



# St. Louis Lambert International Airport

## *Request for Qualifications*

Submitted By: Global Infrastructure Management, LLC

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## 2. Executive Summary and Strategic Rationale

Global Infrastructure Management, LLC, on behalf of itself and its subsidiaries and managed funds (collectively, "GIP") is pleased to submit this request for qualifications ("RFQ") in relation to the public-private partnership ("Airport P3" or "Proposed Transaction") involving the St. Louis Lambert International Airport ("Airport" or "STL") from the City of St. Louis ("City" or "St. Louis").

GIP is one of the world's leading independent infrastructure fund managers with a focus on the transport, energy and water / waste sectors. GIP manages approximately \$68 billion for its investors with investments across 41 current portfolio companies which have combined annual revenues of approximately \$51 billion and in excess of 67,000 employees. GIP currently has interests in two airports in the UK, London Gatwick Airport ("Gatwick") and Edinburgh Airport ("Edinburgh") and has also recently invested in Paine Field Airport ("Paine Field"), a newly constructed secondary airport in Seattle. In addition, GIP owned and managed London City Airport ("London City") for 10 years before selling it in 2016.

GIP has an extensive track record of airport investment, management and value creation, which we believe puts us in a unique position to both deliver the City's objectives and serve as a strong partner for STL's broader community of stakeholders. We are very excited and committed to this opportunity and have a strong desire to move forward to the next phase in order to confirm our preliminary investment thesis and growth opportunities for the Airport.

### *Strategic Rationale*

We see this as an opportunity to work in partnership with the City and STL's airline customers. GIP has demonstrated its ability to transform passenger experience, efficiency of operations and quality of facilities at our airports working in collaboration with key stakeholders, including the public sector, aviation regulators, our employees and our airline customers. We envisage a similar collaboration if we are selected as the investor in STL.

It is clear to GIP that the proposed transaction has some very compelling investment attributes:

- Unique opportunity to acquire a long-term lease for a major US airport
- Long-term revenue underpinned by a leading and financially strong carrier in Southwest
- Scope for performance upside, in particular for growth of new passenger routes, non-aeronautical revenues and cargo related activities
- Opportunity to commit significant equity within a key GIP target sector and geography

GIP's approach to airports incorporates the use of industry expertise and advanced industrial management techniques to design and execute targeted investment programs that secure growth and deliver a high quality passenger experience. We see a tremendous opportunity to add value at STL, in the following areas:

**Sustainable Growth in Passenger Air Service:** GIP is a growth investor. We look to drive growth at our airport assets both on the aeronautical and non-aeronautical side. We have grown traffic at our airports by structuring a compelling value proposition in terms of product and price. We aim to do the same at STL.

We believe it is critical to continue to engage with Southwest Airlines to continue to grow connecting traffic volumes. The location of STL near the geographic center of the US supports functioning as an intra-US hub. Through Tom Horton (GIP Partner and former CEO of American Airlines) and other key team members, GIP has strong relationships with the airline industry which we would look to leverage

to strengthen STL's relationships not only with Southwest, but also with fast growing medium sized airlines to capture passengers from STL's outer catchment area.

GIP can also create significant value from STL's non-aeronautical operations. We operate airports that have best-in-class commercial operations, and we have a strong track record of improving and investing in this area. At STL we would focus on space reconfiguration to consolidate retail and F&B areas, improving product offerings and other initiatives to increase penetration and dwell times. We would also optimize the car parking product by taking a dynamic approach to promotion and pricing. We have implemented a number of proven initiatives at our other airports which we believe can be equally applied at STL.

**Service Quality to Create a Positive and Lasting Impression:** Airports require thoughtful and coordinated implementation of operating processes and capital investment to deliver passenger satisfaction. Our integrated process approach to airports focuses on reliability and predictability of passenger experience which underpins faster and more efficient movement through the airport and reduces travel stress for passengers. Through the use of process improvements at check-in and investment into innovations in security processing and enhanced retail experiences, GIP has maintained consistently high quality of service scores throughout our airport portfolio. We anticipate being able to improve the experience for passengers traveling through STL in a similar manner.

**Efficiency Improvements:** A core component of improving the passenger experience as well as reducing operating costs has been our ability to implement significant efficiency and productivity improvements to drive down cost per enplanement at our airports. Through collaborative management and advanced industrial management techniques we increased peak hour runway utilization at Gatwick from 50 to 55 air traffic movements per hour. We have redesigned processes and invested in technology to increase security processing productivity from 160 passengers per hour per lane to 600, leading to reduced costs and shorter queues.

**Generate Economic Development:** Airports are important drivers for regional economic development. We actively look for opportunities to invest at our airports which are not only financially sound but also generate a positive impact on our community. At Edinburgh, we have recently commenced the redevelopment of the airport's disused crosswind runway into a commercial property development which is expected to generate thousands of direct and indirect jobs. We will look for similar development opportunities at STL.

### *Conclusion*

The acquisition of STL represents a key priority for GIP. GIP is highly qualified and uniquely positioned to facilitate the achievement of all of the City's objectives in relation to the transaction, including support of minority and women-led businesses. Through acquiring and actively managing four airports we have developed significant experience and expertise in: (i) airport operations, including development, maintenance and route development, (ii) implementation of efficient capital improvement programs, (iii) safety and security and (iv) passenger customer service while maintaining positive relationships with our governmental partners and employees.

We are confident that we can create significant value for the City and its tax payers. We have an excellent record with employees and unions and believe in investing in and developing the best people. We anticipate a fair and equitable treatment of current City airport employees. Furthermore, we will ensure future airport development is safe, efficient and delivered as and when necessary.





We welcome and support the City's objective of conducting a fair and transparent process, and look forward to participating in the next phase of the process.

### 3. Description of Respondent

#### GIP Overview

GIP is one of the global market leaders as a specialist infrastructure investor and operator. GIP was founded in 2006 to invest in high quality infrastructure assets in the transport, energy and water / waste sectors. GIP has made over 65 infrastructure investments globally during its first 13 years and now has \$68 billion in assets under management and over 67,000 employees across its portfolio companies. GIP's teams are located in 10 offices: New York (headquarters), London, Stamford, Sydney, Melbourne, Brisbane, Mumbai, Delhi, Singapore and Hong Kong.

Our investment approach is to create value by combining industry expertise with the application of advanced industrial management techniques to improve service quality and performance of our portfolio companies. Airport investment and management represents a core area of expertise for GIP. We have to date invested in three airports in the UK and one in the United States and have a record of successfully implementing our investment approach. GIP has made controlling investments in:

Airport	Shareholding at Acquisition	Date of Acquisition	Date of Exit	Passengers
 London City Airport Get closer.	75%	Nov 2006	Mar 2016	4mm (2015)
 YOUR LONDON AIRPORT Gatwick	84%	Dec 2009	n/a <sup>(1)</sup>	46mm (2018)
 Edinburgh Airport Where Scotland meets the world	81%	May 2012	n/a	14mm (2018)
 PAINE FIELD SNOHOMISH COUNTY AIRPORT	90%	Oct 2019	n/a	0.6mm (2019) <sup>(2)</sup>




1. Gatwick is a partially realized investment. 2. 6 months actual performance Mar-19 to Aug-19 annualized for expected 2019 figure.

Please see Appendix A for an overview of GIP's equity infrastructure investments around the world.

GIP has an experienced team of 192 professionals and 15 senior advisors, who together have significant industry and operating expertise as well as transaction and financing expertise. Our governance approach is to ensure that each of our investments has a standalone, high quality, and dedicated management team with the qualifications and expertise to manage the asset safely, securely and to the highest standard.

GIP organizational structure				
An experienced, expert, stable team				
106	35	16	35	15
Investment team	Operating team	Risk and compliance	Administration	Senior advisors
<b>15</b> Partners  <b>11</b> Product Partners  <b>4</b> Managing Directors  <b>20</b> Principals <b>21</b> Vice Presidents  <b>35</b> Associates	<b>5</b> Operating Partners  <b>1</b> Managing Director  <b>4</b> Portfolio Company CEOs / COOs <b>1</b> Chief ESG Officer <b>3</b> ESG Officers  <b>19</b> Operating Principals  <b>2</b> Analysts	<b>1</b> Partner / General Counsel <b>2</b> Chief Risk Officers (MDs) – 1 Equity / 1 Debt <b>1</b> Chief EHS Officer  <b>8</b> Legal + Tax	<b>1</b> Chief Operating Officer  <b>1</b> Chief Technology Officer  <b>1</b> Chief Financial Officer  <b>16</b> Finance <b>9</b> Investor Relations  <b>7</b> Human Capital / Admin	<b>1</b> Chairman (Sir John Major) <b>6</b> Transport  <b>5</b> Energy  <b>1</b> Regulation <b>1</b> Country Support  <b>1</b> Cybersecurity

The senior GIP team who will lead the work on an investment in STL is as follows:

Senior GIP Team	
	<b>Michael McGhee – Founding Partner</b> <ul style="list-style-type: none"> <li>Founding Partner of GIP and serves as a member of the Investment, Operating, Portfolio Management and Valuation Committees and chairs the Currency Committee. He leads GIP's transport sector industry investment teams including airports, ports and freight rail</li> <li>Former Head of Global Transportation and Logistics at Credit Suisse (1990 – 2006)</li> <li>Director of London Gatwick Airport and Edinburgh Airport</li> <li>Extensive experience in a wide range of privatizations, M&amp;A, financing and advisory assignments within the airports and airlines sectors and across all major global markets</li> <li>Strong relationships with aviation policy makers and regulators</li> <li>Michael has led all of GIP's airport investments</li> </ul>
	<b>Bill Woodburn – Founding Partner</b> <ul style="list-style-type: none"> <li>Former President and CEO of GE Infrastructure</li> <li>Director of Gatwick Airport and Edinburgh Airport</li> <li>Head of GIP's operating team, which consists of 35 people with expertise in industrial best practices, helping to drive improvements across all of our airports</li> <li>Bill and his team have been involved in all of GIP's airport investments</li> </ul>
	<b>Tom Horton – Partner</b> <ul style="list-style-type: none"> <li>Joined GIP as a Partner in 2019</li> <li>Former Chairman and Chief Executive Officer of American Airlines where he led the company's restructuring and turnaround, culminating in the merger with US Airways to create the world's largest airline</li> <li>Tom began his career at American in finance. He held a variety of leadership positions at the firm and was appointed Chief Financial Officer in 2000</li> <li>He also served as Chairman of the oneworld alliance</li> </ul>



