of the RoC Tranche A DIP Loans and Tranche A Commitment by the Republic of Colombia under the DIP Facility (the "**Majority RoC Tranche A Lenders**") and (z) the approval of Lenders of the Tranche B DIP Loans holding more than 50% of the aggregate amount of the Tranche B DIP Loans and Tranche B Commitment under the DIP Facility (the "**Majority Tranche B Lenders**"); **provided**, that, (x) amendments and waivers affecting only the Tranche A DIP Loans, will require the approval of the Majority Non-Government Tranche A Lenders and the Majority RoC Tranche A Lenders, (y) amendments and waivers affecting only the Tranche B DIP Loans, will require the approval of the Majority Tranche B Lenders and (z) any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day operational decisions made by the Company) offered to any Tranche B Lender in any capacity (other than in their capacity as Tranche A Lender) shall be offered to all Tranche B Lenders and no Tranche B Lender shall be offered any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day operational decisions made by the Company) in any capacity (other than in their capacity as Tranche A Lender) unless such rights or consideration are offered to all Tranche B Lenders.

Any acceleration, enforcement, exercise of remedies, mandatory prepayment or other creditor decisions with respect to an Event of Default will require the following approvals:

1. Events of Default relating to payments, bankruptcy-related events and all other events under clauses (b) through (g) of "Events of Default" above will be enforced by the Majority Lenders; *provided* that if the Majority Lenders have not taken enforcement action within 90 days after such Event of Default, the Majority Non-Government Tranche A Lenders may direct enforcement actions; and

2. All other Events of Default, including covenants, milestones, representations, judgements, cross-default and ERISA will be enforced by the Majority Non-Government Tranche A Lenders and the Majority Tranche B Lenders, acting collectively (or, following the payment in full and discharge of the Tranche A Loans, the Majority Tranche B Lenders); *provided*, that if no action has been taken within 90 days after such Event of Default, the Majority Non-Government Tranche A Lenders may direct enforcement actions.

"**Majority Lenders**" means a Lender or Lenders holding more than 60% of the aggregate amount of the DIP Loans and Commitments.

The DIP Loan Documents shall further provide that (A) the consent of each Lender directly and adversely affected thereby shall be required with respect to amendments and waivers customarily requiring each lender's consent, including but not limited to, (1) increases in commitments, (2) reductions of principal, interest or fees, (3) extensions of scheduled amortization or final maturity of loans or commitments or extensions of time of payment for interest or fees and (4) changes in pro rata sharing and waterfall provisions and (B) the consent of 100% of the affected Lenders shall be required with respect to amendments and waivers customarily requiring all lenders' consent, including but not limited to, (1) modifications to any of the voting provisions applicable to the Lenders including, without limitation, the requirement that any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day operational decisions made by the Company) offered to any Tranche B Lender in any capacity (other than in their capacity as Tranche A Lender) shall be offered to all Tranche B Lenders and no Tranche B Lender shall be offered any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day

operational decisions made by the Company) in any capacity (other than in their capacity as Tranche A Lender) unless such rights or consideration are offered to all Tranche B Lenders, (2) a release of all or substantially all of the guarantees or collateral and (3) subordination of all or substantially all of the guarantees or liens.

Amendments and waivers of the DIP Loan Documents relating to labor, aircraft operation and maintenance, airport operations and slots (including, for the avoidance of doubt, the exit conditions relating to the foregoing), and certain other agreed matters shall require the approval of only the Majority Tranche B Lenders.

Assignments and Participations

The Lenders may assign their loans, rights and obligations under the DIP Loan Documents in a minimum amount to be determined (or, if less, the remaining commitments and/or DIP Loans of any assigning Lender), without the consent of the Agent and the Company; *provided* that the consent of the Company shall be required at all times prior to the satisfaction of all funding commitments hereunder and thereafter will be required in respect of competitors, any person litigating against or in opposition to the Company and certain other agreed persons. No consent of the Company shall be required with respect to any such assignment (a) during the existence of an Event of Default and (b) with respect to any assignment to a Lender, an affiliate of such Lender or a fund engaged in investing in commercial loans that is advised or managed by such Lender or the advisor or manager of such Lender. The Lenders will also have rights to sell participations to persons, subject to customary limits on voting rights. Assignments and transfers of Tranche A DIP Loans or Tranche A Commitments to the Company or affiliates thereof shall not be permitted.

Exit

The effectiveness of the below described exit financing, conversion and related transactions (as may be amended, supplemented or modified, the **"Exit Conversion"**) shall be subject to the occurrence of conditions, including, but not limited to:

(a) (i) a plan of reorganization for the Credit Parties (the **"Plan of Reorganization"**) shall have been confirmed by the Bankruptcy Court pursuant to a Confirmation Order, such Plan of Reorganization and Confirmation Order, with such Plan of Reorganization and Confirmation Order each consistent with the terms hereof and in form and substance acceptable to the Credit Parties and, (x) solely with respect to provisions adversely affecting their rights or treatment under the DIP Facility or the Plan of Reorganization, acceptable to the Requisite Lenders and (y)

solely with respect to provisions adversely affecting any rights or treatment of any Tranche B Lenders with respect to or arising from the conversion of Tranche B DIP Loans, reasonably satisfactory to the Majority Tranche B Lenders;

(ii) the Confirmation Order shall be in form and substance acceptable to the Credit Parties and, (x) solely with respect to the provisions adversely affecting their rights or treatment under the DIP Facility or the Plan of Reorganization, acceptable to the Requisite Lenders and (y) solely with respect to provisions adversely affecting any rights or treatment of any Tranche B Lenders with respect to or arising from the conversion of Tranche B DIP Loans, reasonably satisfactory to the Majority Tranche B Lenders, and such Confirmation Order shall not have been vacated, reversed, modified, amended or stayed except as otherwise agreed to in writing by the Credit Parties or in a manner that adversely affects any right or duty of the Lenders unless otherwise agreed to by the Requisite Lenders;

(iii) all conditions precedent to the effectiveness of the Plan of Reorganization shall have been satisfied or, with the prior written consent of the Credit Parties and the Requisite Lenders, waived;

(iv) satisfaction of the conditions set forth in the section "Conditions to Exit"; and

(v) except as consented to by the Credit Parties and Requisite Lenders, the Bankruptcy Court's retention of jurisdiction under the Confirmation Order shall not govern the enforcement of the Exit Debt Documents (as defined below) or any rights or remedies related thereto;

(b) the Plan of Reorganization shall provide the following:

(i) the Tranche A DIP Loans held by any parties other than the Republic of Colombia (excluding any Cash-Out Tranche A DIP Loans) shall be rolled up into an exit debt facility (the "**Tranche A Exit Debt Facility**" and, together with the RoC Exit Debt Facility, each an "**Exit Debt Facility**") on a US dollar-for-dollar basis upon terms and conditions set forth in the Plan of Reorganization and related debt documents, which terms and conditions shall include a tenor of five years, an interest rate of not less than LIBOR + 8.25% per annum, with a floor of 1% for LIBOR, payable

semiannually, a 1.25% upfront fee, no amortization in the first two years and six (6) equal, consecutive semi-annual installments thereafter (the "**Tranche A Exit Debt Documents**" and, together with the RoC Exit Debt Documents, the "**Exit Debt Documents**"), that incorporate the terms hereof and are otherwise acceptable to the requisite Tranche A DIP Loan Lenders (the "**Tranche A Exit Facility Providers**" and, together with the RoC Exit Facility Providers, each an "**Exit Facility Provider**");

(ii) the Cash-Out Tranche A DIP Loans, if any, shall be payable in cash in full in US dollars on the effective date of the Plan of Reorganization; and

(iii) (A) at the option of the Company, the Tranche B DIP Loans shall be converted into a certain amount of common shares, but in no case less than 70% of the fully diluted equity of the reorganized Credit Parties, upon terms and conditions reasonably acceptable to the Majority Tranche B Lenders, which terms and conditions shall include a 20% discount to the pre-money equity valuation of the Credit Parties and (B) in the event that there are any undrawn Tranche B Commitments, each Tranche B DIP Lender shall have the right to make an equity investment in the reorganized Credit Parties in an amount up to its pro rata portion of unused Tranche B Commitments at a 20% discount to the pre-money equity valuation of the Credit Parties (such right, the "**Purchase Right**"). In the event that any Tranche B DIP Lender elects not to exercise its Purchase Right, each Tranche B DIP Lender that has agreed to exercise its Purchase Right shall be offered the right to increase its equity investment in an amount equal to the pro rata portion of the unused Tranche B Commitments held by lenders that have declined to exercise their Purchase Right. This process shall continue until all Tranche B DIP Lenders have declined to increase their Purchase Right in accordance with the previous sentence or until all unused Tranche B Commitments have been allocated in accordance with the previous sentence;

(c) the obligations under the Exit Debt Facilities shall

(i) be secured by a first priority perfected lien on all assets and property of the reorganized Credit Parties, whether real, personal, tangible or intangible, that are

available to serve as collateral for such obligations (subject to customary permitted liens);

(ii) contain covenants reasonably acceptable to the Requisite Lenders, including, without limitation, financial covenants relating to the maintenance of a minimum liquidity to be determined;

(iii) rank *pari passu* for payment purposes; and

(iv) vote separately by tranche.

(d) the capital structure of Credit Parties and their affiliates shall be substantially consistent with the capital structure set forth in the Plan of Reorganization and acceptable to the Requisite Lenders;

(e) the Tranche A DIP Loan Lenders holding Cash-Out Tranche A DIP Loans, if any, shall have a right of first refusal with respect to providing the exit financing to repay the Cash-Out Tranche A DIP Loans, if any, in cash in full in US dollars;

(f) the post-emergence board and governance documents of the Credit Parties shall be reasonably acceptable to the Majority Tranche B DIP Loan Lenders;

(g) the post-emergence business plans, financial forecasts, leverage and current operations shall be acceptable to the Tranche B DIP Lenders;

(h) the Credit Parties shall have paid all out-of-pocket fees and expenses (including professional fees of one law firm, plus local counsel, on behalf of the Agent, the Lenders and the Exit Facility Providers) of the Lenders and the Exit Facility Providers;

(i) securing approval from the Republic of Colombia to a headcount reduction of a percentage amount to be determined on a permanent basis (over the limit of 5% by law) in order to achieve best of class staffing level;

(j) reduction of at least US$2 billion of aircraft debt and lease obligations under IFRS 16 as in the DIP Lender presentation;

(k) the Colombian Transportation Ministry guaranteeing covid slot allocation in BOG airport and any other slot restricted airports in Colombia;

(l) reduction in overall airport fees, fuel taxes, direct aviation taxes, etc in Colombia, Ecuador, and Central America of an amount to be determined in order to assure the long term competitiveness of the Company;

(m) OEM contract renegotiation and or cancellation to achieve cost reductions consistent with the reorganized Debtor's financial plan;

(n) the Plan of Reorganization shall include mutual releases and exculpations, which shall include releases for the Consenting Noteholders, Agent and Lenders;

(o) maintenance by the Company of permanent, long-term term labor concessions reasonably acceptable to the Majority Tranche B Lenders; and

(p) upon emergence from the Chapter 11 Cases, no less than fifty percent (50%) of the aircraft retained for use in the Company's fleet for the duration of the Chapter 11 Cases shall remain on PBH Agreements reasonably acceptable to the Majority Tranche B Lenders.

