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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q**

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- (Mark One):
- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended June 30, 2019.**
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

Commission File Number: 001-14195

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**AMERICAN TOWER CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
Incorporation or Organization)

65-0723837  
(I.R.S. Employer  
Identification No.)

**116 Huntington Avenue**  
**Boston, Massachusetts 02116**  
(Address of principal executive offices)

**Telephone Number (617) 375-7500**  
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each Class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, \$0.01 par value	AMT	New York Stock Exchange
1.375% Senior Notes due 2025	AMT 25A	New York Stock Exchange
1.950% Senior Notes due 2026	AMT 26B	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes  No

As of July 24, 2019, there were 442,685,102 shares of common stock outstanding.

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**AMERICAN TOWER CORPORATION**  
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**FOR THE QUARTER ENDED JUNE 30, 2019**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. UNAUDITED CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except share count and per share data)

	June 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,192.2	\$ 1,208.7
Restricted cash	93.8	96.2
Accounts receivable, net	459.5	459.0
Prepaid and other current assets	486.9	621.2
Total current assets	<u>2,232.4</u>	<u>2,385.1</u>
PROPERTY AND EQUIPMENT, net	11,268.6	11,247.1
GOODWILL	5,557.8	5,501.9
OTHER INTANGIBLE ASSETS, net	10,895.2	11,174.3
DEFERRED TAX ASSET	147.8	157.7
DEFERRED RENT ASSET	1,597.1	1,581.7
RIGHT-OF-USE ASSET	7,110.0	—
NOTES RECEIVABLE AND OTHER NON-CURRENT ASSETS	263.8	962.6
<b>TOTAL</b>	<u><u>\$ 39,072.7</u></u>	<u><u>\$ 33,010.4</u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 144.9	\$ 130.8
Accrued expenses	835.6	948.3
Distributions payable	413.0	377.4
Accrued interest	154.2	174.5
Current portion of operating lease liability	496.9	—
Current portion of long-term obligations	2,442.2	2,754.8
Unearned revenue	334.8	304.1
Total current liabilities	<u>4,821.6</u>	<u>4,689.9</u>
LONG-TERM OBLIGATIONS	18,615.9	18,405.1
OPERATING LEASE LIABILITY	6,335.4	—
ASSET RETIREMENT OBLIGATIONS	1,252.3	1,210.0
DEFERRED TAX LIABILITY	546.2	535.9
OTHER NON-CURRENT LIABILITIES	868.0	1,265.1
Total liabilities	<u>32,439.4</u>	<u>26,106.0</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	590.2	1,004.8
<b>EQUITY (shares in thousands):</b>		
Common stock: \$.01 par value; 1,000,000 shares authorized; 452,943 and 451,617 shares issued; and 442,386 and 441,060 shares outstanding, respectively	4.5	4.5
Additional paid-in capital	10,492.7	10,380.8
Distributions in excess of earnings	(1,206.2)	(1,199.5)
Accumulated other comprehensive loss	(2,606.7)	(2,642.9)
Treasury stock (10,557 shares at cost)	(1,206.8)	(1,206.8)
Total American Tower Corporation equity	<u>5,477.5</u>	<u>5,336.1</u>
Noncontrolling interests	565.6	563.5
Total equity	<u>6,043.1</u>	<u>5,899.6</u>
<b>TOTAL</b>	<u><u>\$ 39,072.7</u></u>	<u><u>\$ 33,010.4</u></u>

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>REVENUES:</b>				
Property	\$ 1,848.9	\$ 1,749.4	\$ 3,634.9	\$ 3,459.8
Services	40.7	31.5	68.1	62.9
Total operating revenues	1,889.6	1,780.9	3,703.0	3,522.7
<b>OPERATING EXPENSES:</b>				
Costs of operations (exclusive of items shown separately below):				
Property	549.4	547.2	1,082.4	1,054.6
Services	13.9	13.1	24.3	25.6
Depreciation, amortization and accretion	448.9	449.7	885.8	896.0
Selling, general, administrative and development expense	164.8	157.9	362.9	362.8
Other operating expenses	28.7	67.0	48.8	234.8
Total operating expenses	1,205.7	1,234.9	2,404.2	2,573.8
<b>OPERATING INCOME</b>	<b>683.9</b>	<b>546.0</b>	<b>1,298.8</b>	<b>948.9</b>
<b>OTHER INCOME (EXPENSE):</b>				
Interest expense, TV Azteca	—	(3.4)	—	(0.7)
Interest income	11.7	18.4	24.1	33.8
Interest expense	(204.5)	(207.9)	(412.0)	(407.5)
Loss on retirement of long-term obligations	(22.1)	—	(22.2)	—
Other (expense) income (including foreign currency (losses) gains of \$(5.3), \$(40.4), \$14.8 and \$(17.1), respectively)	(5.1)	(34.8)	16.8	(7.0)
Total other expense	(220.0)	(227.7)	(393.3)	(381.4)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>463.9</b>	<b>318.3</b>	<b>905.5</b>	<b>567.5</b>
Income tax (provision) benefit	(29.6)	(3.9)	(63.6)	27.2
<b>NET INCOME</b>	<b>434.3</b>	<b>314.4</b>	<b>841.9</b>	<b>594.7</b>
Net income attributable to noncontrolling interests	(5.2)	(7.7)	(15.4)	(2.8)
<b>NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION STOCKHOLDERS</b>	<b>429.1</b>	<b>306.7</b>	<b>826.5</b>	<b>591.9</b>
Dividends on preferred stock	—	—	—	(9.4)
<b>NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION COMMON STOCKHOLDERS</b>	<b>\$ 429.1</b>	<b>\$ 306.7</b>	<b>\$ 826.5</b>	<b>\$ 582.5</b>
<b>NET INCOME PER COMMON SHARE AMOUNTS:</b>				
Basic net income attributable to American Tower Corporation common stockholders	\$ 0.97	\$ 0.69	\$ 1.87	\$ 1.33
Diluted net income attributable to American Tower Corporation common stockholders	\$ 0.96	\$ 0.69	\$ 1.86	\$ 1.32
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (in thousands):</b>				
BASIC	442,203	441,497	441,778	438,328
DILUTED	445,337	444,362	445,040	441,513

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	\$ 434.3	\$ 314.4	\$ 841.9	\$ 594.7
Other comprehensive income (loss):				
Changes in fair value of cash flow hedges, each net of tax expense of \$0	0.0	0.0	(0.1)	0.0
Reclassification of unrealized losses on cash flow hedges to net income, each net of tax expense of \$0	0.0	0.1	0.1	0.2
Adjustment to redeemable noncontrolling interest	—	—	—	78.8
Purchase of noncontrolling interest	—	0.5	—	0.5
Foreign currency translation adjustments, net of tax expense (benefit) of (\$0.5), (\$5.4), \$0.5 and (\$3.8), respectively	74.1	(766.2)	87.0	(708.6)
Other comprehensive income (loss)	74.1	(765.6)	87.0	(629.1)
Comprehensive income (loss)	508.4	(451.2)	928.9	(34.4)
Allocation of accumulated other comprehensive income resulting from purchase of redeemable noncontrolling interest	—	—	(52.4)	—
Comprehensive (income) loss attributable to noncontrolling interests	(13.8)	82.4	(13.8)	94.5
Comprehensive income (loss) attributable to American Tower Corporation stockholders	\$ 494.6	\$ (368.8)	\$ 862.7	\$ 60.1

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)

	Six Months Ended June 30,	
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 841.9	\$ 594.7
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation, amortization and accretion	885.8	896.0
Amortization of operating leases	298.8	—
Stock-based compensation expense	64.4	67.5
Loss on early retirement of long-term obligations	22.2	—
Other non-cash items reflected in statements of operations	86.5	206.0
Increase in net deferred rent balances	(11.0)	(10.7)
Reduction in operating lease liability	(259.3)	—
Increase in assets	(52.4)	(68.9)
(Decrease) increase in liabilities	(55.2)	47.2
Cash provided by operating activities	1,821.7	1,731.8
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property and equipment and construction activities	(464.3)	(424.9)
Payments for acquisitions, net of cash acquired	(134.5)	(1,336.5)
Proceeds from sale of short-term investments and other non-current assets	368.7	894.5
Payments for short-term investments	(355.9)	(952.8)
Deposits and other	(4.7)	(23.3)
Cash used for investing activities	(590.7)	(1,843.0)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings under credit facilities	2,620.0	2,663.3
Proceeds from issuance of senior notes, net	3,529.7	584.9
Proceeds from term loan	1,300.0	1,500.0
Proceeds from issuance of securities in securitization transaction	—	500.0
Repayments of notes payable, credit facilities, senior notes, secured debt, term loan, finance leases and capital leases	(7,413.2)	(4,257.4)
Distributions to noncontrolling interest holders, net	(14.0)	(13.9)
Purchases of common stock	—	(98.6)
Proceeds from stock options and employee stock purchase plan	56.6	40.2
Distributions paid on common stock	(775.1)	(635.6)
Distributions paid on preferred stock	—	(18.9)
Payment for early retirement of long-term obligations	(21.0)	—
Deferred financing costs and other financing activities	(104.7)	(55.1)
Purchase of redeemable noncontrolling interest	(425.7)	—
Purchase of noncontrolling interest	—	(20.5)
Cash (used for) provided by financing activities	(1,247.4)	188.4
Net effect of changes in foreign currency exchange rates on cash and cash equivalents, and restricted cash	(2.5)	(62.0)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>(18.9)</b>	<b>15.2</b>
<b>CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD</b>	<b>1,304.9</b>	<b>954.9</b>
<b>CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD</b>	<b>\$ 1,286.0</b>	<b>\$ 970.1</b>
<b>CASH PAID FOR INCOME TAXES (NET OF REFUNDS OF \$6.2 AND \$23.7, RESPECTIVELY)</b>	<b>\$ 77.9</b>	<b>\$ 44.6</b>
<b>CASH PAID FOR INTEREST</b>	<b>\$ 419.3</b>	<b>\$ 382.5</b>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Decrease in accounts payable and accrued expenses for purchases of property and equipment and construction activities	\$ (73.8)	\$ (44.2)
Purchases of property and equipment under finance leases, perpetual easements and capital leases	\$ 34.0	\$ 26.5

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(in millions, share counts in thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Earnings	Noncontrolling Interests	Total Equity
	Issued Shares	Amount	Shares	Amount					
<b>Three Months Ended June 30, 2018 and 2019</b>									
BALANCE, APRIL 1, 2018	450,505	\$ 4.5	(8,909)	\$ (974.0)	\$10,224.0	\$ (1,834.6)	\$ (1,085.7)	\$ 607.1	\$ 6,941.3
Stock-based compensation related activity	267	0.0	—	—	39.1	—	—	—	39.1
Issuance of common stock- stock purchase plan	45	0.0	—	—	5.3	—	—	—	5.3
Treasury stock activity	—	—	(722)	(100.0)	—	—	—	—	(100.0)
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	0.0	—	—	0.0
Reclassification of unrealized losses on cash flow hedges to net income, net of tax	—	—	—	—	—	0.1	—	—	0.1
Foreign currency translation adjustment, net of tax	—	—	—	—	—	(676.1)	—	(38.9)	(715.0)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	(0.2)	(0.2)
Purchase of noncontrolling interest	—	—	—	—	(16.5)	0.5	—	(4.5)	(20.5)
Common stock distributions declared	—	—	—	—	—	—	(342.6)	—	(342.6)
Net income	—	—	—	—	—	—	306.7	12.4	319.1
BALANCE, JUNE 30, 2018	450,817	\$ 4.5	(9,631)	\$ (1,074.0)	\$10,251.9	\$ (2,510.1)	\$ (1,121.6)	\$ 575.9	\$ 6,126.6
<b>BALANCE, APRIL 1, 2019</b>	452,525	\$ 4.5	(10,557)	\$ (1,206.8)	\$10,447.9	\$ (2,672.2)	\$ (1,226.4)	\$ 553.3	\$ 5,900.3
Stock-based compensation related activity	377	0.0	—	—	39.1	—	—	—	39.1
Issuance of common stock- stock purchase plan	41	0.0	—	—	5.7	—	—	—	5.7
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	0.0	—	—	0.0
Reclassification of unrealized losses on cash flow hedges to net income, net of tax	—	—	—	—	—	0.0	—	—	0.0
Foreign currency translation adjustment, net of tax	—	—	—	—	—	65.5	—	7.4	72.9
Distributions to noncontrolling interest	—	—	—	—	—	—	—	(0.3)	(0.3)
Common stock distributions declared	—	—	—	—	—	—	(408.9)	—	(408.9)
Net income	—	—	—	—	—	—	429.1	5.2	434.3
BALANCE, JUNE 30, 2019	452,943	\$ 4.5	(10,557)	\$ (1,206.8)	\$10,492.7	\$ (2,606.7)	\$ (1,206.2)	\$ 565.6	\$ 6,043.1