	<b>John Morton – Principal</b> <ul style="list-style-type: none"><li>▪ Prior to joining GIP in 2018, John headed the Americas Transportation Infrastructure advisory practice at Credit Suisse</li><li>▪ He has 13 years of experience in strategic advisory and execution in North America and Europe</li><li>▪ Experience with airport P3 including advising the Canadian government on the potential privatization of their airport system, advising the Mexican government on investment in Mexico City Airport and advising on the privatization of Budapest Airport</li></ul>		
	<b>Philip Iley – Principal</b> <ul style="list-style-type: none"><li>▪ Former Head of Credit Suisse Transport and Logistics (2006 – 2016)</li><li>▪ Specializes in airport P3, privatization, financing and investment and has completed over 35 airport transactions</li><li>▪ Has worked on many of the major P3 airport transactions in the Americas, including advising the Puerto Rican Government on the P3 for San Juan Airport and advising the City of Chicago on the attempted P3 for Midway Airport</li></ul>		
<b>Senior Advisors</b>			
	<b>Andrew Jurenko</b> <ul style="list-style-type: none"><li>▪ Former Managing Director, BAA International</li><li>▪ Former CEO of Melbourne Airport</li><li>▪ Director of London Gatwick Airport</li></ul>		<b>James van Hoften</b> <ul style="list-style-type: none"><li>▪ Former Head of Aviation, Bechtel Corporation</li><li>▪ Director of Gatwick Airport</li></ul>
	<b>Norman C.T. Liu</b> <ul style="list-style-type: none"><li>▪ Former Chairman, President &amp; CEO of GE Capital Aviation Services</li><li>▪ Worked for GE for over 25 years</li></ul>		<b>Steve Ridgeway</b> <ul style="list-style-type: none"><li>▪ Former CEO of Virgin Atlantic Airlines for over 10 years</li><li>▪ Responsible for Virgin Group's investment in AirAsia X</li></ul>

#### *Ultimate Ownership*







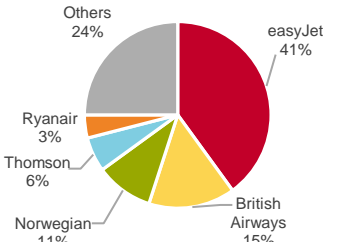
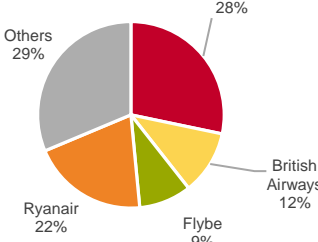
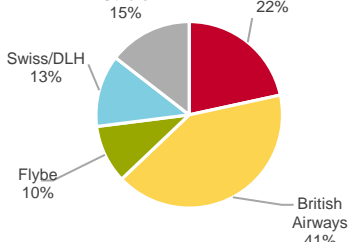
Since inception in 2006, GIP has raised three flagship equity funds. The current fund is GIP III which reached final close of \$15.8 billion on 26 January 2017 with commitments from 191 limited partners. GIP III consists of four main fund vehicles – (i) Global Infrastructure Partners III-A/B, L.P., a Delaware limited partnership, (ii) Global Infrastructure Partners III-C, L.P., a Cayman Islands exempted limited partnership (iii) Global Infrastructure Partners III-B Feeder Fund, L.P., a Cayman Islands exempted limited partnership and (iv) GIP Friends & Family Fund, L.P., a Delaware limited partnership. The ultimate general partner of the GIP III limited partnerships is Global Infrastructure Investors III, LLC, a Delaware limited liability company, which is indirectly owned by the individual partners of Global Infrastructure Management, LLC. GIP III currently has \$3.97bn in unfunded commitments.



## 4. Operational and Management Capability

GIP has extensive credentials in operating and managing airports. GIP has been the controlling owner, operator and developer of three of the largest airports in the UK – Gatwick, Edinburgh and prior to GIP's exit in 2016, London City. In 2018, more than 65 million passengers used Gatwick and Edinburgh, representing a market share of ~22% in the UK.

London Gatwick Airport is the second largest airport in the UK and the world's busiest single runway airport handling approximately 46 million passengers a year. Edinburgh Airport, which is located in Scotland's capital city, handles approximately 14 million passengers a year. London City Airport, which operates within a tightly-confined inner city location within the London metropolitan area handled approximately 4 million passengers the year before GIP's exit in 2016.

GIP UK Airport Portfolio					
					
					
<b>Acquired 2009</b> <b>GIP Equity Invested \$556m</b>		<b>Acquired 2012</b> <b>GIP Equity Invested \$638m</b>		<b>Acquired 2006</b> <b>GIP Equity Invested \$597m</b>	
<ul style="list-style-type: none"> <li>GIP owned 84% at acquisition</li> <li>46.1mppa (2018)</li> <li>~40% passenger growth since acquisition</li> </ul>		<ul style="list-style-type: none"> <li>GIP owns/controls 81%</li> <li>14.3 mppa</li> <li>~55% passenger growth since acquisition</li> </ul>		<ul style="list-style-type: none"> <li>GIP owned 75% (sold in 2016)</li> <li>4.3 mppa</li> <li>~90% passenger growth over GIP's hold period (2006 to 2016)</li> </ul>	
<b>Year ended</b>	<b>Mar 19</b>	<b>Year ended</b>	<b>Dec 18</b>	<b>Year ended</b>	<b>Dec 15</b>
Revenue	\$1,064m	Revenue	\$272m	Revenue	\$177m
EBITDA	\$579m	EBITDA	\$169m	EBITDA	\$110m
Net Debt	\$3.4 billion	Net Debt	\$1,120m	Net Debt	\$659m
Net Debt / EBITDA	5.9x	Net Debt / EBITDA	6.6x	Net Debt / EBITDA	6.0x
					

In the following sections we outline how we satisfy all of the tests of having appropriate expertise, and provide examples of how GIP delivers value in a responsible and consistent way. GIP is very familiar with the operational issues concerning the development and management of airports, policy relating to aviation, safety, security, environment and planning, and relevant regulations.

## **i. Operations and Maintenance Expertise**

### Experience managing and improving other commercial airports

GIP is unrivalled in its ability to rapidly transform passenger experience, efficiency of operations and quality of facilities at its airports. The GIP operations team consists of 35 individuals, each with 25 – 30 years of manufacturing and operations experience. Fourteen of these operations principals are currently deployed to the airports to work in embedded executive management roles or deployed as leaders of large change projects.

In all three UK airports, the Chief Operations Officer (usually a new role to the airport) was an embedded GIP operations manager. Their background in running industrial operations and their engagement with the airlines and other stakeholders has been a key factor in the success of the airports. The 5 key areas of operations focus are:

- **Environmental, Health and Safety** – The #1 priority for passengers, employees and contractors. It is important that this runs deep in the day-to-day culture of the airport
- **Customer Service** – In addition to providing top class facilities and a clean, bright environment, each interaction with each employee is a moment of truth and an opportunity to perform
- **Efficiency** – Continuous improvement is finding a way to be more efficient over and over again. Lean Six Sigma is our key tool to drive this
- **Growth** – Attracting new airlines and new routes through product, analytics and pricing. Working creatively on non-aeronautical opportunities
- **Cash Flow** – Efficient use of cash and working capital is key to the airport's stakeholders

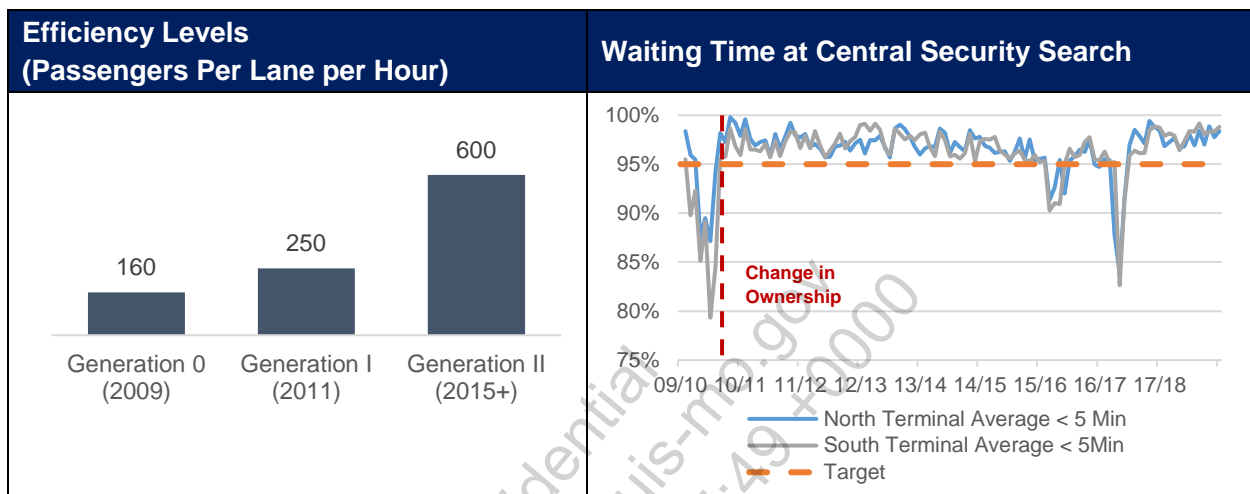
### *Experience in Operating Large Terminals*

**Passenger Flow and Queue Management:** More than 60 million passengers use Gatwick, Edinburgh and Paine Field. Every year we are planning for further growth and it has become essential for GIP and the respective management teams to develop robust systems that can cope with heavy traffic flows.

To ensure steady passenger flows and efficient operations, all of the airports have invested in or are developing state of the art facilities. Edinburgh Airport has a 46 unit check-in area on the ground floor (32 traditional desks, 12 dedicated bag drops for self-service units and 2 out of gauge baggage). Gatwick, which handles significantly higher passenger volumes than Edinburgh, has 346 check-in desks (187 check-in desks in the South Terminal and 159 check-in desks in the North Terminal) as well as 69 self-service kiosks. To improve utilization and reduce costs, GIP and the respective management teams have worked on matching the different airline operating models to the available capacity. For example, airlines with a short-haul model are highly efficient in their use of check-in facilities. By co-locating them with an airline with the opposite characteristics such as long-haul operators, who intensively use the check-in desk capacity, congestion is reduced and assets are better utilized.

In relation to security queuing, Gatwick has consistently surpassed its service quality targets. In 2009, Gatwick's security process was dispersed and could not handle more than 160 passengers per lane per hour. By 2015, GIP and Gatwick had consolidated the different security areas and introduced new

technology and processes to improve passenger throughput to 600 passengers per lane per hour (see chart below left). The primary objective was to speed up the flow of passengers and make more efficient use of staff, while maintaining passenger experience and consistently high levels of security compliance. As a result, ~97% of passengers queue for five minutes or less at central security search. A secondary objective was to release valuable scarce terminal space which was subsequently converted to revenue generating commercial operations. These combined innovations have resulted in industry-leading passenger throughput at security lanes and significant increases in passenger satisfaction and peace of mind as they go through what can otherwise be a stressful process.



**PRM (Passengers with Reduced Mobility):** Gatwick, London City and Edinburgh are required to comply with EU PRM regulations and provide services which include assistance for PRM passengers at check-in, security, proceeding to the gate, boarding / disembarking, retrieving baggage, accessing onward travel and assistance in the event of delays or missed flights. In addition, there are dedicated reserved areas within check-in and the departure lounge for PRM passengers. Gatwick undertook a Six Sigma (a business-process management tool used to find product solutions based on needs for customers and the business) project to improve the PRM service, which was causing airline delays and passenger complaints. By working closely with airlines, passengers, and the Passenger Advisory Group, the airport was able to offer a superior product at a lower cost to airlines. Changes included the selection of a new service provider with the service placed under the Gatwick brand, upgrading the PRM vehicle fleet both airside and landside and creating new exclusive PRM seating areas airside at both terminals.