Listing and Registration Rights Tranche B Lenders will have (1) rights to request the Credit Parties and the Credit Parties will use commercially reasonable efforts to list the newly issued common equity of the Company on a single global exchange within six months of the effective date of a Plan of Reorganization; *provided* that such listing must be accomplished within 12 months of the effective date, and under terms and conditions suitable for a successful initial public offering and (2) customary registration rights.

Releases Without limiting in any way the obligation to provide customary releases to the Agent and the Lenders under the DIP Facility in the Final DIP Order, effective upon the entry of the Final DIP Order, the Credit Parties and the chapter 11 bankruptcy estates will provide releases to the Prepetition Stakeholder Facility Lenders and the Stakeholder Agent (in form and substance reasonably satisfactory to a majority of the Prepetition Stakeholder Facility Lenders and the Stakeholder Agent) for any claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness or obligations related to or arising out of the Prepetition Stakeholder Facility.

Lender Financing The DIP Loan Documents will permit the Lenders to finance their loans and commitments under the DIP Loan Documents, including by granting a security interest therein to their respective financing

	sources as collateral security, in each case without the consent of the Company or any other person, but without in any way limiting such Lender's obligations in respect of the DIP Facility.
Yield Protection	The DIP Loan Documents will include customary cost and yield protection provisions and customary provisions protecting the Lenders from withholding tax liabilities that are currently in effect or may arise in the future (including a customary tax gross up) in form and substance reasonably acceptable to the Requisite Lenders.
Documentation	This term sheet shall be subject to further documentation, including, without limitation, the Final DIP Order and a definitive credit agreement incorporating the terms hereof and otherwise in form and substance acceptable to the Agent and the Requisite Lenders (collectively, the "**DIP Loan Documents**").
Governing Law	The DIP Loan Documents will provide that the Credit Parties will submit to the exclusive jurisdiction and venue of the Bankruptcy Court, or in the event that the Bankruptcy Court does not have or does not exercise jurisdiction, then in any state or federal court of competent jurisdiction in the State of New York; and shall waive any right to trial by jury. New York law shall govern the DIP Loan Documents except (i) to the extent preempted by federal bankruptcy laws and (ii) with respect to any security agreements governed by non-US law.

Schedule A to Summary of Indicative Terms (in $ millions)									
Date	**Tranche A New Money Disbursement**	**Tranche A Roll-Up Disbursement**	**Tranche A Total Disbursement**	**Tranche B New Money Disbursement**	**Tranche B Roll-Up Disbursement**	**Tranche B Total Disbursement**	**Total DIP Disbursement**	**New Money Disbursement**	**Roll-Up Disbursement**
Upon entry of Final DIP Order	574.3	388.5	962.8	61.6	384.1	445.7	**1,408.5**	635.9	772.6
December 20, 2020	130.3	-	130.3	101.7	-	101.7	**232.0**	232.0	-
February 21, 2021	97.7	-	97.7	76.3	-	76.3	**174.0**	174.0	-
April 21, 2021	97.7	-	97.7	76.3	-	76.3	**174.0**	174.0	-
Total	**900.0**	**388.5**	**1,288.5**	**315.9**	**384.1**	**700.0**	**1,988.5**	**1,215.9**	**772.6**

Schedule B

Attached Hereto

EXHIBIT B

FORM OF JOINDER AGREEMENT

Joinder Agreement

This joinder agreement (this "Joinder Agreement") to the Restructuring Support Agreement (the "Agreement"),[2] dated as of [_____], 2020, by and among: (i) the Debtors; and (ii) the Consenting Noteholders, is executed and delivered by [_____] (the "Joining Party") as of [_____].

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder Agreement as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Consenting Noteholders.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the RSA Claims identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 4 and Section 5 of the Agreement to each other Party.

3. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to any conflicts of law provisions which would require the application of the law of any other jurisdiction.

4. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile: [FAX]
EMAIL:

[2] Capitalized terms used but not otherwise defined herein, shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the Joining Party has caused this Joinder Agreement to be executed as of the date first written above.

[JOINING PARTY]

By: _____
Name:
Title:

Address: _____
_____
_____

Attn:
Tel:
Fax:
E-mail:

Holdings: $_____ of Debt
Under the Indenture

Exhibit C

Shared Collateral

(i) a security interest or mortgage in the following intellectual property:

- the AVIANCA trademarks owned by Aerovías del Continente Americano S.A. – Avianca ("Aerovias"), and registrations and registration applications therefor;
- the AEROGAL, AIR GALAPAGOS, AIR GUAYAQUIL, GALAPAGOS AIR, and related trademarks owned by Avianca-Ecuador S.A., and registrations therefor;
- the DEPRISA trademarks owned by International Trademarks Agency Inc., and registrations and registration applications therefor;
- the FLYBOX trademark owned by Latin Logistics, LLC, and registrations and registration applications therefor;
- the TAMPA, TAMPA CARGO, CARGO LINK, AEROLINEAS TAMPA trademarks owned by Tampa Cargo S.A.S., and registrations and registration applications therefor

(ii) a security interest in certain aircraft owned by Tampa Cargo S.A.S., Aerovias or Wells Fargo Trust Company, not individually but solely in its capacity as trustee for the benefit of Tampa Cargo S.A.S., each of which is registered in Mexico;

(iii) a security interest in all of the issued and outstanding capital stock of Airlease Holdings Two Ltd.; and

(iv) a security interest in the rights of Aerovias and Grupo Taca Holdings Limited to the residual value (after payment in full of the Company's export credit agency ("ECA") counterparties and other parties entitled to payments under the ECA financing arrangements) of aircraft operated by them and financed through the ECA financing arrangements, which collectively constitute substantially all of the Company's aircraft which are not held for sale or operated pursuant to operating lease arrangements with third party lessors (pledges over rights to receive waterfall proceeds and pledges of rights to aircraft residual value).

Exhibit D

Backstop Commitment Letter

August 28, 2020

CONFIDENTIAL

Avianca Holdings S.A.
Edificio P.H. ARIFA, Boulevard Oeste
Pisos 9 y 10
Ciudad de Panamá, Panamá

$200.0 Million Superpriority Senior Secured Priming Debtor In Possession Term Loan Credit Facility Backstop Commitment Letter

Avianca Holdings S.A. (the "Company") and certain of its subsidiaries (the "Subsidiaries" and collectively with the Company, "the Debtors") are operating their businesses as debtors and debtors-in-possession in cases (the "Chapter 11 Cases") pending under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York, Case No. 20-11133 (MG) (the "Bankruptcy Court"). The Company, on behalf of the Debtors, has (i) advised the parties set forth on Schedule 1 attached hereto (the "Backstop Parties", "we", "us" or "our"), that the Debtors intend to seek Bankruptcy Court approval of a $1,988,500,000 superpriority senior secured priming debtor in possession term loan credit facility under Sections 364(c) and 364(d) of the Bankruptcy Code (the "DIP Facility") subject to the terms and conditions set forth in the Summary of Indicative Terms Debtor-In-Possession Financing attached hereto as Exhibit A (the "DIP Term Sheet") and on other terms and conditions to be agreed upon as described in this letter and in the DIP Term Sheet (collectively, this "Backstop Commitment Letter") and (ii) in connection with the foregoing, requested that the Backstop Parties agree to commit to provide $200,000,000, subject to reduction as set forth herein and in the DIP Term Sheet, of Tranche A DIP Loans, on the terms and conditions set forth herein and in the DIP Term Sheet, and on such additional terms and conditions to be agreed upon as described herein and in the DIP Term Sheet. Unless otherwise specified herein, all references to "$" shall refer to U.S. dollars. Capitalized terms used herein without definition shall have the meaning assigned thereto in the DIP Term Sheet.

1. Commitment.

Each Backstop Party is pleased to advise the Debtors of its several, but not joint, commitment to provide the amount of the new money Tranche A DIP Loans[1] set forth on Schedule 1 hereto, subject to reduction as set forth herein and in the DIP Term Sheet, on the terms and conditions set forth herein and in the DIP Term Sheet, and on such additional terms and conditions to be agreed upon as described herein and in the DIP Term Sheet (the "Commitment"). The Debtors acknowledge and agree that nothing in this Backstop Commitment Letter or the nature of the transactions contemplated hereby or in any prior relationship will be deemed to create an advisory, fiduciary or agency relationship between any Backstop Party or any of their respective affiliates, on the one hand, and the Debtors, the Debtors' equity holders or their respective affiliates, on the

[1] The term "Tranche A DIP Loans" also includes any notes issued to holders of the 2023 notes participating in the DIP Facility pursuant to a note purchase agreement, as referenced in the term sheet attached to the RSA to which this letter is an exhibit.

other hand, and the Debtors waive, to the fullest extent permitted by law, any claims the Debtors may have against any Backstop Party or any of their respective affiliates for breach of fiduciary duty or alleged breach of fiduciary duty in connection with this Backstop Commitment Letter or the transactions contemplated hereby, and agree that no Backstop Party, or any of their respective affiliates will have any liability (whether direct or indirect) to any Debtor in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on your behalf, including the Debtors' equity holders, employees or creditors. The Debtors acknowledge that the transactions contemplated hereby (including the exercise of rights and remedies hereunder) are arm's-length commercial transactions and that the Backstop Parties are acting as principal holder, or investment advisor, sub-advisor, or manager of discretionary accounts, and in their respective own best interests. The Debtors are relying on their own experts and advisors to determine whether the transactions contemplated hereby are in their best interests and are capable of evaluating and understanding, and the Debtors understand and accept, the terms, risks and conditions of the transactions contemplated hereby. In addition, the Debtors acknowledge that the Backstop Parties may utilize our respective affiliates in performing certain obligations hereunder and may exchange with such affiliates information concerning the Debtors and other companies that may be the subject of the transactions contemplated hereby on a "need to know basis"; *provided* that any such affiliates receiving information concerning the Debtors and other companies in accordance with this paragraph shall be subject to the same confidentiality obligations provided for in this Backstop Commitment Letter (with each Backstop Party responsible for its affiliates' compliance with this paragraph). Each Backstop Party that is a registered investment company (the "Investment Companies") under the Investment Company Act of 1940, as amended (the "Investment Company Act") shall only be required to fund its Commitment on the Closing Date.

2. Information.

The Debtors hereby represent, warrant and covenant that (a) all written information concerning each of them and their respective subsidiaries and their respective business (other than (x) financial projections, estimates, forecasts and budgets and other forward-looking information (collectively, the "Projections") and (y) information of a general economic or general industry nature)) that has been or will be made available to us or any of our respective affiliates by or on behalf of any of the Debtors (the "Information") is or will be, when furnished, true, complete and correct in all material respects, when taken as a whole, and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made, and (b) the Projections that have been or will be made available to us or any of our affiliates by or on behalf of the Debtors or any of their representatives have been or will be prepared in good faith based upon assumptions that are believed by the preparer thereof to be reasonable at the time made and at the time the related Projections are made available to us or any of our affiliates (it being acknowledged that (i) such Projections are subject to significant uncertainties and contingencies, many of which are beyond the Debtors' control, (ii) the actual results during the period or periods covered by any such Projections may differ significantly from the projected results, and (iii) no guarantee or assurance can be given that the projected results will be realized). In particular, where Projections expressly or implicitly take into account the current market volatility and widespread impact of the COVID-19 outbreak, the extent of the impact of these developments on the Debtors' and their subsidiaries' operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related

governmental advisories and restrictions, and the impact of the COVID-19 outbreak on overall demand for the Debtors' and their subsidiaries' products and services, all of which are outside of the control of the Debtors or their subsidiaries, highly uncertain and cannot be predicted.