Six Months Ended June 30, 2018 and 2019	Preferred Stock - Series B		Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Earnings	Noncontrolling Interests	Total Equity
	Issued Shares	Amount	Issued Shares	Amount	Shares	Amount					
BALANCE, JANUARY 1, 2018	1,375	\$ 0.0	437,729	\$ 4.4	(8,909)	\$ (974.0)	\$ 10,247.5	\$ (1,978.3)	\$ (1,058.1)	\$ 586.6	\$ 6,828.1
Stock-based compensation related activity	—	—	1,023	0.0	—	—	66.4	—	—	—	66.4
Issuance of common stock- stock purchase plan	—	—	45	0.0	—	—	5.3	—	—	—	5.3
Conversion of preferred stock	(1,375)	(0.0)	12,020	0.1	—	—	(0.1)	—	—	—	—
Treasury stock activity	—	—	—	—	(722)	(100.0)	—	—	—	—	(100.0)
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	—	—	0.0	—	—	0.0
Reclassification of unrealized losses on cash flow hedges to net income, net of tax	—	—	—	—	—	—	—	0.2	—	—	0.2
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	—	(611.3)	—	(23.8)	(635.1)
Adjustment to redeemable noncontrolling interest	—	—	—	—	—	—	(50.7)	78.8	—	—	28.1
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	(0.5)	(0.5)
Purchase of noncontrolling interest	—	—	—	—	—	—	(16.5)	0.5	—	(4.5)	(20.5)
Impact of revenue recognition standard adoption	—	—	—	—	—	—	—	—	38.4	—	38.4
Common stock distributions declared	—	—	—	—	—	—	—	—	(674.9)	—	(674.9)
Preferred stock dividends declared	—	—	—	—	—	—	—	—	(18.9)	—	(18.9)
Net income	—	—	—	—	—	—	—	—	591.9	18.1	610.0
BALANCE, JUNE 30, 2018	—	\$ —	450,817	\$ 4.5	(9,631)	\$ (1,074.0)	\$ 10,251.9	\$ (2,510.1)	\$ (1,121.6)	\$ 575.9	\$ 6,126.6
BALANCE, JANUARY 1, 2019	—	\$ —	451,617	\$ 4.5	(10,557)	\$ (1,206.8)	\$ 10,380.8	\$ (2,642.9)	\$ (1,199.5)	\$ 563.5	\$ 5,899.6
Stock-based compensation related activity	—	—	1,285	0.0	—	—	53.8	—	—	—	53.8
Issuance of common stock- stock purchase plan	—	—	41	0.0	—	—	5.7	—	—	—	5.7
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	—	—	(0.1)	—	—	(0.1)
Reclassification of unrealized losses on cash flow hedges to net income, net of tax	—	—	—	—	—	—	—	0.1	—	—	0.1
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	—	88.6	—	(12.7)	75.9
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	—	(0.6)	(0.6)
Purchase of redeemable noncontrolling interest	—	—	—	—	—	—	52.4	(52.4)	—	—	—
Impact of lease accounting standard adoption	—	—	—	—	—	—	—	—	(24.7)	—	(24.7)
Common stock distributions declared	—	—	—	—	—	—	—	—	(808.5)	—	(808.5)
Net income	—	—	—	—	—	—	—	—	826.5	15.4	841.9
BALANCE, JUNE 30, 2019	—	\$ —	452,943	\$ 4.5	(10,557)	\$ (1,206.8)	\$ 10,492.7	\$ (2,606.7)	\$ (1,206.2)	\$ 565.6	\$ 6,043.1

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.



**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(tabular amounts in millions, unless otherwise noted)

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

The accompanying consolidated and condensed consolidated financial statements have been prepared by American Tower Corporation (together with its subsidiaries, “ATC” or the “Company”) pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). The financial information included herein is unaudited. However, the Company believes that all adjustments, which are of a normal and recurring nature, considered necessary for a fair presentation of its financial position and results of operations for such periods have been included herein. The consolidated and condensed consolidated financial statements and related notes should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 (the “2018 Form 10-K”). The results of operations for the three and six months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the entire year.

*Principles of Consolidation and Basis of Presentation*—The accompanying consolidated and condensed consolidated financial statements include the accounts of the Company and those entities in which it has a controlling interest. Investments in entities that the Company does not control are accounted for using the equity or cost method, depending upon the Company’s ability to exercise significant influence over operating and financial policies. All intercompany accounts and transactions have been eliminated. As of June 30, 2019, the Company holds (i) a 51% controlling interest in each of two joint ventures, one in Ghana and one in Uganda (MTN Group Limited holds a 49% noncontrolling interest), (ii) a 51% controlling interest in a joint venture that primarily consists of the Company’s operations in Germany and France (PGGM holds a 49% noncontrolling interest), (iii) an approximate 81% controlling interest in a subsidiary of the Company in South Africa (South African investors hold an approximate 19% noncontrolling interest) and (iv) a 79% controlling interest in ATC Telecom Infrastructure Private Limited (“ATC TIPL”), formerly Viom Networks Limited (“Viom”), in India.

*Significant Accounting Policies*—The Company’s significant accounting policies are described in note 1 to the Company’s consolidated financial statements included in the 2018 Form 10-K. There have been no material changes to the Company’s significant accounting policies during the six months ended June 30, 2019, except the adoption of new lease accounting guidance, as discussed below.

*Cash and Cash Equivalents and Restricted Cash*—The reconciliation of cash and cash equivalents and restricted cash reported within the applicable balance sheet that sum to the total of the same such amounts shown in the statement of cash flows is as follows:

	Six Months Ended June 30,	
	2019	2018
Cash and cash equivalents	\$ 1,192.2	\$ 834.5
Restricted cash	93.8	135.6
Total cash and cash equivalents and restricted cash	\$ 1,286.0	\$ 970.1

*Lease*—The new lease standard requires leases to be accounted for using a right-of-use model, which recognizes that, at the date of commencement, a lessee has a financial obligation to make lease payments to the lessor for the right to use the underlying asset during the lease term. The lessee recognizes a corresponding right-of-use asset related to this right.

On January 1, 2019, the Company elected to adopt the new lease standard using the modified retrospective method applied to lease arrangements that were in place on the transition date. Results for reporting periods beginning January 1, 2019 are presented under the new standard, while prior-period amounts are not adjusted and continue to be reported in accordance with accounting under the previously applicable guidance.

The Company elected certain available practical expedients which permit the adopter to not reassess certain items upon adoption, including: (i) whether any existing contracts are or contain leases, (ii) the classification of existing leases and (iii) initial direct costs for existing leases. The Company also elected the practical expedient related to easements, which permits carryforward accounting treatment for land easements on existing agreements.

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The Company recorded a net increase to opening Distributions in excess of earnings in its consolidated balance sheet of \$24.7 million as of January 1, 2019 due to the cumulative impact of adopting the new lease standard. This adjustment related to right-of-use asset impairments. The Company also recorded a lease liability of \$6.9 billion and a corresponding right-of-use asset of \$7.1 billion upon adoption of the new lease standard. Those rights and obligations are primarily related to operating leases for ground space underneath the Company's communications sites. The right-of-use assets recorded include, among other items, amounts previously classified as prepaid rent, deferred lease acquisition costs, fair value adjustments on acquired leases and long-term deferred rent obligations. Finance leases, which primarily relate to towers, equipment and vehicles, were largely unchanged. There was no significant change to the Company's consolidated statements of operations resulting from the adoption of this standard.

The Company did not elect the practical expedient for short-term leases, which permits an adopter to not apply the lease standard to leases with a remaining maturity of one year or less, and applied the new lease accounting standard to all leases, including short-term leases.

In conjunction with the adoption of the new lease accounting guidance, the Company applied the lessor and lessee practical expedient and no longer separates lease and non-lease components within a lease agreement when the timing and pattern of revenue recognition for the components are the same and the combined single lease component is classified as an operating lease. Certain amounts, such as power and fuel and common area maintenance, which were previously reported as non-lease revenue, are now accounted for as lease revenue. Accordingly, the Company has reclassified certain prior-period amounts within its disclosures.

*Revenue*—Most of the Company's revenue is derived from leasing arrangements and is accounted for as lease revenue unless the timing and pattern of revenue recognition differs from the lease components. Revenue related to distributed antenna system ("DAS") networks and fiber results from agreements with tenants that are not leases.

*Non-lease revenue*—Non-lease revenue consists primarily of revenue generated from DAS networks, fiber and other property related revenue. DAS networks and fiber arrangements require that the Company provide the tenant the right to use the applicable communications infrastructure. Performance obligations are satisfied over time for the duration of the arrangements. Other property related revenue streams, which include site inspections, are not material on either an individual or consolidated basis.

*Services revenue*—The Company offers tower-related services in the United States. These services include site acquisition, zoning and permitting ("AZP") and structural analysis. There is a single performance obligation related to AZP and revenue is recognized over time based on milestones achieved, which are determined based on costs expected to be incurred. Structural analysis services may have more than one performance obligation, contingent upon the number of contracted services. Revenue is recognized at the point in time the services are completed.

A summary of revenue disaggregated by source and geography is as follows:

Three Months Ended June 30, 2019	U.S.	Asia	EMEA	Latin America	Total
Non-lease property revenue	\$ 60.8	\$ 2.1	\$ 1.9	\$ 34.8	\$ 99.6
Services revenue	40.7	—	—	—	40.7
Total non-lease revenue	\$ 101.5	\$ 2.1	\$ 1.9	\$ 34.8	\$ 140.3
Property lease revenue	946.4	319.0	173.1	310.8	1,749.3
Total revenue	\$ 1,047.9	\$ 321.1	\$ 175.0	\$ 345.6	\$ 1,889.6

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<b>Three Months Ended June 30, 2018 (1)</b>	<b>U.S.</b>	<b>Asia</b>	<b>EMEA</b>	<b>Latin America</b>	<b>Total</b>
Non-lease property revenue	\$ 64.8	\$ 1.5	\$ 0.1	\$ 24.6	\$ 91.0
Services revenue	31.5	—	—	—	31.5
<b>Total non-lease revenue</b>	<b>\$ 96.3</b>	<b>\$ 1.5</b>	<b>\$ 0.1</b>	<b>\$ 24.6</b>	<b>\$ 122.5</b>
Property lease revenue	892.2	306.4	166.6	293.2	1,658.4
<b>Total revenue</b>	<b>\$ 988.5</b>	<b>\$ 307.9</b>	<b>\$ 166.7</b>	<b>\$ 317.8</b>	<b>\$ 1,780.9</b>

(1) Prior-period amounts adjusted with the adoption of the new lease accounting guidance, as applicable.