**Baggage Systems:** Gatwick has completed major baggage capital projects at both Terminals, enabling bags dropped on any belt to be delivered to any sorter, allowing more flexibility in check-in hall desk allocation and reducing baggage delays. Using Design for Six Sigma (“DFSS”) methods, the South Terminal baggage project was combined with a project to replace Pier 1, resulting in a lower cost and lower operational risk solution.

**Security:** Our airports have the operational responsibility for providing security operations. We consistently meet the Department for Transport’s (“DfT”) regulatory requirements for compliance with existing standards for infrastructure, procedures, training and performance for passenger security, staff and contractor security, vehicle access and risk management. We have trained all our staff in a Tourism South East City and Guilds qualification in customer service to ensure that our passengers receive consistently high levels of service. The impact of this training is evident in our improved

compliments to complaints ratio with respect to our security staff. The combination of new facilities and a new approach from our staff has been rewarding.

**Immigration Operations:** At all our airports we provide immigration services for the UK Border Force (“UKBF”) and work closely with them to ensure efficient and secure operations. Gatwick airport has worked closely with the UKBF and in 2013 launched new Autogate technology to reduce passenger queuing and also enable the UKBF to meet government mandated staff reduction targets without loss in service. This unique collaborative approach utilized the growing and now significant proportion of EU chip passport holders which will enable more self-service kiosks.

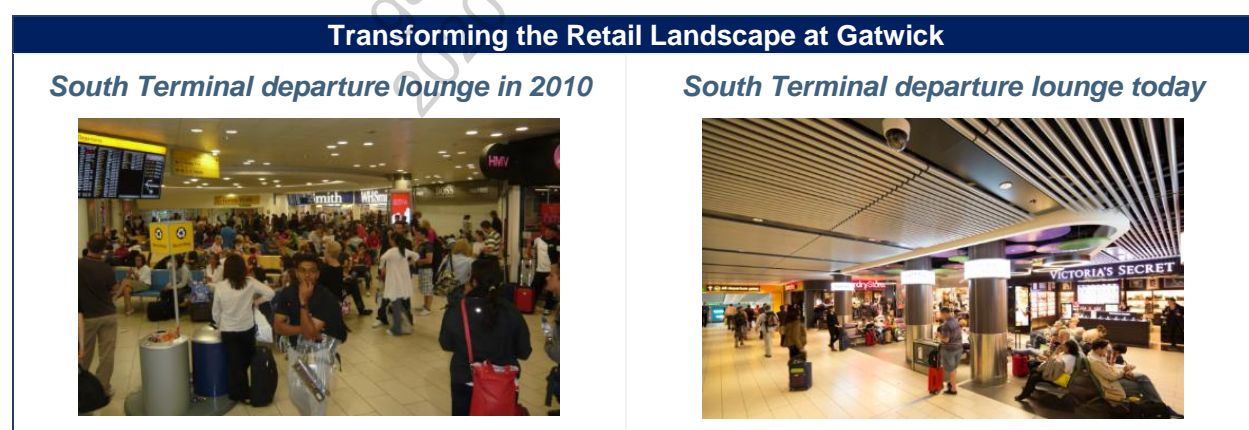
We constantly review and improve the terminal configurations and retail offerings to ensure our airports meet the highest standards, and become the preferred airport of choice. We have implemented a number of initiatives to increase non-aeronautical income at all three airports, including: dedicating personnel to focus on day-to-day management of concessionaires; implementing dwell time modeling to guide layout refinements and airline operational protocols; undertaking customer research and segmentation to guide longer term re-positioning of retail brands; refining the car park offering and market position; and appointing a new car park operator. We have also improved runway capacity to unlock growth.

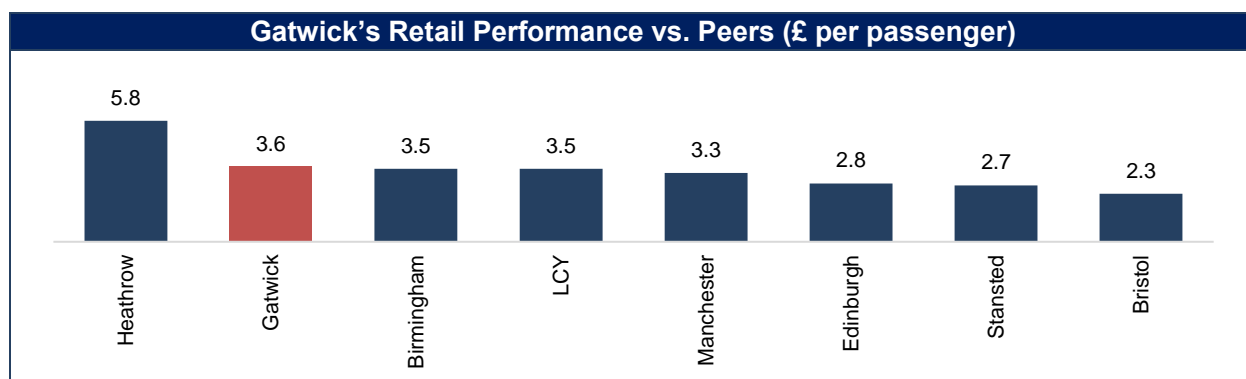
Below we highlight a few select examples of how we have improved operations at our airports.

#### *Enhancing Concession Revenue*

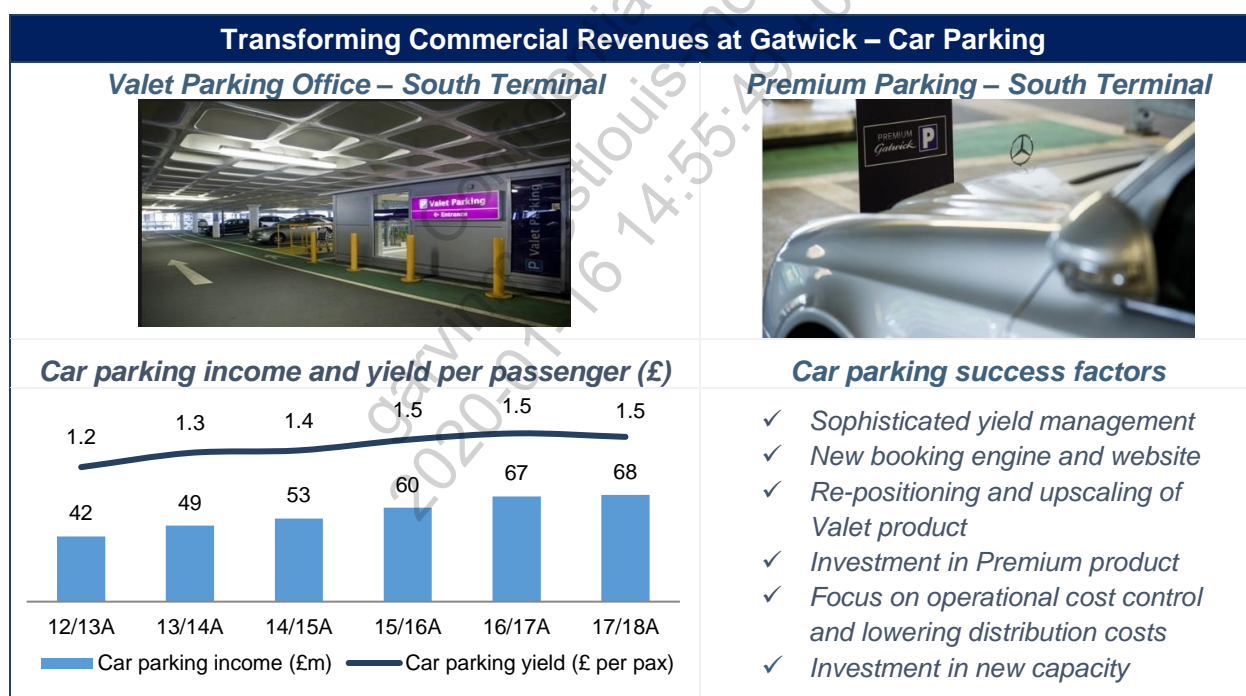
Under GIP’s management, we have transformed the retail and F&B propositions at Edinburgh and Gatwick with extremely positive responses from our passengers at both airports. This has enabled improved financial performance and a step-change in commercial revenue contribution, as well as increased passenger satisfaction at both airports.

At Gatwick, between 2012/13 and 2017/18, retail income increased by ~40% (7.2% CAGR over the last five years). The retail category includes concession revenues from duty free, fashion, F&B, bureau de change and other sub-categories. In 2017/18 all of these categories generated £166 million of revenues, which made it a significant contributor to overall revenues. It is now among Europe’s best, and the income is critical to Gatwick’s competitiveness with other airports.





We have also increased the income from car parking at Gatwick by 62% between 2012/13 and 2017/18 (10.3% CAGR over the last five years). Gatwick has achieved this through intelligent development of capacity to optimize revenues and minimal additional construction. It is now a major contributor to non-aero revenues, generating £68 million of revenues, or approximately 20% of commercial revenues.



We believe that by leveraging our experience we can generate best-in-class performance at STL, through a range of initiatives including proactive concessionaire management and improved margins on new food and beverage contract renegotiations. We have successfully used this strategy at our existing airports as passenger volumes have grown and the airports become more attractive to concessionaries.

Furthermore, we have developed a number of tools to identify concessionaire under-performance and clear processes to work with partners in identifying and rectifying improvement areas, such as



monitoring operational flows through check-in and security in real time, adapting passenger flows and adapting the offer to better match customer preferences.

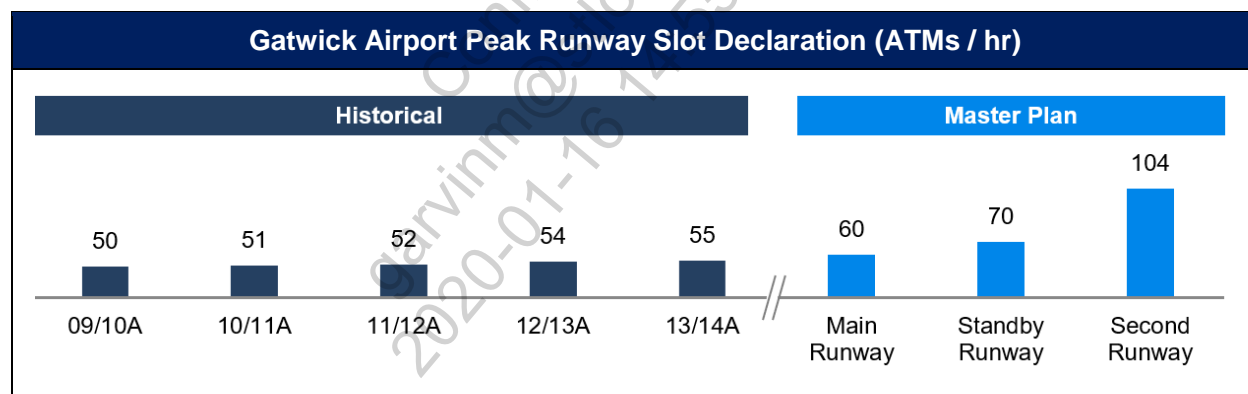
#### *Improving Runway Capacity to Unlock Growth*

Although STL possesses substantial airfield capacity, GIP's experience with runway optimization highlights an ability to accommodate growth through sophisticated process design. At the time GIP I acquired Gatwick Airport in December 2009, it had peak declared capacity of 50 air traffic movements per hour ("ATM/hr"), which was by far the largest capacity of any single runway commercial airport in the world. GIP launched several projects to increase runway and stand capacity in a program called ACDM55. The goals of the program were:

- Declare 55 ATM/hr for seven peak hours of the day;
- Increase overall on-time departure to 85% or greater; and
- Reduce aircraft taxi times by 20%.