3. Backstop Premium.

In addition to any upfront yield enhancement fee, undrawn commitment fee, or back-end fee set forth in the DIP Term Sheet under the heading "Fees," as consideration for the Commitments and agreements of the Backstop Parties hereunder, the Debtors agree that the DIP Facility shall provide, and that it is a condition precedent to the availability of each Backstop Party's Commitment that the DIP Facility provide, that the Backstop Commitment Parties will be allocated a portion of the Noteholder Roll-Up DIP Loans equal to **[REDACTED]** in the aggregate (the "Backstop Premium"), which shall be allocated to each Backstop Party pro rata based on the amounts set forth on Schedule 1 hereto, which shall be earned on the date of this Backstop Commitment Letter and shall be paid by adding such amount to the principal amount of the DIP Loans of each Backstop Party on the Closing Date (it being understood that the Backstop Premium shall in no event increase the aggregate amount of the Noteholder Roll-Up DIP Loans, and shall constitute a reallocation of the Noteholder Roll-Up DIP Loans to the Backstop Parties). The parties hereto hereby acknowledge and agree that the obligation of the Debtors to pay the Backstop Premium shall constitute an "Obligation" under and as defined in the DIP Loan Documents. The Backstop Premium shall be treated as a "put premium" paid to the Backstop Parties for all U.S. federal income tax purposes (and to the extent applicable, for state and local tax purposes).

4. Break-Up Fee.

As further incentive for the Commitments and agreements of the Backstop Parties hereunder, the Debtors agree to seek and obtain approval of the Bankruptcy Court, pursuant to a motion (the "Break-Up Fee Motion") filed in the Chapter 11 Cases, of an order (the "Break-Up Fee Order") entered by the Bankruptcy Court, each in form and substance acceptable to the Backstop Parties, of a payment to the Backstop Parties of a fee equal to 1.75% of the Commitments, subject to a cap of $4,375,000 in the aggregate (the "Break-Up Fee") and approval of paragraph 6 hereof. The Break-Up Fee Order shall provide, among other things: that (i) the Break-Up Fee shall be payable in the event that any Debtor or its board of directors (or similar governing body) determines to enter into any alternative proposal for debtor in possession financing (i.e., a new-money financing) which does not include the Noteholder Roll-Up DIP Loans (such financing, an "Alternative DIP Financing"), (ii) if the Debtors enter into an Alternative DIP Financing, the Debtors shall immediately notify the Backstop Parties in writing and any or all of the Backstop Parties may terminate this Commitment Letter and the Commitments at any time, and (iii) the Debtors may terminate this Commitment Letter after (3) Business Days prior written notice to the Backstop Parties if they seek or intend to seek Bankruptcy Court approval of any Alternative DIP Financing (the date of any such determination, the "Alternative Transaction Termination Date").

In the event that the Alternative Transaction Termination Date occurs and an Alternative DIP Financing is consummated (the date of such consummation, the "Alternative DIP Financing Closing Date"), the Debtors shall pay to the Backstop Parties the Break-Up Fee as full and complete compensation to the Backstop Parties for the Company not consummating the Tranche A DIP Loans under the DIP Facility. The Break-Up Fee shall be due and payable on the

Alternative DIP Financing Closing Date from the proceeds of such Alternative DIP Financing and shall have administrative expense priority pursuant to section 503(b)(1) of the Bankruptcy Code. For the avoidance of doubt, the Debtors shall have no obligation to pay the Break-Up Fee if the Alternative DIP Financing Closing Date does not occur, or the Bankruptcy Court does not enter the Break-Up Fee Order. For the avoidance of doubt, the provisions of paragraph [6] shall continue in full force and effect on and subsequent to any Alternative DIP Financing Closing Date.

It shall be a condition precedent to the availability of the Commitments of the Backstop Parties that (i) prior to filing of same, the Debtors provide the Break-Up Fee Motion and the Break-Up Fee Order to the Backstop Parties, (ii) the final terms of each of the Break-Up Fee Motion and the Break-Up Fee Order shall be subject to the consent and approval of the Backstop Parties in all respects, (iii) the Debtors file the Break-Up Fee Motion no later than three (3) Business Days after the execution of this Commitment Letter by the Backstop Parties, (iv) that the Bankruptcy Court enters the Break-Up Fee Order within fifteen (15) business days after the execution of this Commitment Letter by the Backstop Parties, and (v) after entry by the Bankruptcy Court of the Break-Up Fee Order, such order is not reversed, dismissed, vacated, reconsidered, or modified/amended without consent of the Backstop Parties.

5. Conditions.

The Backstop Parties' Commitments and agreements hereunder in respect of the DIP Facility are subject to the satisfaction (or waiver by the Backstop Parties) of the conditions set forth in this Commitment Letter (including, without limitation, the conditions set forth in paragraph 3 and 4 hereof), including the DIP Term Sheet, and to the conditions set forth under "Conditions to Borrowings" in the DIP Term Sheet.

6. Indemnification and Expenses.

Each Debtor, jointly and severally, agrees to (a) indemnify and hold harmless each Backstop Party, their respective affiliates and their affiliates' respective officers, directors, employees, agents, attorneys, accountants, advisors (including investment managers, financial advisors and advisers), consultants, representatives, controlling persons, members and permitted successors and assigns (each, an "Indemnified Person") from and against any and all losses, claims, damages, liabilities and expenses, joint or several ("Losses") to which any such Indemnified Person may become subject arising out of or in connection with this Backstop Commitment Letter, the DIP Facility, the use of proceeds thereof or any claim, litigation, investigation or proceeding relating to any of the foregoing, and to (b) reimburse each Backstop Party promptly upon receipt of its respective demand for any reasonable and documented out-of-pocket expenses including (i) in the case of legal expenses, limited to those of Paul Hastings LLP, and any necessary local legal counsel, limited to one per each relevant jurisdiction, and any necessary regulatory, FAA or other specialty counsel, and (ii) fees and expenses of Evercore Group L.L.C., incurred in connection with the DIP Facility, the enforcement of this Backstop Commitment Letter, the definitive documentation for the DIP Facility, and any ancillary documents and security arrangements in connection therewith, but no other third-party financial advisors (other than Evercore Group L.L.C.) without your prior written consent; provided that the foregoing indemnity shall not, as to any Indemnified Person, apply to Losses to the extent (a) they are found in a final nonappealable judgment of a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence, bad faith

or willful misconduct, or (b) they relate to a dispute solely among Indemnified Persons and not arising out of any act or omission of the Debtors or any of their respective subsidiaries (other than any claim, litigation, investigation or proceeding against the DIP Agent, in its capacity or in fulling its role as such).

None of the Debtors, any of your or their respective subsidiaries, we nor any other Indemnified Person will be responsible or liable to one another for any indirect, special, punitive or consequential damages which may be alleged as a result of or arising out of, or in any way related to, the DIP Facility, the enforcement of this Backstop Commitment Letter, the definitive documentation for the DIP Facility, or any ancillary documents and security arrangements in connection therewith; provided that your indemnity and reimbursement obligations under this Section 6 shall not be limited by this sentence.

7. Assignments, Amendments.

This Backstop Commitment Letter shall not be assignable by you or us without the prior written consent of the other parties hereto (and any attempted assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and the Indemnified Persons and is not intended to confer any benefits upon, or create any rights in favor of, any person or entity other than the parties hereto and the Indemnified Persons; *provided* that, for the avoidance of doubt, any DIP Lender may assign its rights, commitments and obligations under this Backstop Commitment Letter to any of its affiliates (including funds or accounts under common management) or any other DIP Lender or its affiliates (including funds or accounts under common management), pursuant to an assignment and joinder substantially in the form of Exhibit B attached hereto (a "Joinder Agreement"). This Backstop Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the Backstop Parties and you.

This Backstop Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Backstop Commitment Letter by facsimile or other electronic transmission (including E-Signature) shall be effective as delivery of a manually executed counterpart hereof. Section headings used herein are for convenience of reference only, are not part of this Backstop Commitment Letter and are not to affect the construction of, or to be taken into consideration in interpreting, this Backstop Commitment Letter. Each Debtor acknowledges that information and documents relating to the DIP Facility may be transmitted through the internet, e-mail or similar electronic transmission systems and that no Backstop Party, nor any of their respective affiliates, shall be liable for any damages arising from the unauthorized use by others of information or documents transmitted in such manner. This Backstop Commitment Letter supersedes all prior understandings, whether written or oral, between us with respect to the DIP Facility.

8. Governing Law, Etc.; Jurisdiction.

THIS BACKSTOP COMMITMENT LETTER AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS BACKSTOP COMMITMENT LETTER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW

OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE THAT WOULD CAUSE THE APPLICATION OF THE DOMESTIC SUBSTANTIVE LAWS OF ANY OTHER STATE).

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the non-exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof and the Bankruptcy Court, in any suit, action or proceeding arising out of or relating to this Backstop Commitment Letter or the DIP Facility, and agrees that all claims in respect of any such suit, action or proceeding shall be heard and determined in the Bankruptcy Court (or if the Bankruptcy Court does not have jurisdiction, any New York State court or, to the extent permitted by law, in such Federal court); *provided* that (a) suit for the recognition or enforcement of any judgment obtained in any such court may be brought in any other court of competent jurisdiction, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Backstop Commitment Letter or the DIP Facility in any New York State court, in any such Federal court or in Bankruptcy Court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court, and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Each Debtor hereby agrees that it shall not bring any suit, action, proceeding, claim or counterclaim under this Backstop Commitment Letter or with respect to the transactions contemplated hereby in any court other than in the Bankruptcy Court (or if the Bankruptcy Court does not have jurisdiction, such New York State court or Federal Court of the United States of America sitting in the Borough of Manhattan in New York City). Service of any process, summons, notice or document by registered mail addressed to you at the address above shall be effective service of process against any Debtor for any suit, action or proceeding brought in any such court.

9. Waiver of Jury Trial.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS BACKSTOP COMMITMENT LETTER OR THE PERFORMANCE OF OBLIGATIONS HEREUNDER OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

10. Confidentiality.

This Backstop Commitment Letter is delivered to the Debtors on the understanding that neither this Backstop Commitment Letter nor any of its terms or substance shall be disclosed, directly or indirectly, to any other person or entity except (a) the Debtors and their respective officers, directors, employees, legal counsel, accountants, financial advisors on a confidential and "need to

know" basis and, in each case, who are involved in the consideration of the financing transactions contemplated hereby who have been informed by the Debtors of the confidential nature of this Backstop Commitment Letter and have agreed to treat such information confidentially, (b) in any legal, judicial or administrative proceeding or as otherwise required by law or regulation or as requested by a governmental authority (in which case you agree, to the extent not prohibited by law, to inform Backstop Parties promptly thereof), (c) the office of the U.S. Trustee, any statutorily appointed committee, and their respective representatives and professional advisors (who have been notified of the confidential nature thereof), (d) to the Bankruptcy Court, including by identifying and disclosing each of this Backstop Commitment Agreement and the Break-Up Fee in any pleading filed by the Company on the public docket maintained by the Bankruptcy Court, (e) as and to the extent required in any financial statements or for other customary accounting, securities, or regulatory purposes, (f) you may disclose the aggregate amount of the fees hereunder as part of projections, pro forma information and a generic disclosure of aggregate sources and uses, (g) to the extent such information becomes publicly available (other than as a result of a breach of your obligations under this Section 9) and (h) otherwise with the consent of the Backstop Parties (such consent not to be unreasonably withheld).