<b>Six Months Ended June 30, 2019</b>	<b>U.S.</b>	<b>Asia</b>	<b>EMEA</b>	<b>Latin America</b>	<b>Total</b>
Non-lease property revenue	\$ 119.6	\$ 4.5	\$ 3.5	\$ 69.8	\$ 197.4
Services revenue	68.1	—	—	—	68.1
<b>Total non-lease revenue</b>	<b>\$ 187.7</b>	<b>\$ 4.5</b>	<b>\$ 3.5</b>	<b>\$ 69.8</b>	<b>\$ 265.5</b>
Property lease revenue	1,873.9	605.5	349.0	609.1	3,437.5
<b>Total revenue</b>	<b>\$ 2,061.6</b>	<b>\$ 610.0</b>	<b>\$ 352.5</b>	<b>\$ 678.9</b>	<b>\$ 3,703.0</b>

<b>Six Months Ended June 30, 2018 (1)</b>	<b>U.S.</b>	<b>Asia</b>	<b>EMEA</b>	<b>Latin America</b>	<b>Total</b>
Non-lease property revenue	\$ 127.9	\$ 3.4	\$ 0.7	\$ 48.3	\$ 180.3
Services revenue	62.9	—	—	—	62.9
<b>Total non-lease revenue</b>	<b>\$ 190.8</b>	<b>\$ 3.4</b>	<b>\$ 0.7</b>	<b>\$ 48.3</b>	<b>\$ 243.2</b>
Property lease revenue	1,760.5	577.5	340.2	601.3	3,279.5
<b>Total revenue</b>	<b>\$ 1,951.3</b>	<b>\$ 580.9</b>	<b>\$ 340.9</b>	<b>\$ 649.6</b>	<b>\$ 3,522.7</b>

(1) Prior-period amounts adjusted with the adoption of the new lease accounting guidance, as applicable.

Information about receivables, contract assets and contract liabilities from contracts with tenants is as follows:

	<b>June 30, 2019</b>	<b>December 31, 2018 (1)</b>
Accounts receivable	\$ 91.8	\$ 92.6
Prepays and other current assets	10.2	7.7
Notes receivable and other non-current assets	21.0	22.2
Unearned revenue (2)	39.8	35.0
Other non-current liabilities (3)	60.5	54.1

(1) Prior-period amounts adjusted with the adoption of the new lease accounting guidance, as applicable.

(2) Excludes \$56.0 million and \$55.0 million of capital contributions related to DAS networks as of June 30, 2019 and December 31, 2018, respectively.

(3) Excludes \$301.1 million and \$313.6 million of capital contributions related to DAS networks as of June 30, 2019 and December 31, 2018, respectively.

The Company records unearned revenue when payments are received from tenants in advance of the completion of the Company's performance obligations. Long-term unearned revenue is included in Other non-current liabilities. During the three and six months ended June 30, 2019, the Company recognized \$16.0 million and \$30.1 million, respectively, of revenue that was included in the Unearned revenue balance as of December 31, 2018. During the three and six months ended June 30, 2018, the Company recognized \$12.1 million and \$22.5 million, respectively, of revenue from the Unearned revenue balance as of January 1, 2018. The Company also recognized revenues of \$14.9 million and

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\$29.4 million during the three and six months ended June 30, 2019, respectively, and \$13.6 million and \$27.4 million during the three and six months ended June 30, 2018, respectively, for capital contributions related to DAS networks. There was \$0.1 million and \$0.2 million during each of the three and six months ended June 30, 2018 and 2019, respectively, of revenue recognized from Other non-current liabilities.

The Company records unbilled receivables, which are included in Prepaids and other current assets, when it has completed a performance obligation prior to its ability to bill under the customer arrangement. Other contract assets are included in Notes receivable and other non-current assets. The Company did not record any change in unbilled receivables attributable to revenue recognized during each of the three and six months ended June 30, 2019 and 2018. The change in contract assets attributable to revenue recognized was insignificant during each of the three and six months ended June 30, 2019 and 2018.

*Accounting Standards Updates*

In January 2017, the FASB issued guidance on accounting for goodwill impairments. The guidance eliminates Step 2 from the goodwill impairment test and requires, among other things, recognition of an impairment loss when the carrying value of a reporting unit exceeds its fair value. The loss recognized is limited to the total amount of goodwill allocated to that reporting unit. The guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this guidance to have a material impact on the Company's financial statements.

**2. PREPAID AND OTHER CURRENT ASSETS**

Prepaid and other current assets consisted of the following:

	As of	
	June 30, 2019	December 31, 2018
Unbilled receivables	\$ 119.9	\$ 126.1
Prepaid income tax	127.7	125.1
Value added tax and other consumption tax receivables	77.5	86.3
Prepaid assets	80.5	40.5
Prepaid operating ground leases	—	165.0
Other miscellaneous current assets	81.3	78.2
Prepaids and other current assets	<u>\$ 486.9</u>	<u>\$ 621.2</u>

The reduction in Prepaid operating ground leases is a result of the reclassification of assets to the Right-of-use asset in connection with the Company's adoption of the new lease accounting standard.

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**3. PROPERTY AND EQUIPMENT**

Property and equipment (including assets held under financing leases) consisted of the following:

	Estimated Useful Lives (years) (1)	As of	
		June 30, 2019	December 31, 2018
Towers	Up to 20	\$ 13,012.7	\$ 12,777.9
Equipment (2)	2 - 20	1,760.3	1,667.3
Buildings and improvements	3 - 32	635.7	628.5
Land and improvements (3)	Up to 20	2,360.3	2,285.4
Construction-in-progress		390.2	358.1
Total		18,159.2	17,717.2
Less accumulated depreciation		(6,890.6)	(6,470.1)
Property and equipment, net		\$ 11,268.6	\$ 11,247.1

(1) Assets on leased land are depreciated over the shorter of the estimated useful life of the asset or the term of the corresponding ground lease taking into consideration lease renewal options and residual value.

(2) Includes fiber and DAS assets.

(3) Estimated useful lives apply to improvements only.

Total depreciation expense was \$229.1 million and \$452.8 million for the three and six months ended June 30, 2019, respectively, and \$223.4 million and \$445.9 million for the three and six months ended June 30, 2018, respectively. Depreciation expense includes amounts related to finance lease assets for the three and six months ended June 30, 2019 of \$42.6 million and \$85.0 million, respectively.

As of December 31, 2018, property and equipment included \$4,369.5 million of capital lease assets with related equipment and improvements and \$1,016.2 million of accumulated depreciation.

Information about finance lease-related balances is as follows:

Finance leases:	Classification	As of
		June 30, 2019
Property and equipment	Towers	\$ 2,782.5
Accumulated depreciation		(1,074.2)
Property and equipment, net		\$ 1,708.3
Property and equipment	Buildings and improvements	\$ 172.3
Accumulated depreciation		(62.8)
Property and equipment, net		\$ 109.5
Property and equipment	Land	\$ 133.5
Property and equipment	Equipment	\$ 39.7
Accumulated depreciation		(10.9)
Property and equipment, net		\$ 28.8

As of June 30, 2019, the Company had \$1,496.1 million of perpetual land easements which are not depreciable.

**4. LEASES**

The Company determines if an arrangement is a lease at the inception of the agreement. The Company considers an arrangement to be a lease if it conveys the right to control the use of the communications site or ground space underneath a communications site for a period of time in exchange for consideration. The Company is both a lessor and a lessee.

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*Lessor*—The Company is a lessor in most of its revenue arrangements, as property revenue is derived from tenant leases of specifically-identified, physically distinct space on the Company’s communications real estate assets. The Company’s lease arrangements with its tenants vary depending upon the region and the industry of the tenant and generally have initial non-cancellable terms of five to ten years with multiple renewal terms. The leases also contain provisions that periodically increase the rent due, typically annually, based on a fixed escalation percentage or an inflationary index, or a combination of both. The Company structures its leases to include financial penalties if a tenant terminates the lease, which serve to disincentivize tenants from terminating the lease prior to the expiration of the lease term.

The Company’s leasing arrangements outside of the U.S. may require that the Company provide power to the communications site through an electrical grid connection, diesel fuel generators or other sources and permit the Company to pass through the costs of, or otherwise charge for, these services. Many arrangements require that the communications site has power for a specified percentage of time. In most cases, if delivery of power falls below the specified service level, a corresponding reduction in revenue is recorded. The Company has determined that this performance obligation is satisfied over time for the duration of the lease.

The Company typically has more than one tenant on a site and, by performing ordinary course repair and maintenance work, can often lease a site, either through renewing existing agreements or leasing to new tenants, for periods beyond the existing tenant lease term. Accordingly, the Company has minimal risk with respect to the residual value of its leased assets. Communications sites are depreciated over their estimated useful lives, which generally do not exceed twenty years.

As of June 30, 2019, the Company does not have any material related party leases as a lessor. The Company generally does not enter into sales-type leases or direct financing leases. The Company’s leases generally do not include any incentives for the lessee and do not include any lessee purchase options.

Historically, the Company has been able to successfully renew its ground leases as needed to ensure continuation of its tower revenue. Accordingly, the Company assumes that it will have access to the land underneath its tower sites when calculating future minimum rental receipts. Future minimum rental receipts expected under non-cancellable operating lease agreements as of June 30, 2019 were as follows:

Fiscal Year	Amount (1)
Remainder of 2019	\$ 2,701.4
2020	5,243.1
2021	4,832.0
2022	3,903.4
2023	3,589.4
Thereafter	13,688.9
<b>Total</b>	<b>\$ 33,958.2</b>

(1) Balances are translated at the applicable period-end exchange rate, which may impact comparability between periods.

Future minimum rental receipts expected under non-cancellable operating lease agreements in effect at December 31, 2018 were as follows:

Year Ended December 31,	Amount (1)
2019	\$ 5,251.2
2020	5,062.2
2021	4,676.1
2022	3,754.6
2023	3,457.3
Thereafter	12,641.1
<b>Total</b>	<b>\$ 34,842.5</b>

(1) Balances are translated at the applicable period-end exchange rate, which may impact comparability between periods.

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*Lessee*—The Company enters into arrangements as a lessee primarily for ground space underneath its communications sites. These arrangements are typically long-term lease agreements with initial non-cancellable terms of approximately five to ten years with one or more automatic or exercisable renewal periods and specified increases in lease payments upon exercise of the renewal options. The Company typically exercises its ground lease renewal options in order to provide ongoing tenant space on its communications sites through the end of the tenant lease term. Escalation clauses present in operating leases, excluding those tied to a consumer price index (“CPI”) or other inflation-based indices, are recognized on a straight-line basis over the estimated lease term of the applicable lease. Additionally, the escalations tied to CPI or another inflation-based index are considered variable lease payments. In certain circumstances, the Company enters into revenue sharing arrangements with the ground space owner, which results in variability in lease payments. In most markets outside of the U.S., in the event there are no tenants on the communications site, the Company generally has unilateral termination rights and in certain situations, the lease is structured to allow for termination by the Company with minimal or no penalties. Ground lease arrangements usually include annual escalations and do not contain any residual value guarantees or restrictions on dividends, other financial obligations or other similar terms. The Company has entered into certain transactions whereby at the end of a lease, sublease or similar arrangement, the Company has the option to purchase the corresponding communications sites. These transactions are further described in note 15.