An £8 million program was approved to install systems and procedures to increase the situational awareness of what is happening on the airfield, and provide control tools to improve the processes. This was done using Lean and Six Sigma principles of reducing waste and variation through process analysis, redesign, and continuous improvement. For example, new tools were implemented with air traffic services provider to increase controller feedback so they can more consistently space arriving aircraft, thereby reducing wasted runway time.

As a result of this program, we reached our target of 55 ATM/hr in 2014. In our most recent Master Plan we disclosed our new target of 104 ATM/hr.



#### Experience managing facility maintenance / repair and procurement of related materials

##### *Experience in Maintaining and Operating Runways*

GIP and its airport management teams are experienced in operating and maintaining high intensity use and constrained airfields. London City Airport, due to its close proximity to Canary Wharf, short runway, and small footprint requires a steep approach angle and a strong focus on operational processes. A close relationship exists among the airport, its airlines, and aircraft manufacturers to ensure aircraft modifications can be made to accommodate the steep approach and the short stopping distance. Gatwick is a hub airport for easyJet and is the world's busiest single runway airport, with a peak hour declared capacity of 55 movements, which has increased by nearly 10% over GIP's hold period. The key runway characteristics of our three airports are detailed below:



## Runway characteristics

### Gatwick

The world's busiest single runway airport and the UK's second busiest airport by total passenger traffic (after Heathrow Airport). The runway is 3,316 meter-long with a total of six piers and 66 pier-served aircraft stands. Gatwick also has 51 remote aircraft parking stands.



### London City

Highly constrained airport boundary, which requires a 'steep approach' with a path angle of 5.5 degrees (almost twice that of other airports). The airport has 18 stands, and the operational runway is limited to a length of 1,300 meters.



### Edinburgh Airport

Two intersecting runways, although only the primary runway (2,256 meters long) is normally used. The declared maximum capacity for the primary runway is currently 42 ATM/h. The runway has 24 pier-served aircraft stands. Also has 40 remote aircraft parking stands.



## Experience in Seasonal Maintenance in Adverse Weather Conditions

At Gatwick we have invested significant capital expenditure in new equipment to deal with adverse weather conditions, in particular snow. Today the airport has one of the most efficient snow fleets of any UK airport, and as a result we have been able to maintain operations in poor weather conditions. In December 2010, a period with heavy snow falls in the UK, London Heathrow (the world's largest international airport) was closed for 4.5 days, Gatwick was closed for 4.5 hours. In addition to these pre-emptive measures, we have also focused on improvement of passenger information and welfare by working closely with airlines and other partners.

Edinburgh also has a robust winter plan in place to ensure business continuity during periods of ice or snow, relying on in-house teams and contractors. This plan has a high level of flexibility, as all resources to be deployed during snow events need to be adapted to the forecast severity of the snowfall and with pre-determined responses for light, medium and heavy snowfall. Both in-house and contractor resources participate in this plan, for the duration of the winter season (November to March).

To ensure maximum control, the specialized runway and taxiway clearing equipment (including airfield sweepers, tractors with brushes and ploughs, snow blowers) de-icing equipment and a significant part of the stand clearing equipment are owned by the airport. Snow removal for the runways, taxiways and pedestrian walkways at Edinburgh is taken care of by the airport's own employees.

At London City Airport, other aspects of the weather impacted operations at the airport. The airport is sited close to the eastern reaches of the river Thames. At this point the river is fast flowing and has a

daily tidal change of 18ft. In addition, the airport is surrounded by an area of water known as the Royal Docks, these are the largest inland, man-made waterways in Europe. This large area of water can generate its own micro climate which is responsible for localized mist and fog. The surrounding terrain of the urban area can produce unpredictable wind conditions, specifically runway crosswinds. These will provide additional limitations for pilots flying a steep approach on to a short runway.

#### Familiarity with FAA regulations and procedures

GIP is familiar with FAA Part 139 Certified Airports through our investment in Paine Field. Paine Field Airport was an existing airfield located 23 miles north of downtown Seattle. It was formerly used as a military base and subsequently as a general aviation facility and Boeing assembly/testing site. In 2017, Brett Smith of Propeller Airports Group secured a 50-year concession to build and operate a commercial passenger terminal and ancillary facilities at Paine Field under a P3 framework and led the airport through all of the requisite FAA approval processes. The airport commenced commercial operations in March 2019 and has obtained Part 139 certification. Brett Smith remains a partner in Paine Field alongside GIP and can lend his expertise to any FAA related issues pertaining to STL going forward.

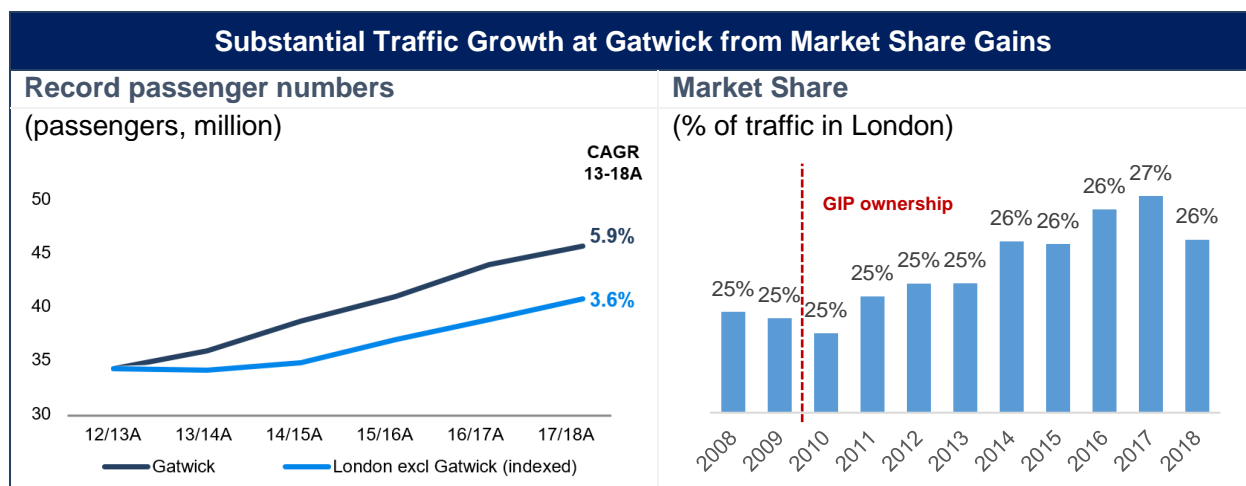
Further, all of GIP's UK airports operate under the Civil Aviation Authority's ("CAA") CAP168 (Licensing of Aerodromes), which like FAA Part 139, operate under ICAO Annex 14. STL is a FAA Part 139, Class I, Medium Hub airport, which makes its operating characteristics very similar to those of Gatwick. As part of its operating license, Gatwick must consistently meet the standards established by the safety regulator.

Beyond GIP investments, GIP's key team members are also experienced in FAA regulations through prior industry experience. Tom Horton through his extensive history at American Airlines is well versed in the FAA regulatory environment. Several other team members have also advised on prior US P3 processes such as San Juan Airport P3 and the attempted Chicago Midway P3 which required in-depth knowledge of FAA regulations and procedures.

#### Experience facilitating airport passenger growth via route development and marketing

GIP is a growth investor. We look to drive growth at our airport assets on the aeronautical and non-aeronautical side. Passenger traffic mix and growth are two of the most important airport value drivers. It has therefore been essential for GIP to develop a set of robust tools to identify and create new routes and improve frequencies at existing routes, thus stimulating traffic growth.

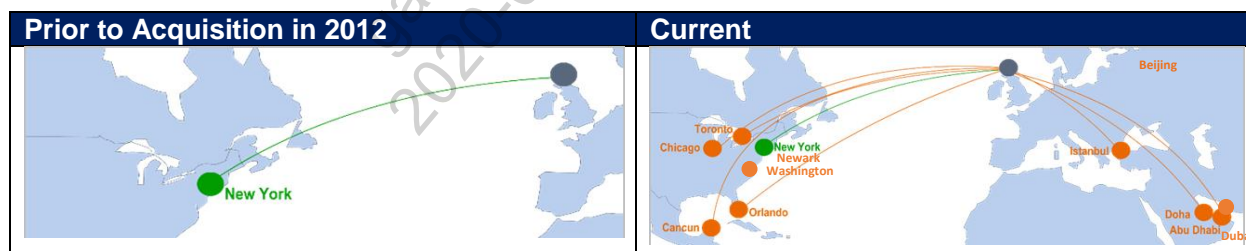
We have grown traffic at our airports by structuring a compelling value proposition in terms of product and price. GIP's operational expertise has resulted in the delivery of market leading traffic growth in our airport portfolio. GIP has achieved outperformance of market traffic growth at all our airports - at least one-third of the growth at GIP's three airports has come from market share gains and in the case of London City, it was 80%. We believe this is a result of our relentless focus on making sure each of our airports become the "airport of choice", for passengers and airlines.



Note: London traffic based on traffic from Heathrow, Gatwick, Stansted, Luton, London City and Southend

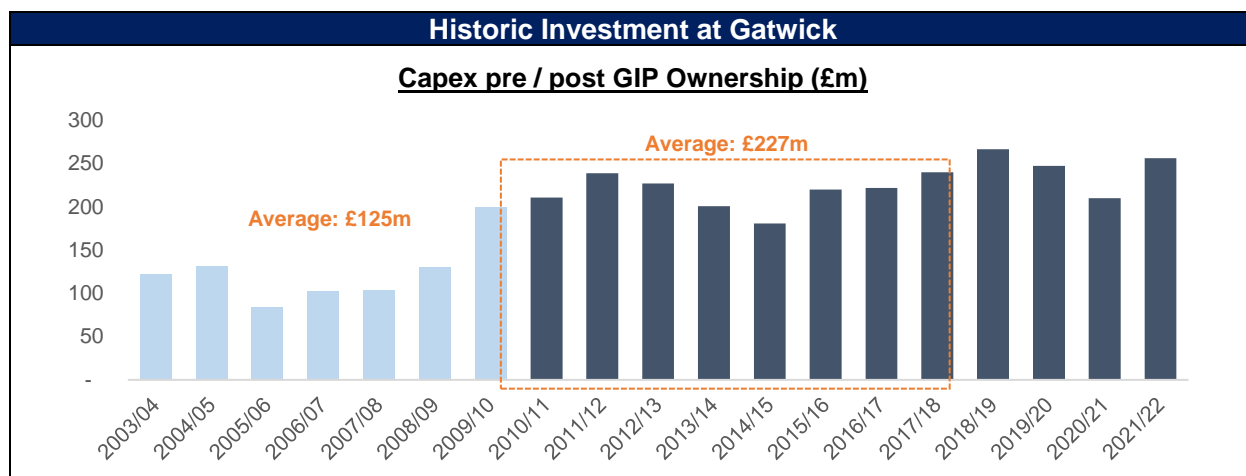
On the marketing side we work proactively with stakeholders to disseminate the message to business and leisure customers through targeted channels such as corporate travel departments, travel portals and social networking. Our management teams work with tourism bodies and tour operators at both ends of the route to promote high volume tourism markets. We have a record of successfully building market awareness. For example, at London City, while offering a compelling product, it was little known as a London destination. We successfully raised awareness through the channels mentioned and saw the result of this in market share gains from other London airports.