Each Backstop Party acknowledges that it is a party to, or otherwise subject to, an existing confidentiality agreement with the Debtors, and agrees to keep confidential, and not to publish, disclose or otherwise divulge, confidential information with respect to the transactions contemplated hereby or obtained from or on behalf of you, or your and its respective affiliates in the course of the transactions contemplated hereby, subject to and in accordance with such existing confidentiality agreement. Notwithstanding anything to the contrary in any such confidentiality agreement, the Backstop Parties shall also be permitted to disclose such confidential information (a) on a confidential basis to any bona fide prospective DIP Lender, prospective participant or swap counterparty (in accordance with the terms of the DIP Term Sheet) that agrees to keep such information confidential in accordance with (x) the provisions of this paragraph (or provisions substantially similar to the effect of this paragraph that is reasonably acceptable to you) for your benefit or (y) other customary confidentiality language in a "click-through" arrangement, (b) to the extent you shall have consented to such disclosure in writing (which may include through electronic means), (c) as is necessary in protecting and enforcing the Backstop Parties' rights with respect to this Backstop Commitment Letter and/or the DIP Facility, (d) with respect to the existence and contents of the DIP Term Sheet and DIP Loan Documents, in consultation with you, to the rating agencies, (e) on a confidential basis to any of the Backstop Parties' financing sources so long as such financing sources agree to keep such information confidential in accordance with the provisions of this paragraph (or provisions substantially similar to the effect of this paragraph), or (f) with respect to the existence and contents of this Backstop Commitment Letter and the DIP Term Sheet, to market data collectors or similar service providers in connection with the arrangement, administration or management of the DIP Facility and to industry trade organizations where such information with respect to the DIP Facility is customarily included in league table measurements. Subject to the terms of any other confidentiality agreements with the Debtors, the Backstop Parties' and their respective affiliates', if any, obligations under this paragraph shall terminate automatically to the extent superseded by the confidentiality provisions in the DIP Loan Documents upon the effectiveness thereof and, in any event, will terminate one year from the date of this Backstop Commitment Letter.

11. Fees Nonrefundable.

All fees hereunder, once paid, are nonrefundable and not creditable against any other fee payable in connection with the DIP Facility or otherwise. All fees payable hereunder shall be earned on the date hereof, regardless of when payable hereunder and such fees shall be payable in immediately available funds in U.S. dollars free and clear of and without deduction for any and all present or future applicable taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (with appropriate gross-up for withholding taxes). Without limiting the foregoing, your obligation to pay fees hereunder, or to cause such fees to be paid, shall be absolute and unconditional and shall not be subject to reduction by way of setoff or counterclaim or otherwise. We reserve the right to allocate, in whole or in part, to one or more of our designated affiliates fees payable to us hereunder in such manner as we and such affiliates shall agree in our and their sole discretion.

12. Miscellaneous.

In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the "judgment currency") other than United States dollars, you will indemnify each Backstop Party against any loss incurred by such Backstop Party as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which the Backstop Party is able to purchase United States dollars with the amount of the judgment currency actually received by such Backstop Party. The foregoing indemnity will constitute a separate and independent obligation of the Debtors and will survive any termination of this Commitment Letter, and will continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" will include any premiums and costs of exchange payable in connection with the purchase of or conversion into United States dollars

The Backstop Parties hereby notify the Debtors that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "PATRIOT Act") and the requirements of 31 C.F.R. § 1010.230 (the "Beneficial Ownership Regulation"), each Backstop Party and their respective affiliates are required to obtain, verify and record information that identifies each Loan Party, which information includes names, addresses, tax identification numbers and other information that will allow such Backstop Party and their respective affiliates, to identify each Loan Party in accordance with the PATRIOT Act and the Beneficial Ownership Regulation. This notice is given in accordance with the requirements of the PATRIOT Act and the Beneficial Ownership Regulation and is effective for the Backstop Parties and their respective affiliates.

Subject to the approval of the Bankruptcy Court, each of the parties hereto agrees that this Backstop Commitment Letter is a binding and enforceable agreement (subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law)) with respect to the subject matter contained herein, including an agreement to negotiate in good faith the definitive documentation for the DIP Facility by the parties hereto in a manner consistent with this Backstop Commitment Letter, it being acknowledged and agreed that the availability of the DIP Facility is subject to certain conditions described herein and in the DIP Term Sheet.

If the foregoing correctly sets forth our agreement, please indicate the Debtors' acceptance of the terms of this Backstop Commitment Letter by returning to the Backstop Parties executed counterparts of this Backstop Commitment Letter not later than 11:59 p.m., New York City time, on August 31, 2020. This offer will automatically expire at such time if the Backstop Parties have not received such executed counterparts in accordance with the preceding sentence.

This Backstop Commitment Letter and the Commitments and agreements hereunder shall become effective upon the effective date of that certain Restructuring Support Agreement that is being entered into by the Debtors, on the one hand, and the Backstop Parties, on the other, and shall automatically terminate on the earlier of (i) the date of the effectiveness of the DIP Loan Documents and (ii) unless the Backstop Parties shall, in their sole discretion, agree in writing to an extension, 11:59 p.m., New York City time, on October 5, 2020. Notwithstanding the immediately preceding sentence, Section 4 above, as well as the indemnification and expenses, confidentiality, information, jurisdiction, governing law and waiver of jury trial provisions contained herein shall remain in full force and effect in accordance with their terms notwithstanding the termination of this Backstop Commitment Letter or the Backstop Parties' Commitments hereunder; *provided* that the Debtors' obligations under this Backstop Commitment Letter, other than those pursuant to Section 3 and with respect to confidentiality, shall automatically terminate and be superseded by the applicable provisions in the DIP Loan Documents, in each case, to the extent covered thereby, on the date of the effectiveness of the DIP Loan Documents, and the Debtors shall be released from all liability in connection therewith at such time.

[*Signature Pages of Debtors and Backstop Parties to Follow*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

COMPANY

AVIANCA HOLDINGS S.A., on behalf of the Debtors

By: _____
Name: Richard Galindo
Title: Secretary

SCHEDULE 1

Exhibit A - DIP Term Sheet

AVIANCA HOLDINGS S.A.

SUMMARY OF INDICATIVE TERMS
DEBTOR-IN-POSSESSION FINANCING

*The following describes the terms of a debtor-in-possession financing ("**DIP Facility**") to be used to fund working capital of AVIANCA HOLDINGS S.A. (the "**Company**") and each of its subsidiaries (the "**Subsidiaries**") during the pendency of the cases filed under Chapter 11 ("**Chapter 11 Cases**") of the United States Bankruptcy Code (the "**Bankruptcy Code**").*

Borrower and Guarantors	The Company (the "**Borrower**") and each of its Subsidiaries that are debtors, each as a debtor and debtor-in-possession in the Chapter 11 Cases, AV Loyalty Bermuda Ltd. and Aviacorp Enterprises, S.A. (collectively, the "**Guarantors**" and, together with the Borrower, the "**Credit Parties**").
Agent	An entity to be determined by the Lenders and the Borrower (in such capacity, the "**Agent**"). For the avoidance of doubt, the Agent shall be the entity capable of complying with the seasoning of the DIP Loans.
Lenders	A lender or syndicate of banks, financial institutions and other lenders (including institutional lenders, existing creditors, bondholders, and any affiliates thereof) (the "**Lenders**").
Amount, Type and Availability	The DIP Facility shall be comprised of the following senior secured term loans (the "**DIP Loans**", and the commitment of the Lenders to make the DIP Loans, the "**Commitment**") in an aggregate amount of US$1,988,500,000, of which a total of US$1,288,500,000 shall be comprised of the Tranche A DIP Loans (as defined below) (the "**Tranche A Commitment**"), and US$700,000,000 shall be comprised of Tranche B DIP Loans (as defined below) (the "**Tranche B Commitment**") as follows: a. Tranche A: Up to US$1,288,500,000 of loans comprised of (i) US$220,000,000 of Noteholder Roll-Up DIP Loans (as defined below) as elected by the Noteholders (as defined below) and US$168,500,000 in consideration of the LM Acquisition described below, and (ii) the amount in new money loans that is sufficient, when combined with the amounts in clause (i) to equal the Tranche A Commitment (collectively, the "**Tranche A DIP Loans**"); *provided* that the Borrower shall split the Tranche A DIP Loans into separate *pari passu* classes (the "**Tranche Split**") solely in connection with the cash-out treatment and payment of interest provided to Noteholders who wish to participate in the DIP Facility without participating in the Tranche A Exit

Debt Facility (such class of Tranche A DIP Loans, the "**Cash-Out Tranche A DIP Loans**"); and

b. Tranche B: Not less than US$700,000,000 of loans comprised of (i) all principal and accumulated interest outstanding under those certain convertible secured stakeholder facility loans (the "**Prepetition Stakeholder Facility**") provided by United Airlines, Inc., an affiliate of Kingsland Holdings Limited, an affiliate of Citadel Advisors LLC and Caoba Capital Investors totaling approximately US$384,000,000, which shall be converted into Tranche B DIP Loans and (ii) the amount in new money loans that is sufficient, but not less than US$300,000,000, when combined with the roll up of the obligations owed by the Company under the Prepetition Stakeholder Facility to equal the Tranche B Commitment (collectively, the "**Tranche B DIP Loans**").

US$220,000,000 of Tranche A DIP Loans (the "**Noteholder Roll-Up DIP Loans**") will be provided by certain noteholders (the "**Noteholders**") of the outstanding Senior Secured Notes Due 2023 (the "**Notes**") issued pursuant to that certain Indenture (the "**Indenture**") dated as of December 31, 2019 among the Company, as issuer, the guarantors party thereto, Wilmington Savings Fund Society, FSB, as trustee (the "**Trustee**") and Citibank, N.A., as registrar, transfer agent and principal paying agent. Each Noteholder will have the right to commit Noteholder Roll-Up DIP Loans solely at the election of such Noteholder (each such consenting Noteholder, a "**Consenting Noteholder**"). A Consenting Noteholder may elect and shall thereafter promptly notify the Borrower that it will be providing its Tranche A DIP Loan in the form of a Cash-Out Tranche A DIP Loan; *provided* that if the Tranche Split is not elected by any Consenting Noteholders, all Consenting Noteholders shall provide Tranche A DIP Loans without any cash-out option.

At the election of a Consenting Noteholder in its Lender capacity, any or all of its Tranche A DIP Loans must be documented as notes issued pursuant to a note purchase agreement. The terms of the notes pursuant to such note purchase agreement will have the exact same economic, guarantee and collateral, representations and warranties, covenants and payment terms and conditions as the Tranche A DIP Loans and the issuer of the notes must commit to list such notes on a stock exchange within one year of issuance of such notes.