The Company’s lease liability is the present value of the remaining minimum rental payments to be made over the remaining lease term, including renewal options reasonably certain to be exercised. The Company also considers termination options and factors those into the determination of lease payments when appropriate. To determine the lease term, the Company considers all renewal periods that are reasonably certain to be exercised, taking into consideration all economic factors, including the communications site’s estimated economic life (generally 20 years) and the respective lease terms of the Company’s tenants under the existing lease arrangements on such site.

As of the adoption date and new lease inception, the Company’s right-of-use asset is equal to its lease liability, plus payments made prior to the commencement date and initial direct costs, net of any impairment losses, lease incentives, fair value adjustments on acquired leases and deferred rent amount recorded under the prior lease accounting guidance. The Company assesses its right-of-use asset and other lease-related assets for impairment, as described in note 1 to the Company’s consolidated financial statements included in the 2018 Form 10-K. As of June 30, 2019, there was no impairment recorded related to these assets.

As of June 30, 2019, the Company does not have any material related party leases as a lessee. The Company does not have any sale-leaseback arrangements as lessee and typically does not enter into leveraged leases.

The Company leases certain land and office space under operating leases and land and improvements, towers and vehicles under finance leases. As of June 30, 2019, operating lease assets were included in Right-of-use asset and finance lease assets were included in Property and equipment, net in the consolidated balance sheet.

Information about other lease-related balances as of June 30, 2019 is as follows:

<b>Operating leases:</b>	
Right-of-use asset	\$ 7,110.0
Current portion of lease liability	\$ 496.9
Lease liability	6,335.4
<b>Total operating lease liability</b>	<b>\$ 6,832.3</b>
<b>Finance leases:</b>	
Current portion of lease liability	\$ 5.4
Lease liability	22.3
<b>Total finance lease liability</b>	<b>\$ 27.7</b>

As most of the Company’s leases do not specifically state an implicit rate, the Company uses a market-specific incremental borrowing rate consistent with the lease term as of the lease commencement date when calculating the present value of remaining lease payments. The incremental borrowing rate reflects the cost to borrow on a securitized basis in each market. The remaining lease term does not reflect all renewal options available to the Company, only those renewal options that the Company has assessed as reasonably certain of being exercised taking into consideration the economic factors noted above.

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The weighted-average remaining lease terms and incremental borrowing rates as of June 30, 2019 are as follows:

<b>Operating leases:</b>	
Weighted-average remaining lease term (years)	13.0
Weighted-average incremental borrowing rate	6.3%
<b>Finance leases:</b>	
Weighted-average remaining lease term (years)	10.4
Weighted-average incremental borrowing rate	5.9%

The following table sets forth the components of lease cost for the three and six months ended June 30, 2019:

	<b>Three Months Ended June 30, 2019</b>	<b>Six Months Ended June 30, 2019</b>
Operating lease cost	\$ 255.8	\$ 510.8
Variable lease costs not included in lease liability (1)	70.8	123.1

(1) Includes property tax paid on behalf of the landlord.

The interest expense on finance lease liabilities was \$0.3 million and \$0.7 million for the three and six months ended June 30, 2019, respectively. Assets held under finance leases are recorded in property and equipment and are depreciated over the lesser of the remaining lease term or the remaining useful life.

Supplemental cash flow information for the six months ended June 30, 2019 is as follows:

<b>Cash paid for amounts included in the measurement of lease liabilities:</b>	
Operating cash flows from operating leases	\$ (466.3)
Operating cash flows from finance leases	\$ (0.7)
Financing cash flows from finance leases	\$ (4.5)
<b>Non-cash items:</b>	
New operating leases	\$ 114.1
Operating lease modifications and reassessments	\$ 95.7

As of June 30, 2019, the Company does not have material operating or financing leases that have not yet commenced.

Maturities of operating and finance lease liabilities as of June 30, 2019 were as follows:

<b>Fiscal Year</b>	<b>Operating Lease (1)</b>	<b>Finance Lease (1)</b>
Remainder of 2019	\$ 445.7	\$ 4.1
2020	887.8	7.3
2021	870.0	4.5
2022	830.2	3.6
2023	791.1	2.2
Thereafter	6,312.4	25.2
<b>Total lease payments</b>	<b>10,137.2</b>	<b>46.9</b>
Less amounts representing interest	(3,304.9)	(19.2)
<b>Total lease liability</b>	<b>6,832.3</b>	<b>27.7</b>
Less current portion of lease liability	(496.9)	(5.4)
<b>Non-current lease liability</b>	<b>\$ 6,335.4</b>	<b>\$ 22.3</b>

(1) Balances are translated at the applicable period-end exchange rate, which may impact comparability between periods.



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Future minimum rental payments under non-cancellable operating leases as of December 31, 2018 is as follows:

Year Ended December 31,	Amount (1)
2019	\$ 926.0
2020	904.2
2021	879.8
2022	834.2
2023	792.6
Thereafter	6,173.1
<b>Total</b>	<b>\$ 10,509.9</b>

(1) Balances are translated at the applicable period-end exchange rate, which may impact comparability between periods.

Future minimum rental payments under capital leases in effect as of December 31, 2018 were as follows:

Year Ended December 31,	Amount (1)
2019	\$ 40.7
2020	32.7
2021	27.8
2022	23.7
2023	19.2
Thereafter	117.5
<b>Total</b>	<b>261.6</b>
Less amounts representing interest	(82.1)
<b>Present value of capital lease obligations</b>	<b>\$ 179.5</b>

(1) Balances are translated at the applicable period-end exchange rate, which may impact comparability between periods.

Included in the future minimum rental payments under capital leases and amounts representing interest as of December 31, 2018 were \$220.3 million and \$69.3 million, respectively, related to perpetual land easements, which are not accounted for as finance leases under the new lease accounting standard.

## 5. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying value of goodwill for each of the Company's business segments were as follows:

	Property				Services	Total
	U.S.	Asia	EMEA	Latin America		
Balance as of January 1, 2019	\$ 3,382.5	\$ 1,045.5	\$ 381.3	\$ 690.6	\$ 2.0	\$ 5,501.9
Additions and adjustments (1)	33.5	—	—	—	—	33.5
Effect of foreign currency translation	—	11.2	(1.3)	12.5	—	22.4
<b>Balance as of June 30, 2019</b>	<b>\$ 3,416.0</b>	<b>\$ 1,056.7</b>	<b>\$ 380.0</b>	<b>\$ 703.1</b>	<b>\$ 2.0</b>	<b>\$ 5,557.8</b>

(1) Additions consist of \$34.3 million resulting from 2019 acquisitions offset by \$0.8 million from revisions to prior-year acquisitions due to measurement period adjustments.

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The Company's other intangible assets subject to amortization consisted of the following:

	Estimated Useful Lives (years)	As of June 30, 2019			As of December 31, 2018		
		Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
Acquired network location intangibles (1)	Up to 20	\$ 4,792.8	\$ (1,824.0)	\$ 2,968.8	\$ 4,780.3	\$ (1,704.9)	\$ 3,075.4
Acquired tenant-related intangibles	15-20	11,257.1	(3,419.7)	7,837.4	11,156.5	(3,147.2)	8,009.3
Acquired licenses and other intangibles	3-20	107.1	(18.1)	89.0	104.1	(14.5)	89.6
Total other intangible assets		<u>\$ 16,157.0</u>	<u>\$ (5,261.8)</u>	<u>\$ 10,895.2</u>	<u>\$ 16,040.9</u>	<u>\$ (4,866.6)</u>	<u>\$ 11,174.3</u>

(1) Acquired network location intangibles are amortized over the shorter of the term of the corresponding ground lease, taking into consideration lease renewal options and residual value, or up to 20 years, as the Company considers these intangibles to be directly related to the tower assets.

The acquired network location intangibles represent the value to the Company of the incremental revenue growth that could potentially be obtained from leasing the excess capacity on acquired communications sites. The acquired tenant-related intangibles typically represent the value to the Company of tenant contracts and relationships in place at the time of an acquisition or similar transaction, including assumptions regarding estimated renewals.

The Company amortizes its acquired network location intangibles and tenant-related intangibles on a straight-line basis over their estimated useful lives. As of June 30, 2019, the remaining weighted average amortization period of the Company's intangible assets was 14 years. Amortization of intangible assets for the three and six months ended June 30, 2019 was \$199.6 million and \$392.3 million, respectively, and amortization of intangible assets for the three and six months ended June 30, 2018 was \$205.2 million and \$407.6 million, respectively. Based on current exchange rates, the Company expects to record amortization expense as follows over the remaining current year and the five subsequent years:

Fiscal Year	Amount
Remainder of 2019	\$ 394.1
2020	770.5
2021	754.0
2022	749.9
2023	745.7
2024	742.5

## 6. NOTES RECEIVABLE AND OTHER NON-CURRENT ASSETS

Notes receivable and other non-current assets consisted of the following:

	As of	
	June 30, 2019	December 31, 2018
Long-term prepaid ground rent	\$ —	\$ 607.5
Notes receivable	1.1	1.0
Other miscellaneous assets	262.7	354.1
Notes receivable and other non-current assets	<u>\$ 263.8</u>	<u>\$ 962.6</u>

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The reduction in Long-term prepaid ground rent is a result of the reclassification of assets to the Right-of-use asset in connection with the Company's adoption of the new lease accounting standard.

**7. ACCRUED EXPENSES**

Accrued expenses consisted of the following:

	As of	
	June 30, 2019	December 31, 2018
Accrued property and real estate taxes	\$ 189.7	\$ 169.7
Accrued pass-through costs	76.1	71.2
Amounts payable to tenants	80.6	93.5
Accrued rent	71.5	61.4
Payroll and related withholdings	66.1	90.4
Accrued construction costs	32.8	41.5
Accrued income tax payable	15.2	57.9
Accrued pass-through taxes	2.3	2.2
Other accrued expenses	301.3	360.5
Total accrued expenses	<u>\$ 835.6</u>	<u>\$ 948.3</u>

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**8. LONG-TERM OBLIGATIONS**

Outstanding amounts under the Company's long-term obligations, reflecting discounts, premiums, debt issuance costs and fair value adjustments due to interest rate swaps consisted of the following:

	As of		Maturity Date
	June 30, 2019	December 31, 2018	
2018 Term Loan (1) (2)	\$ —	\$ 1,499.8	March 29, 2019
2019 Term Loan (1)	1,299.4	—	February 13, 2020
2013 Credit Facility (1)	642.0	1,875.0	June 28, 2022
2013 Term Loan (1)	995.3	994.8	January 31, 2024
2014 Credit Facility (1)	—	—	January 31, 2024
3.40% senior notes (3)	—	1,000.0	February 15, 2019
2.800% senior notes	748.6	747.8	June 1, 2020
5.050% senior notes (4)	—	698.7	September 1, 2020
3.300% senior notes	747.8	747.2	February 15, 2021
3.450% senior notes	647.0	646.3	September 15, 2021
5.900% senior notes	498.6	498.4	November 1, 2021
2.250% senior notes	589.0	572.7	January 15, 2022
4.70% senior notes	697.8	697.4	March 15, 2022
3.50% senior notes	993.4	992.6	January 31, 2023
3.000% senior notes	704.6	687.5	June 15, 2023
5.00% senior notes	1,001.9	1,002.1	February 15, 2024
3.375% senior notes	643.8	—	May 15, 2024
2.950% senior notes	640.5	—	January 15, 2025
1.375% senior notes	560.2	564.0	April 4, 2025
4.000% senior notes	742.6	742.1	June 1, 2025
4.400% senior notes	496.3	496.1	February 15, 2026
1.950% senior notes	561.9	566.0	May 22, 2026
3.375% senior notes	987.1	986.3	October 15, 2026
3.125% senior notes	397.5	397.3	January 15, 2027
3.55% senior notes	743.8	743.5	July 15, 2027
3.600% senior notes	692.2	691.9	January 15, 2028
3.950% senior notes	589.1	—	March 15, 2029
3.800% senior notes	1,630.9	—	August 15, 2029
<b>Total American Tower Corporation debt</b>	<b>18,251.3</b>	<b>17,847.5</b>	
Series 2013-2A securities (5)	1,294.2	1,293.4	March 15, 2023
Series 2018-1A securities (5)	493.9	493.5	March 15, 2028
Series 2015-1 notes (6)	349.2	348.8	June 15, 2020
Series 2015-2 notes (7)	521.1	520.8	June 16, 2025
India indebtedness (8)	—	240.1	Various
India preference shares (9)	—	23.9	March 2, 2020
Shareholder loan (10)	—	59.9	December 31, 2019
Other subsidiary debt (11)	120.7	152.5	Various
<b>Total American Tower subsidiary debt</b>	<b>2,779.1</b>	<b>3,132.9</b>	
Finance and capital lease obligations	27.7	179.5	
<b>Total</b>	<b>21,058.1</b>	<b>21,159.9</b>	
Less current portion of long-term obligations	(2,442.2)	(2,754.8)	
<b>Long-term obligations</b>	<b>\$ 18,615.9</b>	<b>\$ 18,405.1</b>	

(1) Accrues interest at a variable rate.