In relation to route development the respective management teams across our airport portfolio are actively involved in ensuring sustainable route creation is continued. GIP has assisted its airline customers in developing a large number of new international routes at its airports. GIP has developed a large number of new routes at Gatwick which now serves 236 non-stop destinations, more than any other airport in the UK. Since the acquisition in 2012, GIP has also transformed long haul connectivity at Edinburgh Airport (Scotland's capital city), attracting 16 new long-haul routes including Istanbul, Doha, Abu Dhabi, Chicago and Toronto.



## ii. Capital Improvement Experience

GIP has successfully delivered large and complex capital projects worth more than £2bn across three airports. At Gatwick in particular, GIP significantly increased investment with more investment in the two years following the acquisition in 2009 than in the four years preceding it. The £1.75 billion investment program included complete refurbishment of terminals, introduction of state-of-the-art security measures and a greatly increased retail offering.



GIP has implemented processes across its portfolio by which the businesses can assess capital investments based on long-term life-cycle costs, taking into account cost savings of energy reduction and other sustainable design initiatives. A “gating” process was implemented which promotes the on-time, on-budget success record of projects and, most recently, a Project Definition Review Index assessment has been implemented which uses benchmark information from other airports in Europe and the United States.

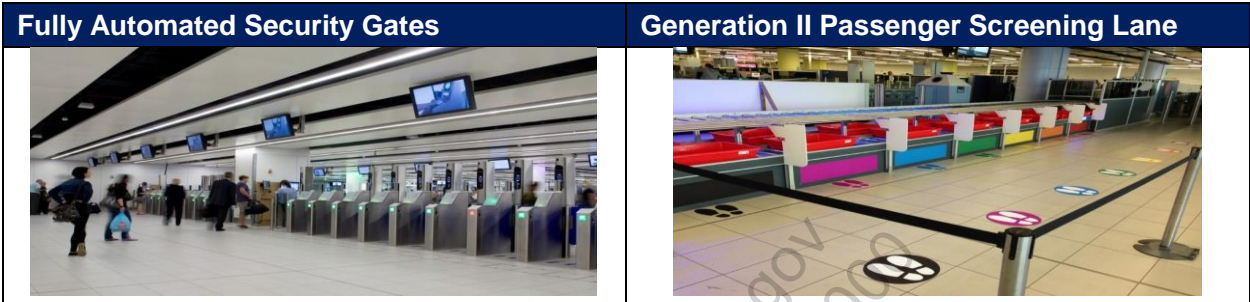
GIP’s efficient capital spend process is demonstrated by the new Pier 1 and South Terminal Baggage Facility capital project which was one of Gatwick’s largest capital projects since acquisition by GIP. The previous owner, BAA, had designed and planned for the complete replacement of the South Terminal baggage system to be implemented with 19 phases at a cost of over \$300 million. Under GIP’s ownership, the project was implemented in a single phase at a cost of only \$230 million (a cost saving of \$70 million). Pier 1 opened in May 2016 after only 36 months of construction work, significantly faster than proposed by BAA. The new pier offers world-class passenger service, delivers an innovative baggage screening and early baggage storage system designed to be more flexible and efficient and provides a unique passenger experience with panoramic views of the airfield and a view into the new early baggage storage system from the departure gates.

Other significant capital investment programs at Gatwick have included the North Terminal redevelopment. The North Terminal was originally developed for British Airways, however, as their hub focus was at Heathrow, and Gatwick had rapidly expanded low cost carrier (“LCC”) airlines at its South Terminal (EasyJet, Ryanair, Norwegian), the North Terminal redevelopment was undertaken to completely re-align the airlines’ gate and space usage and improve passenger processing capacity. The project involved a \$0.5 billion total spend and the relocation of British Airways from the North to the South Terminal, creating a differentiated North Terminal for EasyJet with customer branding and passenger experience. Individual elements of the project included:

- \$325 million to replace facilities including elevators, escalators and technology infrastructure
- \$104 million to reconfigure the existing Pier 5 facility
- \$53 million invested to create world-class new departure and arrival lounges – more space makes room for future growth while more retail and restaurant space offers passengers more choice
- \$39 million to create a new security area, halving passenger transit times and giving Gatwick the ability to process 5,000 passengers per hour
- \$13 million to upgrade the North Terminal border zone – more space, new technologies and 15 state-of-the-art new e-gates have helped lead to shorter queues for passengers



All the airports in our portfolio have also invested in state-of-the-art security facilities. In 2014/15 GIP and Gatwick developed a new groundbreaking security screening process – Generation II. This new process oriented system added value across several categories including lower security staff costs, releasing prime retail space, increasing dwell time (passengers have more time in departure lounge) and importantly, increasing capacity within a smaller or existing footprint. GIP and Gatwick are now working on the next phase (Generation III) of this advanced security screening process to increase the percentage of passengers screened by a full body scanner. These enhanced security measures are expected to launch in the next three years. A similar solution would transform the passenger experience at STL.



As part of the security screening transformation project, we have also introduced special assistance lanes at Gatwick, especially for passengers with reduced mobility and families with young children. These lanes have dramatically improved passenger satisfaction and service quality scores, which ultimately drive passenger growth. These new service standards exceeded the regulatory requirements and have directly improved passenger experience both for the targeted groups and for passengers more generally who have a more streamlined process as a result. These new dedicated lanes were the first of their kind among UK airports, and were subsequently adopted by Heathrow Airport.

At Edinburgh, we are also currently in the process of transforming the site of the airport’s disused crosswind runway into a commercial property development intended to attract new businesses to the area. The site is in a prime strategic location west of Edinburgh and the proximity and access to Edinburgh Airport is expected to enhance the commercial appeal of the site to developers and end-users. As well as offices and commercial buildings, there are also plans for several hundred homes and leisure facilities. The new “Crosswind” site is expected to create several thousand direct and indirect jobs. Our aim is to create not just an industrial and business park but also a community where people want to live and work.



### **iii. Customer Service**

#### **Maintaining Productive Ongoing Relationships with Government Entities**

We are committed to strong stakeholder relations at our portfolio companies. At Gatwick and Edinburgh, GIP has continual and constructive dialogue with our local planning authority and with authorities and communities in the vicinity of the airport. GIP also had constructive dialogue with authorities and communities in the vicinity of London City. We have also dedicated significant effort to relations with the UK Government and relevant aviation authorities such as the Civil Aviation Authority (“CAA”) (the independent aviation regulator in the UK) and Directorate of Airspace Policy, as well as the Department for Transport and UK Border Force.

GIP also owns and controls other strategic assets in the US (see Appendix A for company overviews) which are equally important to the government. At Medallion Midstream (“Medallion”) and Clearway Energy (two US energy companies), for example, we have continuing and ongoing relationships at the local, state and federal levels.

At Clearway Energy, one of the leading integrated renewable power businesses in North America, we maintain active dialogue and cooperation with several federal and state regulatory agencies such as the Federal Energy Regulatory Commission (“FERC”), U.S Army Corp of Engineers and the Federal Aviation Administration. Stakeholder and regulator engagement at a variety of levels (community, state, federal) is a key component of Clearway’s core business as a developer of renewable energy projects with a national footprint. Clearway Energy has engaged in ongoing government outreach initiatives including working with the California Governor’s office, legislature and the California Public Utilities Commission following the PG&E bankruptcy.

This also holds true for Medallion which has regular interactions with local, county and State agencies to ensure diligent stewardship of Medallion’s systems and services with applicable laws. Such interactions range from meeting with county commissioners over depths for boring under highways and railroads, to working with the Texas General Land Office and county clerks to ascertain relevant land owners in order to obtain right-of-way. Medallion also works with the relevant Federal and State environmental authorities in its jurisdictions to assure their operations are permitted and managed consistent with air and water quality regulations in Texas.

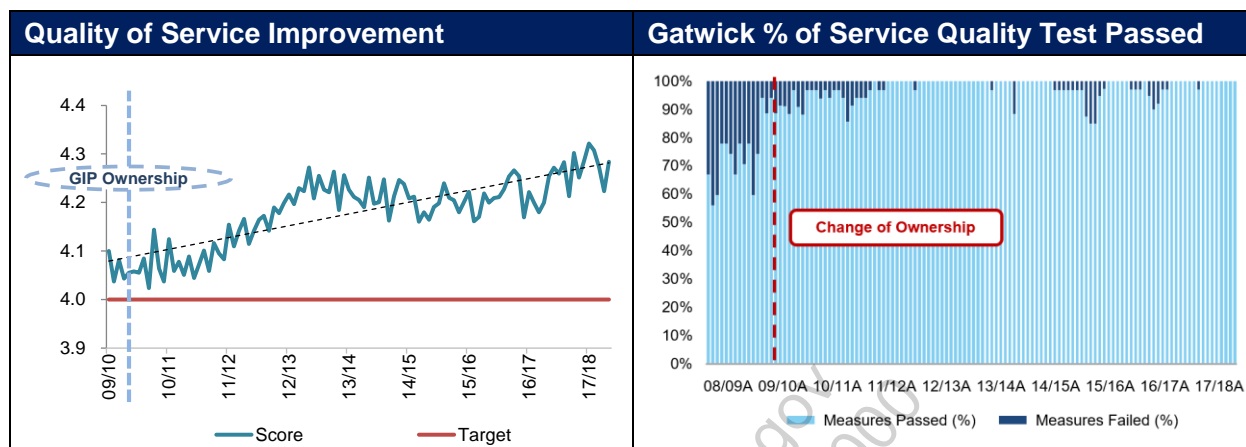
#### **Providing Excellent Customer Service to the Traveling Public**

GIP has a long and strong track record of improving passenger satisfaction at Gatwick, Edinburgh and London City. Since the acquisition of Gatwick, we have initiated several programs to improve customer service levels. The program involved training all 1,600 frontline staff in customer service excellence City & Guilds standard (a leading vocational education organization in the United Kingdom), introducing innovative check-in products that cut transaction times from two minutes to 23 seconds for Norwegian Airlines, introducing security assistance lanes for families and those with disabilities (first airport in the United Kingdom to do this), and a £45 million new security search area which uses state of the art technology.

All of these initiatives improved customer service and passenger satisfaction considerably, as illustrated in the charts below. Gatwick has shown improvement in the overall Quality of Service Monitor (“QSM”), which provides a measure of passenger satisfaction with certain airport services and facilities (i.e. cleanliness, ease of way finding, flight information and seating).