Any Noteholder who does not commit to convert its Notes into Noteholder Roll-Up DIP Loans will have a junior claim on all of the collateral governed by the terms of the Collateral Sharing Agreement (the "**Shared Collateral**") with respect to such Noteholder's Notes.

Except as otherwise provided herein, any Consenting Noteholder will have no claim for any deficiency in such Consenting Noteholder's Notes.

The Prepetition Stakeholder Facility shall be converted into Tranche B DIP Loans and the collateral securing such loans shall be released to secure all DIP Loans in accordance with the terms set forth herein and the DIP Loans will be made available in multiple drawings (at such times, in such proportion of Tranche A DIP Loans and Tranche B DIP Loans, and in such amounts, as set forth in Schedule A hereto) following entry of an order of the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") approving the DIP Facility on a final basis (the "**Final DIP Order**" and, the date the Bankruptcy Court enters the Final DIP Order, the "**Final DIP Order Entry Date**"), and upon satisfaction of the conditions set forth in the section "Conditions to Borrowings". The Final DIP Order shall be in form and substance acceptable to the Credit Parties, the Agent and the Requisite Lenders, and such Final DIP Order shall not have been vacated, reversed, modified, amended or stayed except as otherwise agreed to in writing by the Credit Parties, the Agent and the Requisite Lenders.

All references to the "**Requisite Lenders**" herein shall mean each of the (a) Majority Non-Government Tranche A Lenders and (b) Majority Tranche B Lenders.[1]

The DIP Loans are provided for working capital and general corporate purposes and for fees and other expenses due and payable under the DIP Facility.

Backstop Commitments

The holders of the Notes identified on Schedule B (the "**Backstop Commitment Parties**") agree, in the allocations set forth therein, to provide a backstop commitment (the "**Backstop Commitment**") of US$200,000,000 of new money Tranche A DIP Loans; *provided* the Backstop Commitment will be reduced on a dollar-for-dollar basis for each dollar of new money Tranche A DIP Loan Commitments from any other Noteholder that exceed

[1] Subject to revision as necessary to provide the Republic of Colombia with separate and distinct voting rights as Tranche A Lenders.

US$50,000,000; *provided further* that, notwithstanding anything to the contrary set forth herein or in the Backstop Commitment Letter, the Backstop Commitment cannot be reduced to less than US$100,000,000.

As consideration for the Backstop Commitment and agreements of the Backstop Commitment Parties, the Backstop Commitment Parties will be allocated the fees set forth in Section 3 of the Backstop Commitment Letter between the Backstop Commitment Parties and the Company (the "**Backstop Commitment Letter**").

LM Stock Acquisition

AV Loyalty Bermuda, Ltd., an exempted company limited by shares incorporated under the laws of Bermuda (the "**Buyer**") and an indirect subsidiary of the Company, owns 70% of the share capital of LifeMiles Ltd., an exempted company limited by shares continued into and now existing under the laws of Bermuda ("**LifeMiles**"). AI Loyalty (Cayman) Limited, a corporation organized under the laws of the Cayman Islands and an affiliate of Advent International (the "**Seller**"), owns 30% of the share capital of LifeMiles.

The Company, the Buyer and the Seller will enter into a Securities Purchase Agreement (the "**LM SPA**") pursuant to which the Seller will (a) agree to sell to the Buyer 66.33% of its 30% stake in the share capital of LifeMiles (*i.e.*, 19.9% of the share capital of LifeMiles) (the "**Sale Shares**") and (b) grant the Buyer a call option (the "**Call Option**") to purchase 33.67% of its 30% stake in the share capital of LifeMiles (*i.e.*, 10.1% of the share capital of LifeMiles) (the "**Call Option Shares**") (collectively, the "**LM Stock Acquisition**").

The consideration payable by the Buyer to the Seller for the Sale Shares will consist of:

(a) US$26,500,000 in cash, *plus*

(b) US$168,500,000 in Tranche A DIP Loans, (i) no more than US$100,000,000 of which will, upon emergence from the Chapter 11 Cases, at the Seller's election either (A) convert into the Tranche A Exit Debt Facility or (B) convert into take back paper and (ii) no less than US$68,500,000 of which will be repaid in cash upon emergence from the Chapter 11 Cases.

The consideration payable by the Buyer to the Seller for the Call Option Shares will consist of US$5,000,000 in cash.

	The closing of the acquisition of the Sale Shares (the "**Sale Shares Closing**") will be subject to the execution of the DIP Loan Documents and the closing under the DIP Loan Documents, among other conditions precedent. The Call Option will become exercisable from and after the Sale Shares Closing and will expire on September 1, 2022.
Financial Covenants	Financial covenants to consist of (i) compliance with the 13-week statement of receipts and disbursements for the Credit Parties, broken down by week, including the anticipated uses of the DIP Facility for such period, acceptable to the Agent and Requisite Lenders ("**Budget**"), which Budget shall be updated, delivered and aggregate disbursements (excluding professionals) and receipts tested every four weeks, subject to a permitted deviation, and the Company shall deliver a bi-weekly report of any variance from the Budget, commencing immediately following the initial funding of the DIP Facility, (ii) maintenance of a minimum total cash balance of US$400,000,000 and (iii) compliance with a maximum monthly cash burn limit, and the Company shall deliver a bi-weekly report confirming compliance with clauses (ii) and (iii).
Collateral and Other Credit Support	All obligations and liabilities under the DIP Facility shall at all times be (a) secured by a perfected lien and security interest (with the priorities described in the "Priority and Liens" section below) in all of the Credit Parties' right, title and interest in, to and under (i) the equity interests of LifeMiles owned by the Company at any time, which currently represents 70% of the voting and economic interests therein, but will be increased pursuant to the LM Stock Acquisition and all other equity interests of Subsidiaries that were pledged in connection with the Prepetition Stakeholder Facility, (ii) all assets and property of the Credit Parties, whether real, personal, tangible or intangible, that are, or become during the course of the Chapter 11 Cases, unencumbered, including, without limitation, all assets that were pledged in connection with the Prepetition Stakeholder Facility (provided such pledge does not impede in any event the Credit Parties receiving the cash proceeds from such receivables on a current basis), (iii) all cash accounts of the Credit Parties (which accounts include the accounts where the payments and receivables of the Credit Parties relating to passenger travel, ticket sales and other services since the commencement of the Chapter 11 Cases have been deposited), (iv) the Shared Collateral (as defined below) under that certain Collateral Sharing Agreement dated as of November 1, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "**Collateral Sharing Agreement**"), (v) the proceeds of any avoidance actions, brought pursuant to sections 502(d), 544,

545, 547, 548, 549, 551, 553(b), 732(2) or 742(2) of the Bankruptcy Code, and (vi) all assets and property of the Credit Parties, whether real, personal, tangible or intangible, that are subject to validly perfected prepetition liens (subject to agreed exclusions) (the "**Junior Collateral**"), in each of the foregoing cases, whether now or hereafter existing or acquired, and wherever located, and all documents, instruments, proceeds and products thereof and related thereto, other than Excluded Property (collectively, the "**Collateral**") and (b) jointly and severally guaranteed by the Guarantors. "**Excluded Property**" means (i) any particular assets, if the pledge thereof or security interest therein is (x) prohibited by applicable law (including rules and regulations of any governmental authority) or (y) prohibited or restricted by contract, lease, license or other agreement with a counterparty that is not a Credit Party or affiliate thereof, in each case of clause (x) and (y), except to the extent any such prohibition or restriction would be rendered ineffective under applicable provisions of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code and after giving effect to the Final DIP Order) or principles of equity, (ii) any accounts used exclusively for escrow, fiduciary, payroll, tax withholding or trust purposes, and (iii) other customary exclusions to be agreed; *provided*, that Excluded Property shall not include any proceeds of any Excluded Property unless such proceeds would otherwise constitute Excluded Property.

Consenting Noteholders shall comply with their obligations under the restructuring support agreement (the "**RSA**") to which this term sheet is an exhibit, with respect to the Direction Letter (as defined in the RSA).

In the event that the Bankruptcy Court determines that any other person not a party to the DIP Facility has a secured claim on the Shared Collateral as determined by entry of a final order not subject to a stay (after first giving effect to the value of such other party's other collateral) (each, an "**Additional Allowed Secured Claim**"), then the Noteholder Roll-Up DIP Loans shall be reduced on a dollar-for-dollar basis in an amount equal to the lesser of (a) US$75,000,000 and (b) the aggregate value of the Additional Allowed Secured Claims. Any recovery on any Additional Allowed Secured Claim shall be shared ratably among any parties that have a secured claim on the Shared Collateral; *provided* that, if any Noteholder Roll-Up DIP Loans are reduced on a dollar-for-dollar basis on account of any Additional Allowed Secured Claims, any resulting reduction of such Noteholder Roll-Up DIP Loans (the "**Non-Rolled Notes**") and (without duplication) any deficiency claims on account of the Consenting Noteholders'

Notes (the "**Deficiency Claim**"), shall be entitled to share pro rata with respect to any recovery solely on account of the Shared Collateral, but in no event shall any such reduction or deficiency result in an unsecured claim against the estates. For the avoidance of doubt, any recovery for Additional Allowed Secured Claims in excess of US$75,000,000 shall be funded by the Borrower and the Guarantors.

The Lenders shall look first to any Shared Collateral pledged as security for the DIP Facility before looking to any other Collateral of the Credit Parties.

Priority and Liens

All obligations and liabilities under the DIP Facility and all other documents related thereto (including any applicable orders of the Bankruptcy Court) shall at all times:

(i) pursuant to Section 364(c)(1) of the Bankruptcy Code, be entitled to superpriority claim status having priority over any and all other claims of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code, other than, in the case of the Tranche B DIP Loans, the superpriority claims of the Tranche A DIP Loans, and, for the avoidance of doubt, no superpriority claims relating to the Tranche B DIP Loans shall be entitled to payment by the Credit Parties unless and until all superpriority claims relating to the Tranche A DIP Loans have been repaid in full;

(ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, be secured by a perfected first priority lien on all Collateral (other than the Junior Collateral and subject to the priority rights accorded among the Tranche A DIP Loans and Tranche B DIP Loans);

(iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, a perfected lien on all Junior Collateral, which, in the case of all DIP Loans, shall be subject to the prior validly existing and permitted senior liens on such Junior Collateral and in the case of the Tranche B DIP Loans to be paid in the waterfall after the payment of the Tranche A DIP Loans; and

(iv) pursuant to Section 364(d)(1) of the Bankruptcy Code, a senior secured priming lien on the Shared Collateral in respect of the obligations of the Company under the Indenture and the obligations of the Company to any other parties under the Collateral Sharing Agreement.

All of the liens described herein with respect to the assets of the Credit Parties shall be effective and perfected by entry of the Final DIP Order and without the necessity of the execution of security agreements, pledge agreements, financing statements or other agreements, but without limitation of the right of the Agent to require any such agreements.

Closing Date

The date upon which all DIP Loan Documents have been executed and all conditions precedent satisfied or waived, as applicable, including the Final DIP Order having become effective.