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- (2) Repaid in full on February 14, 2019 using proceeds from the 2019 Term Loan (as defined below) and cash on hand.
- (3) Repaid in full on the maturity date in February 2019 with borrowings from the 2013 Credit Facility and the 2014 Credit Facility (each as defined below).
- (4) Repaid in full on April 22, 2019 with borrowings from the 2014 Credit Facility and cash on hand.
- (5) Maturity date reflects the anticipated repayment date; final legal maturity is March 15, 2048.
- (6) Maturity date reflects the anticipated repayment date; final legal maturity is June 15, 2045.
- (7) Maturity date reflects the anticipated repayment date; final legal maturity is June 15, 2050.
- (8) Denominated in Indian Rupees (“INR”). Included India working capital facilities, remaining debt assumed by the Company in connection with the Viom Acquisition (as defined in note 12) and debt that had been entered into by ATC TIPL. During the three months ended March 31, 2019, the Company repaid all remaining debt assumed in connection with the Viom Acquisition and debt entered into by ATC TIPL.
- (9) Mandatorily redeemable preference shares (the “Preference Shares”) denominated in INR and classified as debt. The Preference Shares were redeemed on March 2, 2019.
- (10) Reflects balance owed to the Company’s joint venture partner in Ghana. The Ghana loan is denominated in Ghanaian Cedi (“GHS”). On June 14, 2019, the Company purchased the remaining 294.4 million GHS (\$56.8 million) of principal outstanding under the Ghana loan, plus unpaid interest. Amounts under the loan are now owed to one of the Company’s subsidiaries and, as a result, are eliminated in consolidation as of the purchase date.
- (11) Includes the South African credit facility, which is denominated in South African Rand and amortizes through December 17, 2020, the Colombian credit facility, which is denominated in Colombian Pesos and amortizes through April 24, 2021, the Brazil credit facility, which is denominated in Brazilian Reals and amortizes through January 15, 2022, the Kenya debt, which is denominated in U.S. Dollars (“USD”) and is payable either (i) in future installments subject to the satisfaction of specified conditions or (ii) three years from the note origination date, and U.S. subsidiary debt related to a seller-financed acquisition.

*Current portion of long-term obligations*—The Company’s current portion of long-term obligations primarily includes (i) \$1.3 billion under its unsecured term loan entered into on February 14, 2019 (the “2019 Term Loan”), (ii) \$750.0 million aggregate principal amount of 2.800% senior unsecured notes due 2020 and (iii) \$350.0 million aggregate principal amount of the American Tower Secured Revenue Notes, Series 2015-1, Class A, issued by GTP Acquisition Partners I, LLC in a private securitization transaction in May 2015, with anticipated repayment date in 2020.

*Securitized Debt*—Cash flows generated by the sites that secure the securitized debt of the Company are only available for payment of such debt and are not available to pay the Company’s other obligations or the claims of its creditors. However, subject to certain restrictions, the Company holds the right to receive the excess cash flows not needed to pay the securitized debt and other obligations arising out of the securitizations. The securitized debt is the obligation of the issuers thereof or borrowers thereunder, as applicable, and their subsidiaries, and not of the Company or its other subsidiaries.

#### *Repayments of Senior Notes*

*Repayment of 3.40% Senior Notes*—On the February 15, 2019 maturity date, the Company repaid \$1.0 billion aggregate principal amount of 3.40% senior unsecured notes due 2019 (the “3.40% Notes”). The 3.40% Notes were repaid with borrowings from the Company’s multicurrency senior unsecured revolving credit facility entered into in June 2013, as amended (the “2013 Credit Facility”) and the Company’s senior unsecured revolving credit facility entered into in January 2012 and amended and restated in September 2014, as further amended (the “2014 Credit Facility”). Upon completion of the repayment, none of the 3.40% Notes remained outstanding.

*Repayment of 5.050% Senior Notes*—On April 22, 2019, the Company redeemed all of the \$700.0 million aggregate principal amount of 5.050% senior unsecured notes due 2020 (the “5.050% Notes”) at a price equal to 103.0050% of the principal amount, plus accrued and unpaid interest up to, but excluding April 22, 2019, for an aggregate redemption price of \$726.0 million, including \$5.0 million in accrued and unpaid interest. The Company recorded a loss on retirement of long-term obligations of \$22.1 million, which includes prepayment consideration of \$21.0 million and the associated unamortized discount and deferred financing costs. The redemption was funded with borrowings from the 2014 Credit Facility and cash on hand. Upon completion of the repayment, none of the 5.050% Notes remained outstanding.

#### *Offerings of Senior Notes*

*3.375% Senior Notes and 3.950% Senior Notes Offering*—On March 15, 2019, the Company completed a registered public offering of \$650.0 million aggregate principal amount of 3.375% senior unsecured notes due 2024 (the “3.375% Notes”) and \$600.0 million aggregate principal amount of 3.950% senior unsecured notes due 2029 (the “3.950% Notes”). The net proceeds from this offering were approximately \$1,231.0 million, after deducting

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commissions and estimated expenses. The Company used the net proceeds to repay existing indebtedness under the 2013 Credit Facility and the 2014 Credit Facility.

The 3.375% Notes will mature on May 15, 2024 and bear interest at a rate of 3.375% per annum. The 3.950% Notes will mature on March 15, 2029 and bear interest at a rate of 3.950% per annum. Accrued and unpaid interest on the 3.375% Notes will be payable in U.S. Dollars semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2019. Accrued and unpaid interest on the 3.950% Notes will be payable in U.S. Dollars semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2019. Interest on the 3.375% Notes and the 3.950% Notes will accrue from March 15, 2019 and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

*2.950% Senior Notes and 3.800% Senior Notes Offering*—On June 13, 2019, the Company completed a registered public offering of \$650.0 million aggregate principal amount of 2.950% senior unsecured notes due 2025 (the “2.950% Notes”) and \$1.65 billion aggregate principal amount of 3.800% senior unsecured notes due 2029 (the “3.800% Notes” and, collectively with the 3.375% Notes, the 3.950% Notes and the 2.950% Notes, the “Notes”). The net proceeds from this offering were approximately \$2,269.0 million, after deducting commissions and estimated expenses. The Company used the net proceeds to repay existing indebtedness under the 2013 Credit Facility and the 2014 Credit Facility.

The 2.950% Notes will mature on January 15, 2025 and bear interest at a rate of 2.950% per annum. The 3.800% Notes will mature on August 15, 2029 and bear interest at a rate of 3.800% per annum. Accrued and unpaid interest on the 2.950% Notes will be payable in U.S. Dollars semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2020. Accrued and unpaid interest on the 3.800% Notes will be payable in U.S. Dollars semi-annually in arrears on February 15 and August 15 of each year, beginning on February 15, 2020. Interest on the 2.950% Notes and the 3.800% Notes will accrue from June 13, 2019 and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Company may redeem the Notes at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus a make-whole premium, together with accrued interest to the redemption date. If the Company redeems the 3.375% Notes on or after April 15, 2024, the 2.950% Notes on or after December 15, 2024, the 3.950% Notes on or after December 15, 2028 or the 3.800% Notes on or after May 15, 2029, it will not be required to pay a make-whole premium. In addition, if the Company undergoes a change of control and corresponding ratings decline, each as defined in the applicable supplemental indenture, it may be required to repurchase all of the Notes at a purchase price equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest (including additional interest, if any), up to but not including the repurchase date. The Notes rank equally with all of the Company’s other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of its subsidiaries.

The supplemental indentures contain certain covenants that restrict the Company’s ability to merge, consolidate or sell assets and its (together with its subsidiaries’) ability to incur liens. These covenants are subject to a number of exceptions, including that the Company and its subsidiaries may incur certain liens on assets, mortgages or other liens securing indebtedness if the aggregate amount of indebtedness secured by such liens does not exceed 3.5x Adjusted EBITDA, as defined in the applicable supplemental indenture.

#### *Bank Facilities*

*2013 Credit Facility*—During the six months ended June 30, 2019, the Company borrowed an aggregate of \$995.0 million and repaid an aggregate of \$2.2 billion of revolving indebtedness under the 2013 Credit Facility. The Company used the borrowings to fund acquisitions, to purchase redeemable noncontrolling interests in its Indian subsidiary, ATC TIPL, to repay existing indebtedness and for general corporate purposes.

*2014 Credit Facility*—During the six months ended June 30, 2019, the Company borrowed an aggregate of \$1.6 billion and repaid an aggregate of \$1.6 billion of revolving indebtedness under the 2014 Credit Facility. The Company used the borrowings to repay existing indebtedness and for general corporate purposes.

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*2019 Term Loan*—During the six months ended June 30, 2019, the Company entered into the 2019 Term Loan, the net proceeds of which were used, together with cash on hand, to repay all outstanding indebtedness under its \$1.5 billion unsecured term loan entered into on March 29, 2018.

The 2019 Term Loan matures on February 13, 2020. Any outstanding principal and accrued but unpaid interest will be due and payable in full at maturity. The 2019 Term Loan may be paid prior to maturity in whole or in part at the Company’s option without penalty or premium.

The 2019 Term Loan agreement contains certain reporting, information, financial and operating covenants and other restrictions (including limitations on additional debt, guaranties, sales of assets and liens) with which the Company must comply. Failure to comply with the financial and operating covenants of the loan agreement may constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable.

As of June 30, 2019, the key terms under the 2013 Credit Facility, the 2014 Credit Facility, the Company’s unsecured term loan entered into in October 2013, as amended (the “2013 Term Loan”) and the 2019 Term Loan were as follows:

	Outstanding Principal Balance (in millions)	Undrawn letters of credit (in millions)	Maturity Date	Current margin over LIBOR (1)	Current commitment fee (2)
2013 Credit Facility	\$ 642.0	\$ 3.8	June 28, 2022	(3) 1.125%	0.125%
2014 Credit Facility	\$ —	\$ 6.2	January 31, 2024	(3) 1.125%	0.125%
2013 Term Loan	\$ 1,000.0	N/A	January 31, 2024	1.125%	N/A
2019 Term Loan	\$ 1,300.0	N/A	February 13, 2020	0.800%	N/A

(1) LIBOR means the London Interbank Offered Rate.

(2) Fee on undrawn portion of each credit facility.

(3) Subject to two optional renewal periods.