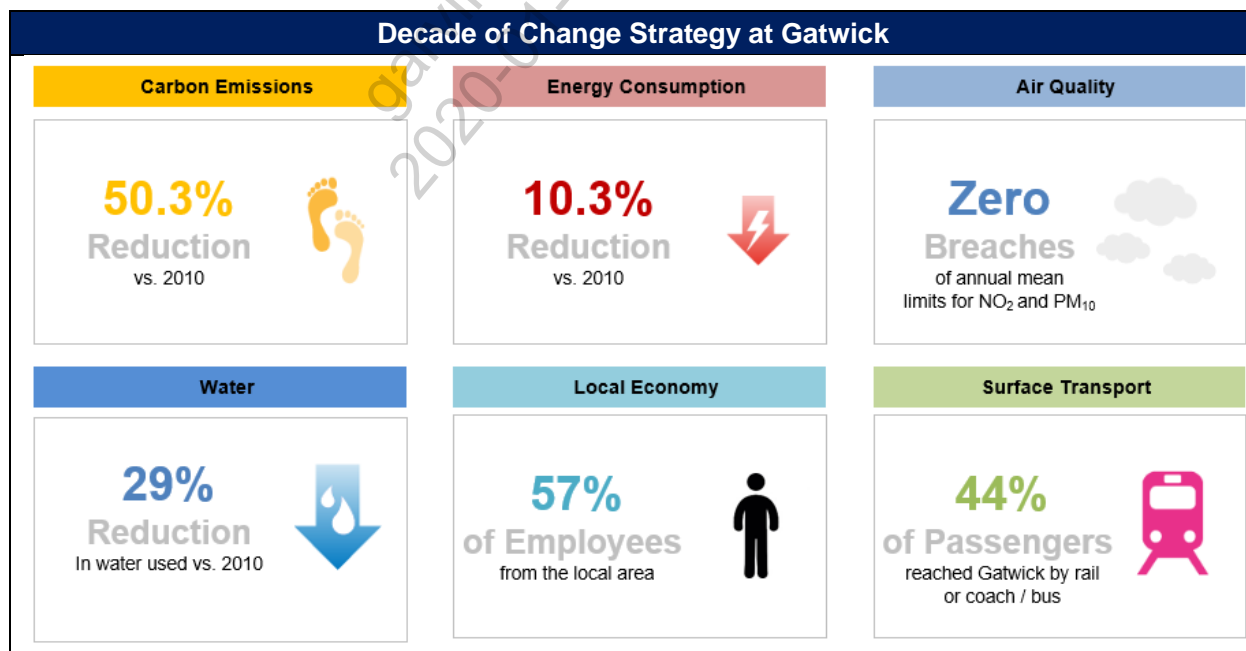


The QSM and security queuing targets are components of Gatwick's broader Service Quality Regime ("SQR"), monitored by the CAA on a monthly basis. Since acquisition, Gatwick has improved its performance in this regard and passed all of its SQR targets in May 2011 for the first time and continues to do so (illustrated in the chart below). As a result of these initiatives and the strong results, passenger ratings are at a record high (illustrated in the chart below).



### Focus on Social Responsibility

Sustainability and social responsibility represent key focus areas for GIP, which is demonstrated through the numerous initiatives undertaken by GIP at Gatwick and Edinburgh to reduce our environmental footprint and strengthen community relations. In 2010, Gatwick launched its ten year "Decade of Change" strategy which established the airport's commitment to sustainable operations and development by setting clear goals to achieve by 2020. Gatwick is on track to achieve all of its targets, some of which have already been surpassed. The below presents the progress Gatwick has made since 2010 in a variety of focus areas.



Edinburgh Airport has also established a corporate social responsibility policy and commits to (i) preventing and reducing pollution, (ii) seeking to reduce the airport's effects on the local community and (iii) providing good employment conditions with respect for diversity.

Under the pillar of preventing and reducing pollution, Edinburgh Airport undertook a number of initiatives in 2017/18 to reduce energy consumption, including the installation of new LED lighting, an energy management system to monitor areas of high energy use, lighting control systems and local presence detection in areas of low occupancy. The initiatives reduced electrical consumption by 2,600 MWh/year in 2018/19, a 10% reduction from the year prior.

#### Delivering Safe and Efficient Operating Conditions to Airlines, Particularly those at Airports

The UK is required to operate its airports in accordance with internationally agreed criteria and compliance is monitored by the CAA. Our UK airports must operate in accordance with the terms of a license issued by the CAA and, to obtain and retain that license, the airports need to satisfy the CAA's safety related standards. Those criteria affecting the design of airports are detailed in a CAA publication, CAP168 Licensing of Aerodromes, and are subject to revision in the light of on-going monitoring and review, including international cooperation to consider developments such as the introduction of new aircraft, for example the A380. Paine Field also operates in compliance with all relevant regulations as required by the FAA.

Our airports operate a comprehensive safeguarding policy to ensure the airlines are consulted on any planning application that may affect the safe operation of the airports, allowing them to take measures to ensure the safety of aircraft, and the passengers and crews on them, while taking off, landing or flying within the vicinity of the airport. This process is known as aerodrome safeguarding. Aerodrome safeguarding is intended to:

- Ensure that the airport's operations remain safe from proposed developments (for example tall buildings) which might infringe the airport's protected airspace, known as the aerodrome's obstacle limitation surfaces.
- Ensure that pilots on approach to the airport can see the runway lighting (i.e. ensure that it does not become obscured by proposed development).
- Protect the accuracy of radar and other electronic aids to air navigation (for example, wind farm turbine blades can obscure aircraft on air traffic controllers' radar screens).
- Reduce the hazard from bird strikes to aircraft engines by reducing the likelihood of bird activity at land uses such as waste disposal sites, sewage treatment works, areas of water and landscaping schemes.

We make every effort to engage with developers at an early stage on aerodrome safeguarding issues. By working with both the developers and planning authorities we are often able to agree on modifications to development proposals such that they do not compromise airport safety.

#### Maintaining Active Public Relations Functions Targeted at Travelers, Taxpayers and Airport Tenants

All of our airports maintain active dialogues with all the relevant stakeholders. Gatwick Airport has built an integrated, issue-based Corporate Affairs function which brings together the core disciplines of Media Relations, Government Relations, Internal Communications and Community Engagement under one department. The Corporate Affairs team is efficient, highly effective and award winning, and defends and enhances Gatwick's reputation.

From crisis situations, influencing local and central Government and regulatory decisions, and promoting the airport to airlines and passengers through mainstream or social media, the Corporate Affairs team has ensured the airport has 'punched above its weight'.

London City maintained regular communication and contact with local people through a wide variety of channels. These channels included:

- **The London City Airport Consultative Committee (LCACC):** a forum to monitor and discuss all aspects of the operation and development of the airport, and especially its impact on people living and working in the surrounding area. The committee was made up of representatives from local authorities, public bodies, residents and airport users.
- **Runway News Community Newsletter:** provided information on airport Operations, Development and Community Programs. It was distributed to 33,000 local homes.
- **London City Airport's Air Transport Forum (ATF):** designed to improve and sustain access to the airport. The Airport Surface Access Strategy, developed and implemented in conjunction with the ATF, detailed short and long term plans to increase the use of public transport by staff and passengers. In 2009, London City committed to a range of further measures to reduce the environmental impact of the airport's operation.

#### iv. Safety and Security

##### Knowledge of Airport Safety and Security Management and Methodologies, including TSA Security Plan Approval Process

A safe and secure operation at our airports is our highest priority. At Gatwick, a full range of environment, health, safety, and security issues and objectives must be managed. This is coordinated at a monthly "Managing Corporate Responsibility" venue where the sustainability objectives are also managed. Safety is of paramount importance, and is channeled down through the organization via the "Destination Zero" initiative, which spans operational personnel, contractors, third parties, and construction. A contractor service center has been developed as a single centralized location for all contractors to obtain work permits and to ensure compliance with tougher standards for contractors. Top leaders weekly identify selected areas for "Destination Zero" tours to assess safety practices and housekeeping. Gatwick has been awarded OHSAS 18001 certification for its safety system and management process.

The security function is performed under the auspices of the UK Department for Transport ("DfT") and frequent covert audits find Gatwick consistently compliant with all DfT requirements for passenger search, crew search, staff search, and external gate and perimeter operations.

The UK CAA oversees ramp safety, and Gatwick is consistently a top performer in the UK with no major findings over the past three years. Gatwick is currently working with the CAA to develop a pilot program similar to OSHA VPP Star.

GIP is also familiar with the TSA security plan approval process through its involvement in Paine Field airport. CEO Brett Smith, who remains a partner alongside GIP in Paine Field, guided the airport through a complete TSA approved Airport Security Program ahead of commencement of commercial operations in March 2019. Paine Field has gone through a thorough re-badging process to ensure only properly badged individuals have access to the Air Operations Area ("AOA").

### Experience in Emergency Response Support

Gatwick Airport has a combined approach to emergency planning, business continuity and risk management:

- A governance structure that ensures emergency planning, business continuity and risk is embedded within the culture of the organization
- Plans developed and compliant with all relevant legislation and aligned with local and national response
- Employees trained and rehearsed to fully test robustness of plans
- Incidents and exercises debriefed to ensure learning and best practice is fed back into plans
- Established 3 tier Incident Command and Control structure that aligns with other responding agencies e.g. police, fire service, ambulance service, government agencies and allows the inclusion of responding agencies and other stakeholders e.g. airlines and handling agents to facilitate a coordinated multi-agency response
- Intrinsically linked to risk management (e.g. emergency response to risk that has materialized, business continuity to reduce the effect it has on the business, recovery to ensure return to normal operations as quickly as possible)
- Internal Business Assurance to validate approach and audit through ISO 18001, ISO 14001 and PAS 55

### Background in Relevant Traffic Engineering Standards, Specifications, Policies, Practices and Processes

As previously mentioned, all of GIP's UK airports operate under CAA's CAP168 Licensing of Aerodromes. The license sets out the standards required at UK licensed aerodromes relating to its management systems, operational procedures, physical characteristics, assessment and treatment of obstacles, visual aids, rescue and fire-fighting services and medical services. It includes requirements regarding aerodrome surface conditions, aerodrome pavement maintenance (e.g. runways, taxiways, and strips); assessment and treatment of obstacles; and aerodrome signals, signs and markings.

### Environmental Management Expertise

Environmental management includes storm water management via retention ponds on site, air quality monitoring, noise monitoring and compliance, and waste management (including hazardous wastes). Both Gatwick and Edinburgh have been awarded an ISO14001 certification for their environmental management systems and performance. Recently, Gatwick has made improvements to its Occupational Health department and has switched service providers to address performance issues. The GIP operations team includes a central resource to coordinate EHS reporting and improvement activities across all GIP assets, including a quarterly performance scorecard.