Maturity Date

The DIP Loans shall be repaid in full as described below, and the DIP Facility shall mature and become due and payable eighteen (18) months from the Final DIP Order Entry Date; **provided that** the maturity (i) may be extended up to an additional sixty (60) days at the option of the Borrower, so long as a chapter 11 plan and disclosure statement acceptable in all material respects to the Borrower and Requisite Lenders has been filed with the Bankruptcy Court by the Credit Parties, and subject to conditions to be agreed, and (ii) shall be accelerated (a) upon effectiveness of a chapter 11 plan, (b) upon the sale of all or substantially all assets of the Credit Parties, (c) upon the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, in either case, unless otherwise consented to by the Requisite Lenders, (d) upon the appointment of a chapter 11 trustee or an examiner with expanded powers, and (e) as directed by the Agent or Requisite Lenders during the existence of an Event of Default.

Upon the maturity of the DIP Facility, including if accelerated as provided in (ii) above, all amounts outstanding thereunder (including, without limitation, accrued interest and all accrued fees, expenses and other amounts) shall be due and payable in cash in full in US dollars (in accordance with the priority rights of the Lenders set forth herein), **provided that** if the Exit Conversion occurs, the DIP Facility shall, to the extent outlined in the "Exit" section below, not be paid in cash (other than the Cash-Out Tranche A DIP Loans) and shall convert in accordance with such section.

Any confirmation order entered in the Chapter 11 Cases ("**Confirmation Order**") shall not discharge or otherwise affect in any way any of the joint and several obligations of the Company or the other Credit Parties to the Lenders under the DIP Facility and all DIP Loan Documents, other than after the payment in full and in cash in US dollars, to the Lenders of all obligations under the DIP Facility and the DIP Loan Documents on or before the

	effective date of any chapter 11 plan or with respect to non-Cash-Out Tranche A DIP Loans or pursuant to the Exit Conversion under the Plan of Reorganization.
Interest Rate	All amounts outstanding under the Tranche A DIP Loans will bear interest at the rate of LIBOR + 9.25% *per annum* (the "**Tranche A DIP Loan Interest Rate**"), which may be payable, at the Company's discretion, in cash or payment-in-kind; with a LIBOR floor equal to 1.0%; *provided* that in the event of a Tranche Split, the Cash-Out Tranche A DIP Loans will bear interest at the greater of (x) LIBOR + 8.25% *per annum* or (y) 100 basis points less than the Tranche A DIP Loan Interest Rate, which may be payable, at the Company's discretion, in cash or payment-in-kind; with a LIBOR floor equal to 1.0%. All amounts outstanding under the Tranche B DIP Loans will bear interest at 14.50% *per annum* (the "**Tranche B DIP Loan Interest Rate**"), which may be payable, at the Company's discretion, in cash or payment-in-kind. With respect to any interest payment, the Borrower shall not be permitted to elect to pay interest in-kind on the Tranche A DIP Loans unless it also elects to pay interest in-kind on the Tranche B DIP Loans. During the occurrence and continuance of any Event of Default, the DIP Loans and all other outstanding obligations in respect of the DIP Facility will bear interest at an additional 2.00% *per annum*.
Fees	**Upfront Yield Enhancement Fee on Tranche A DIP Loans**: An upfront yield enhancement fee on the Tranche A DIP Loans (excluding the Noteholder Roll-Up DIP Loans) equal to (2.0)% payable to each Lender of the Tranche A DIP Loans (excluding any Noteholder Roll-Up DIP Loans) according to its pro rata share of the Tranche A Commitment on the Final DIP Order Entry Date. **Undrawn Commitment Fee on Tranche A DIP Loans**: A commitment fee of 0.50% *per annum* on the Tranche A DIP Loans payable to each Lender of the Tranche A DIP Loans according to its pro rata share of the undrawn Tranche A Commitment. **Undrawn Commitment Fee on Tranche B DIP Loans**: A commitment fee of 0.50% *per annum* on the Tranche B DIP Loans payable to each Lender of the Tranche B DIP Loans according to its pro rata share of the undrawn Tranche B Commitment.

Tranche A Back-end Fees: On repayment or prepayment in full of the Tranche A DIP Loans, the Company shall pay to each Lender of the Tranche A DIP Loans a fee equal to 0.75% on such Lender's pro rata share of the Tranche A Commitment.

Tranche B Back-end Fees: On repayment or prepayment in full or conversion of the Tranche B DIP Loans, the Company shall pay to each Lender of the Tranche B DIP Loans a fee equal to 3.50% on such Lender's pro rata share of the Tranche B Commitment.

Back-end Fees: Collectively, the Tranche A Back-end Fees and Tranche B Back-end Fees will be referred to as the "**Back-end Fees**".

Tranche B Exit Fee: Payable upon any termination (prior to funding in full) of the Commitments in respect of the Tranche B DIP Loans and upon repayment of any portion of the Tranche B DIP Loans (for any reason, including with the proceeds of Tranche A DIP Loans, other indebtedness or cash on Avianca's balance sheet), other than in connection with the Exit Conversion and on the terms provided, in an amount equal to 10% of the undrawn Tranche B Commitments and Tranche B DIP Loans plus all PIK interest.

Prepayments

Voluntary Prepayments: The DIP Loans may be prepaid in full by the Borrower at any time without premium (but subject to payment of any Back-end Fees and the Tranche B Exit Fee, as applicable, as described herein); *provided*, that the Tranche B DIP Loans may not be voluntarily prepaid until the Tranche A DIP Loans are repaid in full. All Tranche A DIP Loans shall be paid ratably in accordance with the outstanding principal amounts thereof.

Mandatory Prepayments: The DIP Facility will be subject to customary or appropriate (in the context of a proposed DIP Facility) mandatory prepayments, with such prepayments to be applied, first, to the repayment in full of the Tranche A DIP Loans (pro rata) and, second, to the repayment in full of the Tranche B DIP Loans.

Representations

The DIP Facility shall contain representations customary or appropriate in the context of the proposed DIP Facility, including, but not limited to, representations that the Credit Parties do not have any material actual liabilities which have not been disclosed to the Agent and Lenders.

Reporting

The Company shall provide the Agent and Lenders with certain reports and notices, including, without limitation:

a. monthly unaudited consolidated financial statements of the Company and its Subsidiaries;

b. quarterly unaudited consolidated financial statements of the Company and its Subsidiaries;

c. annual audited consolidated financial statements of the Company and its Subsidiaries;

d. an updated Budget, not less than every month, and a bi-weekly report of any variance from the Budget, commencing immediately following the initial funding of the DIP Facility;

e. certificates accompanying each of the foregoing reports and deliverables, including demonstrating compliance with the financial covenants;

f. to the extent practicable, (i) (x) prior written notice of any assumption or rejection of any material contracts pursuant to Section 365 of the Bankruptcy Code and (y) copies of all pleadings, motions and other documents related to the DIP Facility, in each case by the earlier of (1) two business days prior to being filed on behalf of the Company with the Bankruptcy Court and (2) the time such documents are provided by or on behalf of any Credit Party to the US trustee or any creditors' committee and (ii) substantially contemporaneously with the filing or distribution thereof, copies of all financial information and other information distributed by or on behalf of any Credit Party to the US trustee or any creditors' committee; **provided** the Company shall not be required to provide any information relating to the DIP Facility if doing so would violate any applicable legal rule or such information contains privileged or confidential (statutorily or by contract) information; and

g. other customary reporting and notification requirements for similar debtor-in-possession financings and other reporting requirements appropriate to the specific transaction, including, without limitation, with respect to litigation, contingent liabilities, ERISA, environmental events, and other material events and defaults, and notice and delivery of certain filings made by the Company.

Affirmative Covenants	The DIP Facility shall contain affirmative covenants customary or appropriate in the context of the proposed DIP Facility, including, but not limited to: a. compliance with certain milestones, including, but not limited to, filing and pursuing a plan of reorganization on terms acceptable to the Credit Parties and, solely with respect to provisions adversely affecting their rights or treatment, the Requisite Lenders (including a plan that contains releases and other exculpatory provisions for the DIP Loan Lenders), no later than a date to be agreed; b. compliance with all applicable laws, including, without limitation, the Bankruptcy Code and all orders of the Bankruptcy Court, including the Final DIP Order; c. maintenance of existence, properties, the Collateral, books and records, contracts, operating rights (including relating to air carrier status), licenses, permits and insurance (subject to materiality qualifications to be agreed); and d. commercially reasonable efforts to get a rating with respect to the Tranche A DIP Loans from Moody's and S&P.
Negative Covenants	The DIP Facility shall contain negative covenants customary or appropriate in the context of the proposed DIP Facility, including, without limitation, negative covenants prohibiting incurrence of additional indebtedness and the incurrence of any lien not currently existing on assets and properties, and otherwise restricting fundamental changes, loans and other investments, restricted payments, debt prepayments, asset sales, sale and leasebacks, affiliate transactions, restrictive agreements, business activities, bankruptcy related matters, use of proceeds, amendments to material documents and fiscal year and accounting changes (subject to exceptions to be agreed); *provided* that prohibitions on the incurrence of additional indebtedness and incurrence of any lien not currently existing shall not allow the Credit Parties to incur any debtor-in-possession financing (other than in connection with the DIP Facility) without the consent of the Requisite Lenders.
Conditions to Borrowings	The effectiveness of the DIP Facility and the obligation of the Lenders to make the DIP Loans, including to each and every draw, shall be subject to the satisfaction or waiver by the Requisite Lenders of conditions customary or appropriate in the context of the proposed DIP Facility, including, but not limited to:

a. the preparation, authorization, execution and delivery by the Company and the Guarantors of loan and (as applicable) security and perfection documentation, intercreditor agreements including collateral sharing agreements, borrowing notices, legal opinions, closing certificates, organizational documents, evidence of authorization and good standing and the Budget in each case in customary form and acceptable to the Agent and the Requisite Lenders;

b. entry by the Bankruptcy Court of the Final DIP Order, which shall include approval of the granting of the liens securing the DIP Facility to the Agent;

c. the representations and warranties of the Company and Guarantors under the DIP Loan Documents shall be true and correct (subject to materiality qualifiers to be agreed);

d. evidence of release of the liens securing the obligations under the Prepetition Stakeholder Facility;

e. the Company shall have given the Lenders three business days' notice of any requests for any drawing under the DIP Facility;

f. no default under the DIP Loan Documents shall have occurred and be continuing; and

g. all reasonable and documented (x) fees, costs and expenses owed to the Agent, (y) fees, costs and expenses of Paul Hastings LLP and Evercore Group L.L.C., local counsel and specialty counsel as advisors to the Consenting Noteholders and (z) all fees reimbursable pursuant to the Backstop Commitment Letter shall have been paid.

The obligation of all Lenders to make DIP Loans shall be subject to the satisfaction or waiver of the following (as determined by the Majority Tranche B Lenders alone (acting reasonably): *provided* that the condition set forth in clause (d) below can be waived only by each Prepetition Stakeholder Facility Lender as to itself and UMB in its various applicable capacities in respect of the Prepetition Stakeholder Facility (the "**Stakeholder Agent**") as to itself);

a. the Company obtaining short-term relief from labor groups with variability in the cost structure until the later of (x) the termination of the Company's Chapter 11 case and (y) the date on which the Company has operated for a period of 12

consecutive months at a capacity greater than 70% of its 2019 capacity, ensuring that pilot and co-pilot wages do not exceed a to-be-agreed-upon benchmark in any given month and the labor agreements provide sufficient labor to meet the capacity needs of the Company;

b. the Company obtaining permanent, long-term term labor concessions with all pilot and flight attendant unions for a minimum term of six years that include the following provisions:

1. amended work rules and pay rates resulting in effective best-in-class labor cost per block hour, inclusive of all costs and benefits, with productivity based initiatives that bring the productivity levels to best in class; and

2. the implementation of a limit to labor rate inflation adjustment to account for seniority escalation (where the total cost to the Company of seniority escalation will be netted out of total cost to the Company of inflation adjustments);

c. the Company securing power-by-the-hour contracts with all aircraft lenders and lessors with respect to aircraft retained for use in the Company's fleet (the "**PBH Agreements**") with terms applicable for all such aircraft for the duration of the Chapter 11 Cases. (*See "Conditions to Exit"* for additional PBH fleet requirements.); and

d. the Credit Parties shall have paid all accrued and unpaid fees and expenses (including without limitation accrued and unpaid fees and expenses of counsel) incurred by the Prepetition Stakeholder Facility Lenders and the Stakeholder Agent.