**9. FAIR VALUE MEASUREMENTS**

The Company determines the fair value of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Below are the three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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*Items Measured at Fair Value on a Recurring Basis*—The fair values of the Company’s financial assets and liabilities that are required to be measured on a recurring basis at fair value were as follows:

	June 30, 2019			December 31, 2018		
	Fair Value Measurements Using			Fair Value Measurements Using		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets:</b>						
Interest rate swap agreements	—	\$ 9.3	—	—	—	—
Embedded derivative in lease agreement	—	—	\$ 11.1	—	—	\$ 11.5
<b>Liabilities:</b>						
Interest rate swap agreements	—	\$ 10.6	—	—	\$ 33.8	—
Acquisition-related contingent consideration	—	—	\$ 0.8	—	—	\$ 0.9
Fair value of debt related to interest rate swap agreements (1)	\$ 1.0	—	—	\$ (31.3)	—	—
<b>Redeemable noncontrolling interests</b>	—	—	\$ 590.2	—	—	\$ 1,004.8

(1) Included in the carrying values of the corresponding debt obligations.

During the six months ended June 30, 2019, the Company made no changes to the methods described in note 11 to its consolidated financial statements included in the 2018 Form 10-K that it used to measure the fair value of its interest rate swap agreements, the embedded derivative in one of its lease agreements, acquisition-related contingent consideration and redeemable noncontrolling interests. The changes in fair value for the embedded derivative in one of its lease agreements and acquisition-related contingent consideration during the six months ended June 30, 2019 and 2018 were not material to the consolidated financial statements. The changes in the carrying amount of the redeemable noncontrolling interests are described in note 12. As of June 30, 2019, the Company estimated the value of all potential acquisition-related contingent consideration payments to be between zero and \$0.8 million.

*Items Measured at Fair Value on a Nonrecurring Basis*

*Assets Held and Used*—The Company’s long-lived assets are recorded at amortized cost and, if impaired, are adjusted to fair value using Level 3 inputs. The Company recorded \$13.0 million and \$31.1 million of impairments during the three and six months ended June 30, 2019, respectively, and \$33.2 million and \$180.6 million of impairments during the three and six months ended June 30, 2018, respectively. These impairments were recorded in Other operating expenses in the consolidated statements of operations. There were no other items measured at fair value on a nonrecurring basis during the six months ended June 30, 2019 or 2018.

*Fair Value of Financial Instruments*—The Company’s financial instruments for which the carrying value reasonably approximates fair value at June 30, 2019 and December 31, 2018 include cash and cash equivalents, restricted cash, accounts receivable and accounts payable. The Company’s estimates of fair value of its long-term obligations, including the current portion, are based primarily upon reported market values. For long-term debt not actively traded, fair value is estimated using either indicative price quotes or a discounted cash flow analysis using rates for debt with similar terms and maturities. As of June 30, 2019 and December 31, 2018, the carrying value of long-term obligations, including the current portion, was \$21.1 billion and \$21.2 billion, respectively. As of June 30, 2019, the fair value of long-term obligations, including the current portion, was \$21.8 billion, of which \$16.0 billion was measured using Level 1 inputs and \$5.8 billion was measured using Level 2 inputs. As of December 31, 2018, the fair value of long-term obligations, including the current portion, was \$21.1 billion, of which \$13.4 billion was measured using Level 1 inputs and \$7.7 billion was measured using Level 2 inputs.



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**10. INCOME TAXES**

The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate (“ETR”) for the full fiscal year. Cumulative adjustments to the Company’s estimate are recorded in the interim period in which a change in the estimated annual ETR is determined. Under the provisions of the Internal Revenue Code of 1986, as amended, the Company may deduct amounts distributed to stockholders against the income generated by its real estate investment trust (“REIT”) operations. The Company continues to be subject to income taxes on the income of its domestic taxable REIT subsidiaries and income taxes in foreign jurisdictions where it conducts operations. In addition, the Company is able to offset certain income by utilizing its net operating losses, subject to specified limitations.

The Company provides valuation allowances if, based on the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Management assesses the available evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets.

The increase in the income tax provision during the three months ended June 30, 2019 was primarily attributable to an increase in foreign earnings subject to taxation in the current period, as well as the nonrecurrence of the tax effect of certain impairment charges during the three months ended June 30, 2018. The change in the income tax provision (benefit) for the six months ended June 30, 2019 was primarily attributable to an increase in foreign earnings subject to taxation in the current period, as well as the nonrecurrence of certain events during the six months ended June 30, 2018, including a one-time benefit for merger-related activity in the Company’s Asia property segment and the tax effect of certain impairment charges.

As of June 30, 2019 and December 31, 2018, the total unrecognized tax benefits that would impact the ETR, if recognized, were approximately \$96.1 million and \$93.7 million, respectively. The amount of unrecognized tax benefits during the three and six months ended June 30, 2019 includes additions to the Company’s existing tax positions of \$1.5 million and \$3.0 million, respectively, and foreign currency exchange rate fluctuations of \$0.7 million and \$1.0 million, respectively. Unrecognized tax benefits are expected to change over the next 12 months if certain tax matters ultimately settle with the applicable taxing jurisdiction during this time frame, as described in note 12 to the Company’s consolidated financial statements included in the 2018 Form 10-K. The impact of the amount of these changes to previously recorded uncertain tax positions could range from zero to \$2.8 million.

The Company recorded the following penalties and income tax-related interest expense during the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Penalties and income tax-related interest expense	\$ 1.1	\$ 0.7	\$ 2.2	\$ 1.7

As of June 30, 2019 and December 31, 2018, the total amount of accrued income tax related interest and penalties included in the consolidated balance sheets were \$21.6 million and \$19.1 million, respectively.

**11. STOCK-BASED COMPENSATION**

*Summary of Stock-Based Compensation Plans*—The Company maintains equity incentive plans that provide for the grant of stock-based awards to its directors, officers and employees. The 2007 Equity Incentive Plan, as amended (the “2007 Plan”), provides for the grant of non-qualified and incentive stock options, as well as restricted stock units, restricted stock and other stock-based awards. Exercise prices for non-qualified and incentive stock options are not less than the fair value of the underlying common stock on the date of grant. Equity awards typically vest ratably, generally over four years for time-based restricted stock units (“RSUs”) and stock options and three years for performance-based restricted stock units (“PSUs”). Stock options generally expire ten years from the date of grant. As of June 30, 2019, the Company had the ability to grant stock-based awards with respect to an aggregate of 7.0 million shares of common stock under the 2007 Plan. In addition, the Company maintains an employee stock purchase plan (the “ESPP”) pursuant to which eligible employees may purchase shares of the Company’s common stock on the last day of each bi-annual offering period at a 15% discount from the lower of the closing market value on the first or last day of such offering period. The offering periods run from June 1 through November 30 and from December 1 through May 31 of each year.

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During the three and six months ended June 30, 2019 and 2018, the Company recorded and capitalized the following stock-based compensation expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Stock-based compensation expense Property	\$ 0.4	\$ 0.5	\$ 1.0	\$ 1.2
Stock-based compensation expense Services	0.2	0.2	0.5	0.5
Stock-based compensation expense SG&A	21.3	24.1	62.9	65.8
Total stock-based compensation expense	\$ 21.9	\$ 24.8	\$ 64.4	\$ 67.5
Stock-based compensation expense capitalized as property and equipment	\$ 0.4	\$ 0.5	\$ 0.9	\$ 1.0

*Stock Options*—As of June 30, 2019, total unrecognized compensation expense related to unvested stock options was \$2.3 million, which is expected to be recognized over a weighted average period of less than one year.

The Company's option activity for the six months ended June 30, 2019 was as follows (shares disclosed in full amounts):

	Number of Options
Outstanding as of January 1, 2019	4,257,470
Granted	—
Exercised	(639,926)
Forfeited	(7,211)
Expired	—
Outstanding as of June 30, 2019	3,610,333

*Restricted Stock Units*—As of June 30, 2019, total unrecognized compensation expense related to unvested RSUs granted under the 2007 Plan was \$157.0 million and is expected to be recognized over a weighted average period of approximately two years. Vesting of RSUs is subject generally to the employee's continued employment or death, disability or qualified retirement (each as defined in the applicable RSU award agreement).

*Performance-Based Restricted Stock Units*—During the six months ended June 30, 2019, 2018 and 2017, the Company's Compensation Committee granted an aggregate of 114,823 PSUs (the "2019 PSUs"), 131,311 PSUs (the "2018 PSUs") and 154,520 PSUs (the "2017 PSUs"), respectively, to its executive officers and established the performance metrics for these awards. Threshold, target and maximum parameters were established for the metrics for a three-year performance period with respect to each of the 2019 PSUs, the 2018 PSUs and the 2017 PSUs and will be used to calculate the number of shares that will be issuable when each award vests, which may range from zero to 200% of the target amounts. At the end of each three-year performance period, the number of shares that vest will depend on the degree of achievement against the pre-established performance goals. PSUs will be paid out in common stock at the end of each performance period, subject generally to the executive's continued employment or death, disability or qualified retirement (each as defined in the applicable PSU award agreement). PSUs will accrue dividend equivalents prior to vesting, which will be paid out only in respect of shares that actually vest.

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*Restricted Stock Units and Performance-Based Restricted Stock Units*—The Company’s RSU and PSU activity for the six months ended June 30, 2019 was as follows (shares disclosed in full amounts):

	RSUs	PSUs
Outstanding as of January 1, 2019 (1)	1,649,973	624,511
Granted (2)	542,744	114,823
Vested and Released (3)	(648,826)	(338,680)
Forfeited	(50,089)	—
Outstanding as of June 30, 2019	1,493,802	400,654
Vested and deferred as of June 30, 2019 (4)	19,810	—

- (1) PSUs consist of the target number of shares issuable at the end of the three-year performance period for the 2018 PSUs and 2017 PSUs, or 131,311 and 154,520 shares, respectively, and the shares issuable at the end of the three-year performance period for the PSUs granted in 2016 (“2016 PSUs”) based on achievement against the performance metrics for the three-year performance period, or 338,680 shares.
- (2) PSUs consist of the target number of shares issuable at the end of the three-year performance period for the 2019 PSUs, or 114,823 shares.
- (3) This includes 32,596 and 46,500 of previously vested and deferred RSUs and PSUs, respectively. PSUs consist of shares vested pursuant to the 2016 PSUs. There are no additional shares to be earned related to the 2016 PSUs.
- (4) Vested and deferred RSUs are related to deferred compensation for certain former employees.

During the three and six months ended June 30, 2019, the Company recorded \$2.8 million and \$13.5 million, respectively, in stock-based compensation expense for equity awards in which the performance goals have been established and were probable of being achieved. The remaining unrecognized compensation expense related to these awards at June 30, 2019 was \$17.6 million based on the Company’s current assessment of the probability of achieving the performance goals. The weighted average period over which the cost will be recognized is approximately two years.

## 12. REDEEMABLE NONCONTROLLING INTERESTS

*Redeemable Noncontrolling Interests*—On April 21, 2016, the Company, through its wholly owned subsidiary, ATC Asia Pacific Pte. Ltd., acquired a 51% controlling ownership interest in ATC TIPL (formerly Viom), a telecommunications infrastructure company that owns and operates wireless communications towers and indoor DAS networks in India (the “Viom Acquisition”).

In connection with the Viom Acquisition, the Company, through one of its subsidiaries, entered into a shareholders agreement (the “Shareholders Agreement”) with Viom and the following remaining Viom shareholders: Tata Sons Limited (“Tata Sons”), Tata Teleservices Limited (“Tata Teleservices”), IDFC Private Equity Fund III (“IDFC”), Macquarie SBI Infrastructure Investments Pte Limited and SBI Macquarie Infrastructure Trust (collectively, the “Remaining Shareholders”).