## 5. Financial Capability

GIP has access to the required funds to complete this transaction on a sole basis, either through its flagship funds or together or alongside some of its largest investors. GIP has over \$68 billion in assets under management and has immediate access to \$3.97 of unfunded commitments in Global Infrastructure Partners III. In addition, GIP is currently fundraising for Global Infrastructure Partners IV, its 4th global flagship fund, and has access to incremental co-investment capital and separately managed account funds from the fund's limited partners.

These investors are some of the largest pension and sovereign wealth fund investors in the world with hundreds of billions of dollars of funds under management. For a number of these investors, we have already successfully executed direct investments including Gatwick Airport, Edinburgh Airport, Paine Field, Port Botany / Port Kembla, Terminal Investment Limited, Access Midstream Partners and Italo.

We therefore have the ability to deploy the required equity to complete this transaction and do not require entering into any consortium arrangement with third parties. GIP is still finalizing the funding strategy, with the outcome dependent on our internal assessment of the Proposed Transaction, governance terms and return characteristics.

### Ability to Raise Equity and Debt Financing

Since 2006, GIP has successfully raised ~\$40 billion of equity across four funds and co-investments and has completed a wide variety of debt financings across the globe for its portfolio companies, including acquisition facilities, capex facilities, working capital facilities and public bonds. Below we highlight in more detail GIP's equity capital raising across our funds as well as a number of recent and relevant debt financings. GIP has significant experience in infrastructure financings, drawing on a strong pool of finance providers.

GIP's Equity Capital Raising	
<ul style="list-style-type: none"><li>▪ <b>GIP I:</b> Mar 2008 - Final Close - \$5.64 billion in commitments</li><li>▪ <b>GIP II:</b> Sep 2012 - Final Close - \$8.25 billion in commitments</li><li>▪ <b>GIP III:</b> Jan 2017 - Final Close - \$15.8 billion in commitments</li></ul>	<ul style="list-style-type: none"><li>▪ <b>GIP Australia ("GIPA"):</b> Aug 2017 - Final Close - A\$3.056 billion in commitments</li><li>▪ <b>GIP-led Co-Investments:</b> \$7.0 billion</li></ul>

GIP Selected Relevant Debt Capital Raising					
Year	Company	Amount	Type	Relevance	Comment
<b>2019</b>	<b>Edinburgh Airport</b>	<b>£75m</b>	<b>Institutional Private Placement</b>	<b>Airport</b>	<b>Institutional Private Placement</b>
2019	Enlink	\$560m	Institutional Private Placement	US	Senior Notes
2019	Port of Melbourne	\$510m	Institutional Private Placement	Transport	USD Senior Secured Notes
2019	Port of Melbourne	A\$1,760m	Bank Financing	Transport	Bank Facility Refinancing
2019	TiL	\$200m	Institutional Private Placement	Transport	Further Private Placements
<b>2019</b>	<b>Gatwick Airport</b>	<b>£300m</b>	<b>Public Bond</b>	<b>Airport</b>	<b>Public Bond</b>
2019	Pacific National	A\$450m	Institutional Private Placement	Transport	Senior Unsecured Fixed Rate Notes
<b>2019</b>	<b>Edinburgh Airport</b>	<b>£100m</b>	<b>Institutional Private Placement</b>	<b>Airport</b>	<b>Institutional Private Placement</b>
2018	TiL	\$400m	Bank Financing	Transport	Revolving Credit Facility
2018	FLNG	\$2.41bn	Bank Financing	US	Holding Company Financing
<b>2018</b>	<b>Gatwick Airport</b>	<b>£450m</b>	<b>Bank Financing</b>	<b>Airport</b>	<b>Revolving Credit Facility</b>
2018	FLNG	\$600m	Bank Financing	US	Train 2 Financing
2018	Clearway	\$125m + \$300m	Bank Financing	US	Term Loan + Revolving Credit Facility
2018	Italo	€900m	Bank Financing	Transport	Term Loan
2018	Enlink	\$1bn	Term Loan B	US	Term Loan B
2018	CPV	\$425m	Term Loan B	US	Term Loan B
2018	TiL	\$900m	Institutional Private Placement	Transport	Institutional Private Placement
2018	Port of Melbourne	A\$1.8bn	Institutional Private Placement	Transport	Institutional Private Placement
<b>2018</b>	<b>Edinburgh Airport</b>	<b>£120m</b>	<b>Institutional Private Placement</b>	<b>Airport</b>	<b>Institutional Private Placement</b>
2018	Port of Melbourne	A\$550m	Institutional Private Placement	Transport	Australian Medium Term Note
<b>2018</b>	<b>Gatwick Airport</b>	<b>£300m</b>	<b>Public Bond</b>	<b>Airport</b>	<b>Public Bond</b>
2018	Pacific National	A\$506m	Public Bond	Transport	Public Bond

## 6. Contacts and Advisors

Should you have any questions in relation to the proposal, please direct them to:

### John Morton

Principal, Global Infrastructure Partners, 1345 6<sup>th</sup> Avenue, 30<sup>th</sup> Floor, New York, NY 10105

Tel: (212) 315 8190

Mobile: (973) 518 1830

Fax : (855) 971 8537

Email: john.morton@global-infra.com

GIP is currently in discussions with a number of financial, legal and technical advisors and expects to appoint the following category of advisors to support on the investment opportunity:

- Financial and M&A
- Legal
- Accounting and tax
- Technical (including Traffic, Insurance, Environmental, Airspace)
- Commercial (including Parking and Real Estate)
- Capital program



## 7. Disclosure of Conflicts

GIP's airport holdings do not represent a conflict of interest with respect to the Proposed Transaction, as the catchment areas and ultimate passenger users present little or no overlap.

Tom Horton is a current GIP partner and a key team member. As disclosed elsewhere in this document, he was previously the Chairman and CEO of American Airlines which remains a key airline at STL. Tom no longer has any official role at American Airlines. GIP does not believe Tom's involvement in the transaction would present a detrimental conflict of interest.

Our Conflict of Interest Policy and Attestation is contained in Appendix B of this document.




## 8. Comparable Projects

The GIP team has a deep and balanced pool of commercial, technical and operational professionals with significant aviation sector experience across a variety of comparable projects and complementary investment skills and capabilities.

The team will be led by Michael McGhee and Tom Horton. Michael is a senior partner at GIP who is responsible for all of GIP's transport investments. He was a founding partner at GIP's inception in 2006 and was the team leader in all GIP's airport investments. Prior to forming GIP, Michael had a 25-year career in investment banking in the UK and Australia, focusing on commercial aviation, airports, privatization, infrastructure and government advisory. Tom joined GIP as a Partner in 2019. He is the former Chairman and CEO of American Airlines where he led the company's restructuring and turnaround, culminating in the merger with US Airways to create the world's largest airline. Tom began his career at American Airlines in finance and held a variety of leadership positions at the company before being appointed CFO in 2000. He also served as Chairman of the oneworld alliance.

Bill Woodburn will be responsible for the operational performance of STL. Bill was a founding partner of GIP and leads GIP's operating team. He spent 22 years at General Electric, during which time he was on the Board of GE Capital and President of CEO of the GE Infrastructure Division.

Michael, Tom and Bill will be supported by John Morton and Philip Iley. John joined GIP in 2018 from Credit Suisse where he headed the Americas Transportation Infrastructure advisory practice. His airport P3 experience includes advising the Canadian government with regards to the potential privatization of their airport system, advising the Mexican government on equity investment into Mexico City Airport and the privatization of Budapest Airport. Philip joined GIP in 2016 from Credit Suisse where he was the head of the EMEA Transport & Logistics practice, where he specialized in airport privatization, P3 and financing work. He has completed over 35 airport transactions, including advising the Puerto Rican Government on the only successful FAA Pilot Program P3 at San Juan and advising the City of Chicago on their attempted P3 for Chicago Midway.

Project leadership	
Project Leaders	Resume
 <p><b>Michael McGhee</b></p> <ul style="list-style-type: none"> <li>▪ Partner</li> <li>▪ London</li> </ul>	<ul style="list-style-type: none"> <li>▪ Founding partner of GIP based in London</li> <li>▪ Responsible for all GIP's transport infrastructure investments – including, acquisition of LCY (2006), Gatwick (2009), Edinburgh (2012) and Paine Field (2019). Also led four investments in the ports sector including the Port of Brisbane (2010) and investments in a joint venture with MSC Shipping for 38 container terminals located in five continents (2013 and 2016)</li> <li>▪ Previously Head of Global Transportation and Logistics group at Credit Suisse from 1997 to 2006 and at BZW from 1990 to 1997</li> <li>▪ Lead advisor on the privatizations of over 25 airports or airport groups, including the 22 Federal Australian airports and lead advisor to the UK Government on the P3 of NATS in 2001</li> <li>▪ LCC experience includes book runner for IPOs of easyJet and AirAsia and easyJet's acquisition of Go. Also formed and advised the successful consortium (Barclay, Bechtel, AGI) to acquire and develop the concessions for London Luton Airport (easyJet's first base)</li> <li>▪ Member of the Board of Directors of Gatwick, Edinburgh and Terminal Investment Limited SA and was formerly on the board of LCY</li> <li>▪ Holds a B.A. in Government and Economics from the University of Manchester.</li> </ul>
 <p><b>Michael McGhee</b></p> <ul style="list-style-type: none"> <li>▪ Partner</li> <li>▪ New York</li> </ul>	<ul style="list-style-type: none"> <li>▪ Joined GIP as a Partner in 2019</li> <li>▪ Former Chairman and CEO of American Airlines – led the company's restructuring and turnaround, culminating in the merger with US Airways to create the world's largest airline</li> <li>▪ Prior to his role as CEO, he held a variety of leadership positions including being appointed CFO in 2000</li> <li>▪ From 2002 to 2005, served as Vice Chairman and CFO at AT&amp;T – played a key role in the merger with SBC Communications</li> <li>▪ Returned to American Airlines following his roles at AT&amp;T</li> <li>▪ Lead Director on the Boards of Walmart Inc. and GE. Also serves as a Board member of the Cox School of Business and the National Air and Space Museum</li> <li>▪ Holds a B.B.A., magna cum laude, from Baylor University and a MBA from Cox School of Business at Southern Methodist University</li> </ul>
 <p><b>Bill Woodburn</b></p> <ul style="list-style-type: none"> <li>▪ Head of Operations Team</li> <li>▪ Stamford</li> </ul>	<ul style="list-style-type: none"> <li>▪ Founding operating partner of GIP</li> <li>▪ Chairs the Portfolio Management Committee and is a member of the Investment, Operating and Valuation Committees</li> <li>▪ Oversees GIP's operating team and is based in Stamford, Connecticut</li> <li>▪ Prior to the formation of GIP in 2006, spent 23 years at GE, where he most recently served as President and CEO of GE Infrastructure</li> <li>▪ During his tenure at GE, oversaw several key acquisitions including those that led to GE's entry and expansion in the water technology business</li> <li>▪ Previously served as Executive Vice President and as a member of the four person Office of the CEO at GE Capital</li> <li>▪ Served on the GE Capital Board for 2000 and 2001</li> <li>▪ Holds M.S. and B.S. degrees in Engineering from Northwestern University and the US Merchant Marine Academy</li> <li>▪ Member of the Boards of Directors of London Gatwick Airport, Edinburgh Airport, Competitive Power Ventures, Hess Infrastructure Partners and Gas Natural</li> </ul>