Events of Default

The DIP Facility shall contain events of default customary or appropriate in the context of the proposed DIP Facility (the "**Events of Default**"), including, without limitation:

a. the failure to comply with certain milestones applicable to debtor-in-possession financing facilities in the Chapter 11 Cases or with the terms of the Final DIP Order;

b. the application by the Credit Parties for, or any order by the Bankruptcy Court granting, the appointment of a trustee, the dismissal of the Chapter 11 Cases, or the conversion of

the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code;

c. insolvency of LifeMiles;

d. failure or invalidity of the liens granted pursuant to the Final DIP Order or the grant of any superpriority claim or any lien which is *pari passu* with or senior to the claims and liens of the Agent and Lenders;

e. the grant of relief from the automatic stay to permit enforcement of rights by any other party with respect to Collateral having a value in an amount equal to or exceeding an amount to be agreed upon;

f. change of control;

g. nationalization of the Borrower and/or any Guarantor;

h. other bankruptcy related events, including any reversal, amendment, supplement, modification, waiver, stay or vacating of the Final DIP Order or documentation relating to any chapter 11 plan or asset sale, or pursuing any plan that does not provide for the payment in full in cash of the DIP Loans (other than the Plan of Reorganization with respect to the non-Cash-Out Tranche A DIP Loans only), in each case, without the consent of the Agent and Requisite Lenders; and

i. payment of prepetition indebtedness other than as agreed by the Agent and Requisite Lenders and approved by the Bankruptcy Court.

Proceeds received in connection with such remedies or otherwise shall be applied (i) first, to payment or reimbursement of fees, expenses and indemnities of the Agent, (ii) second, to all Tranche A DIP Loans and (iii) third, to all Tranche B DIP Loans.

Expenses and Indemnity

All reasonable and documented fees, costs, disbursements and expenses of the Agent (including, without limitation, the reasonable and documented fees, costs and expenses of its legal counsel, including local counsel, and advisors) shall be paid in accordance with such separate agreements among the parties. All reasonable and documented fees, costs, disbursements and expenses of the Lenders with respect to the DIP Facility (including, without limitation, all fees reimbursable pursuant to the Backstop Commitment Letter and the reasonable and documented fees, costs and expenses of counsel, and advisors) shall be paid by the Credit

Parties. In addition, the Credit Parties shall indemnify the Agent and Lenders and each of their respective affiliates and their and their affiliates' respective officers, directors, employees, agents, advisors, attorneys, representatives and related persons against customary liabilities.

Voting

Except as provided in the last paragraph of this section, all material amendments and waivers with respect to the DIP Loans require (x) the approval of Lenders of the Tranche A DIP Loans (other than the RoC Tranche A DIP Loans) holding more than 50% of the aggregate amount of the Tranche A DIP Loans (excluding any RoC Tranche A DIP Loans) and the Tranche A Commitments (excluding any Tranche A Commitment by the Republic of Colombia) under the DIP Facility (the "**Majority Non-Government Tranche A Lenders**"), (y) the approval of Lenders of the RoC Tranche A DIP Loans holding more than 50% of the aggregate amount of the RoC Tranche A DIP Loans and Tranche A Commitment by the Republic of Colombia under the DIP Facility (the "**Majority RoC Tranche A Lenders**") and (z) the approval of Lenders of the Tranche B DIP Loans holding more than 50% of the aggregate amount of the Tranche B DIP Loans and Tranche B Commitment under the DIP Facility (the "**Majority Tranche B Lenders**"); **provided**, that, (x) amendments and waivers affecting only the Tranche A DIP Loans, will require the approval of the Majority Non-Government Tranche A Lenders and the Majority RoC Tranche A Lenders, (y) amendments and waivers affecting only the Tranche B DIP Loans, will require the approval of the Majority Tranche B Lenders and (z) any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day operational decisions made by the Company) offered to any Tranche B Lender in any capacity (other than in their capacity as Tranche A Lender) shall be offered to all Tranche B Lenders and no Tranche B Lender shall be offered any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day operational decisions made by the Company) in any capacity (other than in their capacity as Tranche A Lender) unless such rights or consideration are offered to all Tranche B Lenders.

Any acceleration, enforcement, exercise of remedies, mandatory prepayment or other creditor decisions with respect to an Event of Default will require the following approvals:

1. Events of Default relating to payments, bankruptcy-related events and all other events under clauses (b) through (g) of "Events of Default" above will be enforced by the Majority Lenders; *provided* that if the Majority Lenders have not taken enforcement action within 90 days after such Event of Default, the Majority Non-Government Tranche A Lenders may direct enforcement actions; and

2. All other Events of Default, including covenants, milestones, representations, judgements, cross-default and ERISA will be enforced by the Majority Non-Government Tranche A Lenders and the Majority Tranche B Lenders, acting collectively (or, following the payment in full and discharge of the Tranche A Loans, the Majority Tranche B Lenders); *provided*, that if no action has been taken within 90 days after such Event of Default, the Majority Non-Government Tranche A Lenders may direct enforcement actions.

"**Majority Lenders**" means a Lender or Lenders holding more than 60% of the aggregate amount of the DIP Loans and Commitments.

The DIP Loan Documents shall further provide that (A) the consent of each Lender directly and adversely affected thereby shall be required with respect to amendments and waivers customarily requiring each lender's consent, including but not limited to, (1) increases in commitments, (2) reductions of principal, interest or fees, (3) extensions of scheduled amortization or final maturity of loans or commitments or extensions of time of payment for interest or fees and (4) changes in pro rata sharing and waterfall provisions and (B) the consent of 100% of the affected Lenders shall be required with respect to amendments and waivers customarily requiring all lenders' consent, including but not limited to, (1) modifications to any of the voting provisions applicable to the Lenders including, without limitation, the requirement that any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day operational decisions made by the Company) offered to any Tranche B Lender in any capacity (other than in their capacity as Tranche A Lender) shall be offered to all Tranche B Lenders and no Tranche B Lender shall be offered any rights or consideration in respect of any rights offerings, backstops, rights to purchase equity or provide other financing, major asset sales and any similar matters (excluding, for the avoidance of doubt, in connection with any normal day-to-day

operational decisions made by the Company) in any capacity (other than in their capacity as Tranche A Lender) unless such rights or consideration are offered to all Tranche B Lenders, (2) a release of all or substantially all of the guarantees or collateral and (3) subordination of all or substantially all of the guarantees or liens.

Amendments and waivers of the DIP Loan Documents relating to labor, aircraft operation and maintenance, airport operations and slots (including, for the avoidance of doubt, the exit conditions relating to the foregoing), and certain other agreed matters shall require the approval of only the Majority Tranche B Lenders.

Assignments and Participations

The Lenders may assign their loans, rights and obligations under the DIP Loan Documents in a minimum amount to be determined (or, if less, the remaining commitments and/or DIP Loans of any assigning Lender), without the consent of the Agent and the Company; *provided* that the consent of the Company shall be required at all times prior to the satisfaction of all funding commitments hereunder and thereafter will be required in respect of competitors, any person litigating against or in opposition to the Company and certain other agreed persons. No consent of the Company shall be required with respect to any such assignment (a) during the existence of an Event of Default and (b) with respect to any assignment to a Lender, an affiliate of such Lender or a fund engaged in investing in commercial loans that is advised or managed by such Lender or the advisor or manager of such Lender. The Lenders will also have rights to sell participations to persons, subject to customary limits on voting rights. Assignments and transfers of Tranche A DIP Loans or Tranche A Commitments to the Company or affiliates thereof shall not be permitted.

Exit

The effectiveness of the below described exit financing, conversion and related transactions (as may be amended, supplemented or modified, the **"Exit Conversion"**) shall be subject to the occurrence of conditions, including, but not limited to:

(a) (i) a plan of reorganization for the Credit Parties (the **"Plan of Reorganization"**) shall have been confirmed by the Bankruptcy Court pursuant to a Confirmation Order, such Plan of Reorganization and Confirmation Order each consistent with the terms hereof and in form and substance acceptable to the Credit Parties and, (x) solely with respect to provisions adversely affecting their rights or treatment under the DIP Facility or the Plan of Reorganization, acceptable to the Requisite Lenders and (y)

solely with respect to provisions adversely affecting any rights or treatment of any Tranche B Lenders with respect to or arising from the conversion of Tranche B DIP Loans, reasonably satisfactory to the Majority Tranche B Lenders;

(ii) the Confirmation Order shall be in form and substance acceptable to the Credit Parties and, (x) solely with respect to the provisions adversely affecting their rights or treatment under the DIP Facility or the Plan of Reorganization, acceptable to the Requisite Lenders and (y) solely with respect to provisions adversely affecting any rights or treatment of any Tranche B Lenders with respect to or arising from the conversion of Tranche B DIP Loans, reasonably satisfactory to the Majority Tranche B Lenders, and such Confirmation Order shall not have been vacated, reversed, modified, amended or stayed except as otherwise agreed to in writing by the Credit Parties or in a manner that adversely affects any right or duty of the Lenders unless otherwise agreed to by the Requisite Lenders;

(iii) all conditions precedent to the effectiveness of the Plan of Reorganization shall have been satisfied or, with the prior written consent of the Credit Parties and the Requisite Lenders, waived;

(iv) satisfaction of the conditions set forth in the section "Conditions to Exit"; and

(v) except as consented to by the Credit Parties and Requisite Lenders, the Bankruptcy Court's retention of jurisdiction under the Confirmation Order shall not govern the enforcement of the Exit Debt Documents (as defined below) or any rights or remedies related thereto;

(b) the Plan of Reorganization shall provide the following:

(i) the Tranche A DIP Loans held by any parties other than the Republic of Colombia (excluding any Cash-Out Tranche A DIP Loans) shall be rolled up into an exit debt facility (the "**Tranche A Exit Debt Facility**" and, together with the RoC Exit Debt Facility, each an "**Exit Debt Facility**") on a US dollar-for-dollar basis upon terms and conditions set forth in the Plan of Reorganization and related debt documents, which terms and conditions shall include a tenor of five years, an interest rate of not less than LIBOR + 8.25% per annum, with a floor of 1% for LIBOR, payable

semiannually, a 1.25% upfront fee, no amortization in the first two years and six (6) equal, consecutive semi-annual installments thereafter (the "**Tranche A Exit Debt Documents**" and, together with the RoC Exit Debt Documents, the "**Exit Debt Documents**"), that incorporate the terms hereof and are otherwise acceptable to the requisite Tranche A DIP Loan Lenders (the "**Tranche A Exit Facility Providers**" and, together with the RoC Exit Facility Providers, each an "**Exit Facility Provider**");