The Shareholders Agreement also provides certain of the Remaining Shareholders with put options, which allow them to sell outstanding shares of ATC TIPL to the Company, and the Company with call options, which allow it to buy the noncontrolling shares of ATC TIPL. The put options, which are not under the Company’s control, cannot be separated from the noncontrolling interests. As a result, the combination of the noncontrolling interests and the redemption feature requires classification as redeemable noncontrolling interests in the consolidated balance sheet, separate from equity.

The noncontrolling interests become redeemable after the passage of time, and therefore, the Company records the carrying amount of the noncontrolling interests outside of permanent equity at the greater of (i) the initial carrying amount, increased or decreased for the noncontrolling interests’ share of net income or loss and foreign currency translation adjustments, or (ii) the estimated redemption value. If required, the Company will adjust the redeemable noncontrolling interests to the estimated redemption value on each balance sheet date with changes in the estimated redemption value recognized as an adjustment to Net income attributable to noncontrolling interests. During the six months ended June 30, 2019 and 2018, the Company adjusted the estimated redemption value of the noncontrolling interests by \$0.2 million and \$33.4 million, respectively, based on the operating results of ATC TIPL and previously recorded adjustments to the estimated redemption value. The adjustment for the six months ended June 30, 2018 was primarily due to the impact of impairment charges on net income and, as a result, on the carrying value of the noncontrolling interests.

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The put options may be exercised, requiring the Company to purchase the Remaining Shareholders' equity interests, on specified dates through March 31, 2021. The price of the put options will be based on the fair market value of the exercising Remaining Shareholders' interest in the Company's India operations at the time the option is exercised. Put options held by certain of the Remaining Shareholders are subject to a floor price of INR 216 per share.

During the six months ended June 30, 2019, the Company redeemed 50% of Tata Teleservices and Tata Sons' combined holdings of ATC TIPL and 100% of IDFC's holdings of ATC TIPL, for total consideration of INR 29.4 billion (\$425.7 million at the date of redemption). As a result of the redemption, the Company's controlling interest in ATC TIPL increased from 63% to 79% and the noncontrolling interest decreased from 37% to 21%.

The changes in Redeemable noncontrolling interests for the six months ended June 30, 2019 and 2018 were as follows:

	2019	2018
Balance as of January 1,	\$ 1,004.8	\$ 1,126.2
Net loss attributable to noncontrolling interests	(0.2)	(48.7)
Adjustment to noncontrolling interest redemption value	0.2	33.4
Adjustment to noncontrolling interest due to merger	—	(28.1)
Purchase of redeemable noncontrolling interest	(425.7)	—
Foreign currency translation adjustment attributable to noncontrolling interests	11.1	(73.5)
Balance as of June 30,	\$ 590.2	\$ 1,009.3

In April 2019, Tata Teleservices and Tata Sons delivered notice of exercise of their put options with respect to 100% of their remaining holdings in ATC TIPL. The Company expects to complete the redemption of the put shares, subject to regulatory approval, for total consideration of INR 24.8 billion (approximately \$359.4 million at the June 30, 2019 exchange rate) in the third quarter of 2019. After the completion of the redemption, the Company will hold an approximately 92% ownership interest in ATC TIPL.

### 13. EQUITY

*Sales of Equity Securities*—The Company receives proceeds from the sale of its equity securities pursuant to the ESPP and upon exercise of stock options granted under its equity incentive plan. During the six months ended June 30, 2019, the Company received an aggregate of \$56.6 million in proceeds upon exercises of stock options and sales pursuant to the ESPP.

*Stock Repurchase Programs*—In March 2011, the Board of Directors approved a stock repurchase program, pursuant to which the Company is authorized to repurchase up to \$1.5 billion of its common stock (the "2011 Buyback"). In December 2017, the Board of Directors approved an additional stock repurchase program, pursuant to which the Company is authorized to repurchase up to \$2.0 billion of its common stock (the "2017 Buyback" and, together with the 2011 Buyback, the "Buyback Programs").

During the six months ended June 30, 2019, there were no repurchases under either of the Buyback Programs. As of June 30, 2019, the Company has repurchased a total of 14,003,543 shares of its common stock under the 2011 Buyback for an aggregate of \$1.4 billion, including commissions and fees. The Company has not made any repurchases under the 2017 Buyback.

Under the Buyback Programs, the Company is authorized to purchase shares from time to time through open market purchases, in privately negotiated transactions not to exceed market prices, and (with respect to such open market purchases) pursuant to plans adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as

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amended, in accordance with securities laws and other legal requirements and subject to market conditions and other factors.

The Company expects to fund any further purchases of its common stock through a combination of cash on hand, cash generated by operations and borrowings under its credit facilities. Purchases under the Buyback Programs are subject to the Company having available cash to fund the purchases.

*Distributions*—During the six months ended June 30, 2019, the Company declared or paid the following cash distributions (per share data reflects actual amounts):

Declaration Date	Payment Date	Record Date	Distribution per share	Aggregate Payment Amount (1)
<b>Common Stock</b>				
May 22, 2019	July 12, 2019	June 19, 2019	\$ 0.92	\$ 407.0
March 7, 2019	April 26, 2019	April 11, 2019	\$ 0.90	\$ 397.8
December 5, 2018	January 14, 2019	December 27, 2018	\$ 0.84	\$ 370.5

(1) Does not include amounts accrued for distributions payable related to unvested restricted stock units.

During the six months ended June 30, 2018, the Company declared or paid the following cash distributions (per share data reflects actual amounts):

Declaration Date	Payment Date	Record Date	Distribution per share	Aggregate Payment Amount (1)
<b>Common Stock</b>				
May 24, 2018	July 13, 2018	June 19, 2018	\$ 0.77	\$ 339.8
March 8, 2018	April 27, 2018	April 11, 2018	\$ 0.75	\$ 331.2
December 6, 2017	January 16, 2018	December 28, 2017	\$ 0.70	\$ 300.2
<b>Series B Preferred Stock</b>				
January 22, 2018	February 15, 2018	February 1, 2018	\$ 13.75	\$ 18.9

(1) Does not include amounts accrued for distributions payable related to unvested restricted stock units.

The Company accrues distributions on unvested restricted stock units, which are payable upon vesting. As of June 30, 2019, the amount accrued for distributions payable related to unvested restricted stock units was \$10.5 million. During the six months ended June 30, 2019, the Company paid \$6.8 million of distributions upon the vesting of restricted stock units. To maintain its qualification for taxation as a REIT, the Company expects to continue paying distributions, the amount, timing and frequency of which will be determined, and subject to adjustment, by the Company's Board of Directors.

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**14. EARNINGS PER COMMON SHARE**

The following table sets forth basic and diluted net income per common share computational data (shares in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income attributable to American Tower Corporation stockholders	\$ 429.1	\$ 306.7	\$ 826.5	\$ 591.9
Dividends on preferred stock	—	—	—	(9.4)
Net income attributable to American Tower Corporation common stockholders	429.1	306.7	826.5	582.5
Basic weighted average common shares outstanding	442,203	441,497	441,778	438,328
Dilutive securities	3,134	2,865	3,262	3,185
Diluted weighted average common shares outstanding	445,337	444,362	445,040	441,513
Basic net income attributable to American Tower Corporation common stockholders per common share	\$ 0.97	\$ 0.69	\$ 1.87	\$ 1.33
Diluted net income attributable to American Tower Corporation common stockholders per common share	\$ 0.96	\$ 0.69	\$ 1.86	\$ 1.32

*Shares Excluded From Dilutive Effect*—The following shares were not included in the computation of diluted earnings per share because the effect would be anti-dilutive (in thousands, on a weighted average basis):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Restricted stock units	1	4	0	2
Stock options	—	—	—	—
Preferred stock	—	—	—	2,936

**15. COMMITMENTS AND CONTINGENCIES**

*Litigation*—The Company periodically becomes involved in various claims, lawsuits and proceedings that are incidental to its business. In the opinion of Company management, after consultation with counsel, there are no matters currently pending that would, in the event of an adverse outcome, materially impact the Company’s consolidated financial position, results of operations or liquidity.

*Verizon Transaction*—In March 2015, the Company entered into an agreement with various operating entities of Verizon Communications Inc. (“Verizon”) that currently provides for the lease, sublease or management of approximately 11,250 wireless communications sites commencing March 27, 2015. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 28 years, assuming renewals or extensions of the underlying ground leases for the sites. The Company has the option to purchase the leased sites in tranches, subject to the applicable lease, sublease or management rights upon its scheduled expiration. Each tower is assigned to an annual tranche, ranging from 2034 to 2047, which represents the outside expiration date for the sublease rights to the towers in that tranche. The purchase price for each tranche is a fixed amount stated in the lease for such tranche plus the fair market value of certain alterations made to the related towers. The aggregate purchase option price for the towers leased and subleased is approximately \$5.0 billion. Verizon will occupy the sites as a tenant for an initial term of ten years with eight optional successive five-year terms; each such term shall be governed by standard master lease agreement terms established as a part of the transaction.

*AT&T Transaction*—The Company has an agreement with SBC Communications Inc., a predecessor entity to AT&T Inc. (“AT&T”), that currently provides for the lease or sublease of approximately 2,270 towers commencing between

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December 2000 and August 2004. Substantially all of the towers are part of the securitization transactions completed in March 2013 and March 2018. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 27 years, assuming renewals or extensions of the underlying ground leases for the sites. The Company has the option to purchase the sites subject to the applicable lease or sublease upon its expiration. Each tower is assigned to an annual tranche, ranging from 2013 to 2032, which represents the outside expiration date for the sublease rights to that tower. The purchase price for each site is a fixed amount stated in the lease for that site plus the fair market value of certain alterations made to the related tower by AT&T. As of June 30, 2019, the Company has purchased an aggregate of 154 of the subleased towers upon expiration of the applicable agreement. The aggregate purchase option price for the remaining towers leased and subleased is \$933.0 million and will accrete at a rate of 10% per annum through the applicable expiration of the lease or sublease of a site. For all such sites, AT&T has the right to continue to lease the reserved space through June 30, 2020 at the then-current monthly fee, which shall escalate in accordance with the standard master lease agreement for the remainder of AT&T's tenancy. Thereafter, AT&T shall have the right to renew such lease for up to four successive five-year terms.

*ALLTEL Transaction*—In December 2000, the Company entered into an agreement with ALLTEL Communications, LLC, a predecessor entity to Verizon Wireless, to acquire towers through a 15-year sublease agreement. Pursuant to the agreement, as amended, with Verizon Wireless, the Company acquired rights to approximately 1,800 towers in tranches between April 2001 and March 2002. The Company has the option to purchase each tower at the expiration of the applicable sublease. During the year ended December 31, 2016, the Company exercised the purchase options for 1,523 towers in a single closing and provided notice to the tower owner, Verizon's assignee, of its intent to exercise the purchase options related to the 243 remaining towers. As of June 30, 2019, the purchase price per tower was \$42,844 payable in cash or, at the tower owner's option, with 769 shares of the Company's common stock per tower. The aggregate cash purchase option price for the remaining subleased towers was \$10.4 million as of June 30, 2019.

*Other Contingencies*—The Company is subject to income tax and other taxes in the geographic areas where it operates, and periodically receives notifications of audits, assessments or other actions by taxing authorities. Taxing authorities may issue notices or assessments while audits are being conducted. In certain jurisdictions, taxing authorities may issue assessments with minimal examination. These notices and assessments do not represent amounts that the Company is obligated to pay and are often not reflective of the actual tax liability for which the Company will ultimately be liable. In the process of responding to assessments of taxes that the Company believes are not enforceable, the Company avails itself of remedies both administrative and through the applicable court system. The Company evaluates the circumstances of each notification or assessment based on the information available and, in those instances in which the Company does not anticipate a successful defense of positions taken in its tax filings, a liability is recorded in the appropriate amount based on the underlying assessment.