Project leadership	
Project Leaders	Resume
 <p><b>John Morton</b></p> <ul style="list-style-type: none"> <li>Investment Principal</li> <li>New York</li> </ul>	<ul style="list-style-type: none"> <li>Joined GIP in 2018 as Investment Principal</li> <li>Prior to joining GIP, headed the Americas Transportation Infrastructure advisory practice at Credit Suisse</li> <li>Has 13 years of experience in strategic advisory and execution in North America and Europe on behalf of financial investors, corporations and government entities in several industries, including most recently in the Transportation, Logistics and Transportation Infrastructure sectors</li> <li>Airport assignments included advising the Canadian Government on the potential privatization of its airport system, equity investment in Mexico City Airport, sale of Dominican Republic airports, merger of Vinci Airports with AWW Airport Group, merger of Rome Airport with Atlantia and Budapest privatization</li> <li>Holds a B.A. from Duke University and an MBA from London Business School</li> </ul>
 <p><b>Philip Iley</b></p> <ul style="list-style-type: none"> <li>Investment Principal</li> <li>London</li> </ul>	<ul style="list-style-type: none"> <li>Joined GIP in 2016 as Investment Principal</li> <li>Prior to joining GIP, had a 20-year career as a transport corporate finance banker at Credit Suisse, culminating in heading the EMEA Transport &amp; Logistics team from 2006-2016</li> <li>Specializes in airport P3, privatization, financing and investment and has completed over 35 airport transactions</li> <li>Airport assignments include – London City Airport Sale, Heathrow Airport refinancing, Aeroport de Paris IPO, Privatization of the Portuguese Airports (ANA), Zurich Airport IPO, TAV Airports merger with AdP, Thai Airports IPO, Oman Airports privatization, Budapest Airport privatization, Australian and NZ airport privatization</li> <li>Has worked on many of the major P3 airport transactions in the Americas, including advising the Puerto Rican Government on the P3 for San Juan Airport, advising the City of Chicago on the attempted P3 for Midway, two IPOs in Mexico, Fernando Chico's acquisition of ASUR, Purchase of Rio Airport by Odebrecht &amp; Changi, Sale of Aerodrom Airports in Dominican Republic by Advent to Vinci</li> <li>Selected as one of the "Top 10 Infrastructure Bankers Globally" by <i>Infrastructure Investor Magazine</i> in 2009</li> <li>Holds a BA(Hons) in Law &amp; Accountancy from Manchester University</li> </ul>

## **9. Acknowledgments, Confirmation and Attestation**

GIP is dedicated to safety, quality and integrity and is committed to a common vision for STL with the City.

GIP is unrivalled in its ability to rapidly transform efficiency of operations and quality of facilities at its airports. However, we recognize that quality of service lies at the core of improving airport operations and it is a key pillar of GIP's strategy. Service improvement is a fundamental business strategy to promote growth, attract more airlines and change perceptions of an airport's competitive position in the market. If the service proposition suffers, passengers will choose to use alternative facilities, or different modes of transport, and airlines will decide to grow their networks at other more competitive and responsive airports. Our intention is to utilize our expertise to improve STL for the benefit of all stakeholders in the Airport as we have done at our previous airport investments where we have maintained positive relationships with employees, regulatory agencies, airlines and passengers.

GIP acknowledges that in addition to improving the airport experience for all stakeholders, the City seeks a dedicated focus on creative solutions to more fully and efficiently utilize the airports significant excess capacity. Based on our experience at Edinburgh and Gatwick airports, as well as industry relationships with airlines, logistics operators, and industrial corporations, we believe there are opportunities to expand passenger routes and cargo activities, among other opportunities for growth and airport utilization.

GIP has significant experience with rapidly transforming passenger experience, efficiency of operations and quality of facilities at its airports. GIP acknowledges the significant benefit which a material transformation at STL and the proceeds from the Proposed Transaction could have on the local community and economic development of the City of St. Louis. We look forward to working with the City to ensure these benefits are realized by the community.

GIP further acknowledges that City law stipulates certain minority business enterprise ("MBE") and women's business enterprise ("WBE") requirements and that the Lease will set out a comprehensive framework with respect to employment requirements. GIP recognizes the importance of developing STL for the inclusion of all stakeholders and looks forward to partnering with the City to ensure minority and employee stakeholder interests, among others, are heard and addressed.

GIP also confirms it does not have an exclusive relationship with a lender in relation to this transaction and attests that it does not have any conflicts of interest other than as disclosed above and in the Certification of Conflict of Interest as attached in Appendix B.

## **10. Criminal and / or Civil Case Disclosures**

GIP does not have any criminal or civil claims which meet the disclosure requirements as set out in Section 10 of the Request for Qualifications document.

Confidential  
garvinm@stlouis-mo.gov  
2020-01-16 14:53:49 +0000

## Appendices



## Appendix A – Overview of GIP's Portfolio Companies – GIP I, II and III

GIP I			GIP II			GIP III	
 <b>London City</b> UK   GIP I 2006   2016	 <b>Great Yarmouth</b> UK   GIP I 2007   2015	 <b>East India Pet.</b> India   GIP I 2007   2017	 <b>TIL</b> Global   GIP I & II 2008/2012   2019 <sup>2</sup>	 <b>ACMP</b> US   GIP I & II 2009   2014	 <b>Edinburgh</b> UK   GIP II 2012	 <b>Naturgy</b> Spain   GIP III 2016	 <b>Medallion</b> US   GIP III 2017
 <b>Biffa</b> UK   GIP I 2008   2013	 <b>Channelview</b> US   GIP I 2008   2013	 <b>TIL</b> Global   GIP I & II 2008/2012   2019 <sup>2</sup>	 <b>Guacolda</b> Chile   GIP II 2014	 <b>CDL</b> Spain   GIP II 2014   2016	 <b>Freeport LNG</b> US   GIP II 2015	 <b>Borkum Riff. 2</b> Germany   GIP III 2017	 <b>Vena Energy</b> Asia   GIP III 2018
 <b>ACMP</b> US   GIP I & II 2009   2014	 <b>Ruby Pipeline</b> US   GIP I 2009   2014	 <b>Terra-Gen</b> US   GIP I 2009   2015	 <b>ACS Renew.</b> Spain   GIP II 2015   2018	 <b>CPV</b> US   GIP II 2015	 <b>HIP</b> US   GIP II 2015	 <b>NTV Italo</b> Italy   GIP III 2018	 <b>EnLink</b> US   GIP III 2018
 <b>Gatwick</b> UK   GIP I 2009   2019 <sup>1</sup>	 <b>Port Brisbane</b> Australia   GIP I 2010   2013	 <b>Transitgas</b> Switz.   GIP I 2012   2016	 <b>Gode Wind 1</b> Germany   GIP II 2015   2019	 <b>Pacific National</b> Australia   GIP II 2015		 <b>Clearway</b> US   GIP III 2018	 <b>Hornsea 1</b> UK   GIP III 2018



<sup>1</sup> Majority of the sale completed; sale of the remaining interest is in process

<sup>2</sup> Partial sale, which included GIP I's interest and part of GIP II's interest in the company

Entry year / Exit year



## Appendix B – Conflict of Interest Policy and Attestation

### Conflict of Interest Policy and Attestation

As part of responding to a Request for Qualifications (“RFQ”) and a Request for Proposal (“RFP”) for a Transaction, each Respondent must certify in writing that the Respondent:

- 1) Has not retained after October 2, 2019, nor will it retain at any time during which this prohibition is effective, any City Advisor in connection with a possible Transaction.
- 2) Has not hired or retained after October 2, 2019, nor will it hire or retain at any time during which this prohibition is effective, in connection with a possible Transaction:
  - i. Any of the individuals who have been employed or retained by or through any of the City Advisors;
  - ii. Any member, shareholder, or partner in any of the City Advisors; or
  - iii. Any principal representative of an Organization;

Where such individual was doing such work on or after June 13, 2018, unless:

- a) Such hiring or retention is disclosed to the City; and
- b) The individual that is hired or retained is isolated from the Respondent’s activities by an appropriate screen (i.e., the individual does not work on the Respondent’s activities in connection with, or have access to information concerning, any Transaction).

All of these prohibitions terminate at the earliest of (1) a Respondent not being selected to proceed to the RFP stage; (2) a Respondent not submitting a response to the RFP and terminating its pursuit of a Transaction; (3) the City rejecting Respondent’s RFP response or terminating negotiations with a Respondent; (4) a termination by the City of the pursuit of a Transaction; or (5) the closing of a Transaction.

For purposes of this policy:

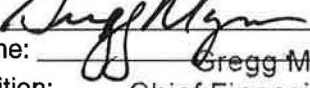
- 1) “Transaction” means a Transaction as defined pursuant to Section 1.a.ii. of the Consultant Agreement dated June 13, 2018, between the City of St. Louis, Moelis & Company, LLC, McKenna & Associates, LLC, and Grow Missouri, Inc.
- 2) “Respondent” means any (i) joint venture or entity responding to an RFQ or RFP, (ii) joint venturer, partner, or member of a joint venture or entity described in clause (i), or (iii) advisor, consultant, agent, or representative retained by a joint venture or entity described in clause (i) to perform material or professional work in connection with a possible Transaction.
- 3) “City Advisor” means any entity and the principal representatives of each entity that have advised the City on a Transaction. The initial list of City Advisors and principal representatives is provided in Section VI of the RFQ.
- 4) “Organization” means any entity which has directly or indirectly provided material professional services to the City or a City Advisor in connection with a possible Transaction in the fields of law, accounting, taxation, engineering, architecture, finance, environmental services, or management.

Respondents (and potential Respondents) are encouraged to seek written guidance from the City Counselor’s Office as to whether specific circumstances could present conflicts of interest, including before submitting any response to an RFQ or RFP. The City, acting through the City Counselor’s Office in consultation with and with the approval of the Working Group, reserves the right to make determinations on a case-by-case basis.

Any Respondent who fails to certify or violates the terms of any certification, shall be subject to adverse consequences, including but not limited to a determination that such Respondent's response to a RFQ and/or RFP is nonresponsive or a rejection of such Respondent's responses to a RFQ and/or a RFP. The City places a high priority on the integrity of any bidding process and avoiding the occurrence or appearance of conflicts of interest. The City expects any Respondent to be compliant with any and all laws pertaining to conflicts of interest particularly as they may relate to current or former officials or employees; this includes but is not limited to Section 105.454 RS Mo. which prohibits acts by certain elected and appointed public officials and employees and particularly paragraph 6 of section 1 of said section which states a prohibition to "Perform any service for any consideration for any person, firm or corporation after termination of his or her office of employment in relation to any case, decision, proceeding or application with respect to which he or she was directly concerned or in which he or she personally participated during the period of his or her service or employment."

#### ATTESTATION

On behalf of Global Infrastructure Management, LLC, I hereby certify and attest that Global Infrastructure Management, LLC has reviewed this Conflict of Interest Policy – Respondent's Side, understands all the terms contained herein and agrees to comply with the terms and conditions herein.

By:  Date: October 31, 2019  
Name: Gregg Myers  
Position: Chief Financial Officer