(ii) the Cash-Out Tranche A DIP Loans, if any, shall be payable in cash in full in US dollars on the effective date of the Plan of Reorganization; and

(iii) (A) at the option of the Company, the Tranche B DIP Loans shall be converted into a certain amount of common shares, but in no case less than 70% of the fully diluted equity of the reorganized Credit Parties, upon terms and conditions reasonably acceptable to the Majority Tranche B Lenders, which terms and conditions shall include a 20% discount to the pre-money equity valuation of the Credit Parties and (B) in the event that there are any undrawn Tranche B Commitments, each Tranche B DIP Lender shall have the right to make an equity investment in the reorganized Credit Parties in an amount up to its pro rata portion of unused Tranche B Commitments at a 20% discount to the pre-money equity valuation of the Credit Parties (such right, the "**Purchase Right**"). In the event that any Tranche B DIP Lender elects not to exercise its Purchase Right, each Tranche B DIP Lender that has agreed to exercise its Purchase Right shall be offered the right to increase its equity investment in an amount equal to the pro rata portion of the unused Tranche B Commitments held by lenders that have declined to exercise their Purchase Right. This process shall continue until all Tranche B DIP Lenders have declined to increase their Purchase Right in accordance with the previous sentence or until all unused Tranche B Commitments have been allocated in accordance with the previous sentence;

(c) the obligations under the Exit Debt Facilities shall

(i) be secured by a first priority perfected lien on all assets and property of the reorganized Credit Parties, whether real, personal, tangible or intangible, that are

available to serve as collateral for such obligations (subject to customary permitted liens);

(ii) contain covenants reasonably acceptable to the Requisite Lenders, including, without limitation, financial covenants relating to the maintenance of a minimum liquidity to be determined;

(iii) rank *pari passu* for payment purposes; and

(iv) vote separately by tranche.

(d) the capital structure of Credit Parties and their affiliates shall be substantially consistent with the capital structure set forth in the Plan of Reorganization and acceptable to the Requisite Lenders;

(e) the Tranche A DIP Loan Lenders holding Cash-Out Tranche A DIP Loans, if any, shall have a right of first refusal with respect to providing the exit financing to repay the Cash-Out Tranche A DIP Loans, if any, in cash in full in US dollars;

(f) the post-emergence board and governance documents of the Credit Parties shall be reasonably acceptable to the Majority Tranche B DIP Loan Lenders;

(g) the post-emergence business plans, financial forecasts, leverage and current operations shall be acceptable to the Tranche B DIP Lenders;

(h) the Credit Parties shall have paid all out-of-pocket fees and expenses (including professional fees of one law firm, plus local counsel, on behalf of the Agent, the Lenders and the Exit Facility Providers) of the Lenders and the Exit Facility Providers;

(i) securing approval from the Republic of Colombia to a headcount reduction of a percentage amount to be determined on a permanent basis (over the limit of 5% by law) in order to achieve best of class staffing level;

(j) reduction of at least US$2 billion of aircraft debt and lease obligations under IFRS 16 as in the DIP Lender presentation;

(k) the Colombian Transportation Ministry guaranteeing covid slot allocation in BOG airport and any other slot restricted airports in Colombia;

(l) reduction in overall airport fees, fuel taxes, direct aviation taxes, etc in Colombia, Ecuador, and Central America of an amount to be determined in order to assure the long term competitiveness of the Company;

(m) OEM contract renegotiation and or cancellation to achieve cost reductions consistent with the reorganized Debtor's financial plan;

(n) the Plan of Reorganization shall include mutual releases and exculpations, which shall include releases for the Consenting Noteholders, Agent and Lenders;

(o) maintenance by the Company of permanent, long-term term labor concessions reasonably acceptable to the Majority Tranche B Lenders; and

(p) upon emergence from the Chapter 11 Cases, no less than fifty percent (50%) of the aircraft retained for use in the Company's fleet for the duration of the Chapter 11 Cases shall remain on PBH Agreements reasonably acceptable to the Majority Tranche B Lenders.

Listing and Registration Rights Tranche B Lenders will have (1) rights to request the Credit Parties and the Credit Parties will use commercially reasonable efforts to list the newly issued common equity of the Company on a single global exchange within six months of the effective date of a Plan of Reorganization; *provided* that such listing must be accomplished within 12 months of the effective date, and under terms and conditions suitable for a successful initial public offering and (2) customary registration rights.

Releases Without limiting in any way the obligation to provide customary releases to the Agent and the Lenders under the DIP Facility in the Final DIP Order, effective upon the entry of the Final DIP Order, the Credit Parties and the chapter 11 bankruptcy estates will provide releases to the Prepetition Stakeholder Facility Lenders and the Stakeholder Agent (in form and substance reasonably satisfactory to a majority of the Prepetition Stakeholder Facility Lenders and the Stakeholder Agent) for any claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness or obligations related to or arising out of the Prepetition Stakeholder Facility.

Lender Financing The DIP Loan Documents will permit the Lenders to finance their loans and commitments under the DIP Loan Documents, including by granting a security interest therein to their respective financing

	sources as collateral security, in each case without the consent of the Company or any other person, but without in any way limiting such Lender's obligations in respect of the DIP Facility.
Yield Protection	The DIP Loan Documents will include customary cost and yield protection provisions and customary provisions protecting the Lenders from withholding tax liabilities that are currently in effect or may arise in the future (including a customary tax gross up) in form and substance reasonably acceptable to the Requisite Lenders.
Documentation	This term sheet shall be subject to further documentation, including, without limitation, the Final DIP Order and a definitive credit agreement incorporating the terms hereof and otherwise in form and substance acceptable to the Agent and the Requisite Lenders (collectively, the "**DIP Loan Documents**").
Governing Law	The DIP Loan Documents will provide that the Credit Parties will submit to the exclusive jurisdiction and venue of the Bankruptcy Court, or in the event that the Bankruptcy Court does not have or does not exercise jurisdiction, then in any state or federal court of competent jurisdiction in the State of New York; and shall waive any right to trial by jury. New York law shall govern the DIP Loan Documents except (i) to the extent preempted by federal bankruptcy laws and (ii) with respect to any security agreements governed by non-US law.

Schedule A to Summary of Indicative Terms (in $ millions)									
Date	**Tranche A New Money Disbursement**	**Tranche A Roll-Up Disbursement**	**Tranche A Total Disbursement**	**Tranche B New Money Disbursement**	**Tranche B Roll-Up Disbursement**	**Tranche B Total Disbursement**	**Total DIP Disbursement**	**New Money Disbursement**	**Roll-Up Disbursement**
Upon entry of Final DIP Order	574.3	388.5	962.8	61.6	384.1	445.7	**1,408.5**	635.9	772.6
December 20, 2020	130.3	-	130.3	101.7	-	101.7	**232.0**	232.0	-
February 21, 2021	97.7	-	97.7	76.3	-	76.3	**174.0**	174.0	-
April 21, 2021	97.7	-	97.7	76.3	-	76.3	**174.0**	174.0	-
Total	**900.0**	**388.5**	**1,288.5**	**315.9**	**384.1**	**700.0**	**1,988.5**	**1,215.9**	**772.6**

Schedule B

Attached Hereto

Exhibit B - Form of Joinder Agreement

Assignment and Joinder to Backstop Commitment Letter

Ladies and Gentlemen:

Reference is made to the Backstop Commitment Letter dated August 28, 2020 (together with all exhibits, schedules and annexes thereto, the "Backstop Commitment Letter") between Avianca Holdings S.A., the other Debtors named therein and the Backstop Parties named therein (the "Initial Backstop Parties"). Unless otherwise defined herein, capitalized terms used herein have the meanings assigned to them in the Backstop Commitment Letter.

This assignment and joinder to the Backstop Commitment Letter (this '"Joinder Agreement") is a "Joinder Agreement" contemplated by Section 7 of the Backstop Commitment Letter and sets forth the understanding of the parties hereto regarding the assignment by the party identified on the signature pages hereof as the "Assignor Backstop Party" to each party identified on the signature pages hereof as an "Assignee Backstop Party" (collectively, the "Assignee Backstop Parties") of its Commitment and other rights (including its entitlement to the Backstop Commitment Premium and Upfront Equity Investment Right) and obligations under the Backstop Commitment Letter.

Each Assignee Backstop Party hereby commits to provide to the Debtors, on a several but not joint basis, in each case on the same terms and conditions as are applicable to the Assignor Backstop Party's Commitment, the principal amount of the DIP Facility set forth opposite such Assignee Commitment Party's name on Schedule I attached hereto. The Commitment of the Assignor Backstop Party under the Backstop Commitment Letter shall be reduced on a dollar-for-dollar basis by the aggregate principal amount of the Commitments of the Assignee Backstop Parties upon execution of this Joinder Agreement by each of the parties hereto, such that, as of the date of this Joinder Agreement, the Commitment of each party is as set forth on Schedule I hereto.

Each Assignee Commitment Party acknowledges receipt of a copy of the Backstop Commitment Letter and shall be deemed to be a party to the Backstop Commitment Letter as a "Backstop Party" in accordance with this Joinder Agreement.

Each party hereto hereby agrees that (i) each Assignee Backstop Party shall be bound by the terms and conditions of the Backstop Commitment Letter, and shall have all the rights and obligations with respect to its Commitment with the same force and effect as if originally party thereto as a Backstop Party and (ii) each reference to "Backstop Party", "we" or "us" in the Backstop Commitment Letter shall be deemed to include the Assignee Backstop Parties in each case on a several and not joint basis.

This Joinder Agreement may not be amended or any term or provision hereof waived or modified, except by an instrument in writing signed by each of the parties hereto.

THIS JOINDER AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS JOINDER AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK

(WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE THAT WOULD CAUSE THE APPLICATION OF THE DOMESTIC SUBSTANTIVE LAWS OF ANY OTHER STATE).

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the non-exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof and the Bankruptcy Court, in any suit, action or proceeding arising out of or relating to this Joinder Agreement, and agrees that all claims in respect of any such suit, action or proceeding shall be heard and determined in the Bankruptcy Court (or if the Bankruptcy Court does not have jurisdiction, such New York State court or, to the extent permitted by law, in such Federal court); *provided* that suit for the recognition or enforcement of any judgment obtained in any such court may be brought in any other court of competent jurisdiction, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Joinder Agreement in any New York State court, in any such Federal court or in Bankruptcy Court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court, and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS JOINDER AGREEMENT OR THE PERFORMANCE OF OBLIGATIONS HEREUNDER OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

This Joinder Agreement may be executed in any number of counterparts, each of which when executed will be an original and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this Joinder Agreement by facsimile or other electronic transmission (including .pdf) will be as effective as delivery of a manually executed counterpart hereof.

This Joinder Agreement and the other terms and conditions contained herein shall be subject to the same confidentiality provisions applicable to the Backstop Commitment Letter.

[*Signature Pages of Assignor and Assignee Backstop Parties Follow*]

COMPANY

AVIANCA HOLDINGS S.A., on behalf of the Debtors

By: _____
Name:
Title:

BACKSTOP PARTY

By:
Name:
Title:

Address: _____
_____
_____

Attn:
Tel:
Fax:
E-mail:

Exhibit E

Schedule to Come