On December 5, 2016, the Company received an income tax assessment of Essar Telecom Infrastructure Private Limited ("ETIPL") from the India Income Tax Department (the "Tax Department") for the fiscal year ending 2008 in the amount of INR 4.75 billion (\$69.8 million on the date of assessment) related to capital contributions. The Company challenged the assessment before the Office of Commissioner of Income Tax - Appeals, which ruled in the Company's favor in January 2018. However, the Tax Department has appealed this ruling at a higher appellate authority. The Company estimates that there is a more likely than not probability that the Company's position will be sustained upon appeal. Accordingly, no liability has been recorded. Additionally, the assessment was made with respect to transactions that took place in the tax year commencing in 2007, prior to the Company's acquisition of ETIPL. Under the Company's definitive acquisition agreement of ETIPL, the seller is obligated to indemnify and defend the Company with respect to any tax-related liability that may arise from activities prior to March 31, 2010.

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**16. ACQUISITIONS**

*Impact of current year acquisitions*—The Company typically acquires communications sites from wireless carriers or other tower operators and subsequently integrates those sites into its existing portfolio of communications sites. The financial results of the Company’s acquisitions have been included in the Company’s consolidated statements of operations for the six months ended June 30, 2019 from the date of the respective acquisition. The date of acquisition, and by extension the point at which the Company begins to recognize the results of an acquisition, may depend on, among other things, the receipt of contractual consents, the commencement and extent of leasing arrangements and the timing of the transfer of title or rights to the assets, which may be accomplished in phases. Sites acquired from communications service providers may never have been operated as a business and may instead have been utilized solely by the seller as a component of its network infrastructure. An acquisition may or may not involve the transfer of business operations or employees.

The Company evaluates each of its acquisitions under the accounting guidance framework to determine whether to treat an acquisition as an asset acquisition or a business combination. For those transactions treated as asset acquisitions, the purchase price is allocated to the assets acquired, with no recognition of goodwill.

For those acquisitions accounted for as business combinations, the Company recognizes acquisition and merger related expenses in the period in which they are incurred and services are received; for transactions accounted for as asset acquisitions, these costs are capitalized as part of the purchase price. Acquisition and merger related costs may include finder’s fees, advisory, legal, accounting, valuation and other professional or consulting fees and general administrative costs directly related to completing the transaction. Integration costs include incremental and non-recurring costs necessary to convert data, retain employees and otherwise enable the Company to operate acquired businesses or assets efficiently. The Company records acquisition and merger related expenses for business combinations, as well as integration costs for all acquisitions, in Other operating expenses in the consolidated statements of operations.

During the three and six months ended June 30, 2019 and 2018, the Company recorded acquisition and merger related expenses for business combinations and non-capitalized asset acquisition costs and integration costs as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Acquisition and merger related expenses	\$ 3.8	\$ 4.5	\$ 5.8	\$ 5.9
Integration costs	\$ 2.1	\$ 4.7	\$ 6.2	\$ 5.2

The Company also received \$8.1 million related to pre-acquisition contingencies and settlements during the six months ended June 30, 2019.

**2019 Transactions**

The estimated aggregate impact of the acquisitions completed in 2019 on the Company’s revenues and gross margin for the three months ended June 30, 2019 was approximately \$2.2 million and \$1.5 million, respectively, and for the six months ended June 30, 2019 was approximately \$2.6 million and \$1.8 million, respectively. The revenues and gross margin amounts also reflect incremental revenues from the addition of new tenants to such sites subsequent to the transaction date.

During the six months ended June 30, 2019, the Company acquired a total of 363 communications sites in the United States, Colombia, Mexico, Paraguay and Peru, as well as other communications infrastructure assets, for an aggregate purchase price of \$150.4 million. The majority of these acquisitions were accounted for as asset acquisitions.

The following table summarizes the allocations of the purchase prices for the fiscal year 2019 acquisitions based upon their estimated fair value at the date of acquisition:



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	<b>Allocation (1)</b>
Current assets	\$ 5.9
Property and equipment	40.6
Intangible assets (2):	
Tenant-related intangible assets	54.3
Network location intangible assets	20.4
Other intangible assets	0.8
Other non-current assets	7.0
Current liabilities	(0.9)
Deferred tax liability	—
Other non-current liabilities	(12.0)
Net assets acquired	116.1
Goodwill (3)	34.3
Fair value of net assets acquired	150.4
Debt assumed	—
Purchase price	\$ 150.4

(1) Includes 72 sites in Peru held pursuant to long-term finance leases.

(2) Tenant-related intangible assets and network location intangible assets are amortized on a straight-line basis over periods of up to 20 years.

(3) The Company expects the majority of goodwill to be deductible for tax purposes.

**Other Signed Acquisitions**

**Eaton Towers**—On May 30, 2019, the Company entered into a definitive agreement to acquire 100% of the outstanding shares of Eaton Towers Holding Limited (“Eaton Towers”), which owns and operates approximately 5,500 communications sites across five African markets. The total consideration for the transaction, including the Company’s assumption of existing Eaton Towers debt, is approximately \$1.85 billion, subject to customary closing adjustments. The transaction is expected to close by the end of 2019, subject to customary closing conditions, including the satisfaction of regulatory approvals.

**U.S. Acquisition**—On July 24, 2019, the Company entered into a definitive agreement to acquire approximately 400 towers and other related property interests in the United States for total consideration of approximately \$0.5 billion. The transaction is expected to close in the third quarter of 2019, subject to certain closing conditions.

**2018 Transactions**

During the six months ended June 30, 2019, the allocation of the purchase price for the acquisition of Idea Cellular Infrastructure Services Limited was finalized with no material post-closing adjustments. During the six months ended June 30, 2019, there were no material post-closing adjustments that impacted other 2018 acquisitions.

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*Pro Forma Consolidated Results (Unaudited)*

The following table presents the unaudited pro forma financial results as if the 2019 acquisitions had occurred on January 1, 2018 and the 2018 acquisitions had occurred on January 1, 2017. The pro forma results do not include any anticipated cost synergies, costs or other integration impacts. Accordingly, such pro forma amounts are not necessarily indicative of the results that actually would have occurred had the transactions been completed on the date indicated, nor are they indicative of the future operating results of the Company.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Pro forma revenues	\$ 1,890.1	\$ 1,829.5	\$ 3,705.6	\$ 3,674.1
Pro forma net income attributable to American Tower Corporation common stockholders	\$ 429.0	\$ 304.2	\$ 826.8	\$ 577.4
Pro forma net income per common share amounts:				
Basic net income attributable to American Tower Corporation common stockholders	\$ 0.97	\$ 0.69	\$ 1.87	\$ 1.32
Diluted net income attributable to American Tower Corporation common stockholders	\$ 0.96	\$ 0.68	\$ 1.86	\$ 1.31

## 17. BUSINESS SEGMENTS

The Company's primary business is leasing space on multitenant communications sites to wireless service providers, radio and television broadcast companies, wireless data providers, government agencies and municipalities and tenants in a number of other industries. This business is referred to as the Company's property operations, which as of June 30, 2019, consisted of the following:

- U.S.: property operations in the United States;
- Asia: property operations in India;
- Europe, Middle East and Africa ("EMEA"): property operations in France, Germany, Ghana, Kenya, Nigeria, South Africa and Uganda; and
- Latin America: property operations in Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Paraguay and Peru.

The Company's services segment offers tower-related services in the United States, including AZP and structural analysis, which primarily support its site leasing business, including the addition of new tenants and equipment on its sites. The services segment is a strategic business unit that offers different services from, and requires different resources, skill sets and marketing strategies than, the property operating segments.

The accounting policies applied in compiling segment information below are similar to those described in note 1 to the Company's consolidated financial statements included in the 2018 Form 10-K and as updated in note 1 above. Among other factors, in evaluating financial performance in each business segment, management uses segment gross margin and segment operating profit. The Company defines segment gross margin as segment revenue less segment operating expenses excluding stock-based compensation expense recorded in costs of operations; Depreciation, amortization and accretion; Selling, general, administrative and development expense; and Other operating expenses. The Company defines segment operating profit as segment gross margin less Selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. For reporting purposes, for periods through September 30, 2018, the Latin America property segment gross margin and segment operating profit also include Interest income (expense), TV Azteca, net. These measures of segment gross margin and segment operating profit are also before Interest income, Interest expense, Gain (loss) on retirement of long-term obligations, Other income (expense), Net income (loss) attributable to noncontrolling interests and Income tax benefit (provision). The categories of expenses indicated above, such as depreciation, have been excluded from segment operating performance as they are not considered in the review of information or the evaluation of results by management. There are no significant revenues resulting from transactions between the Company's operating segments.

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All intercompany transactions are eliminated to reconcile segment results and assets to the consolidated statements of operations and consolidated balance sheets.

Summarized financial information concerning the Company's reportable segments for the three and six months ended June 30, 2019 and 2018 is shown in the following tables. The "Other" column (i) represents amounts excluded from specific segments, such as business development operations, stock-based compensation expense and corporate expenses included in Selling, general, administrative and development expense; Other operating expenses; Interest income; Interest expense; Gain (loss) on retirement of long-term obligations; and Other income (expense), and (ii) reconciles segment operating profit to Income from continuing operations before income taxes.

Three Months Ended June 30, 2019	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
Segment revenues	\$ 1,007.2	\$ 321.1	\$ 175.0	\$ 345.6	\$ 1,848.9	\$ 40.7		\$ 1,889.6
Segment operating expenses (1)	196.6	188.3	60.6	103.5	549.0	13.7		562.7
Segment gross margin	810.6	132.8	114.4	242.1	1,299.9	27.0		1,326.9
Segment selling, general, administrative and development expense (1)	42.2	17.7	20.0	23.8	103.7	2.0		105.7
Segment operating profit	768.4	115.1	94.4	218.3	1,196.2	25.0		1,221.2
Stock-based compensation expense							\$ 21.9	21.9
Other selling, general, administrative and development expense							37.8	37.8
Depreciation, amortization and accretion							448.9	448.9
Other expense (2)							248.7	248.7
Income from continuing operations before income taxes								\$ 463.9
Total assets	\$ 21,991.8	\$ 5,486.5	\$ 3,747.6	\$ 7,469.9	\$ 38,695.8	\$ 55.8	\$ 321.1	\$ 39,072.7

- (1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of \$0.6 million and \$21.3 million, respectively.  
(2) Primarily includes interest expense.

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Three Months Ended June 30, 2018	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
Segment revenues	\$ 957.0	\$ 307.9	\$ 166.7	\$ 317.8	\$ 1,749.4	\$ 31.5		\$ 1,780.9
Segment operating expenses (1)	198.8	180.1	58.5	109.3	546.7	12.9		559.6
Interest expense, TV Azteca, net (2)	—	—	—	(3.4)	(3.4)	—		(3.4)
Segment gross margin	758.2	127.8	108.2	205.1	1,199.3	18.6		1,217.9
Segment selling, general, administrative and development expense (1)	43.8	15.1	17.6	19.1	95.6	2.9		98.5
Segment operating profit	714.4	112.7	90.6	186.0	1,103.7	15.7		1,119.4
Stock-based compensation expense							\$ 24.8	24.8
Other selling, general, administrative and development expense							35.3	35.3
Depreciation, amortization and accretion							449.7	449.7
Other expense (3)							291.3	\$ 291.3
Income from continuing operations before income taxes								\$ 318.3
Total assets	\$ 18,759.4	\$ 5,498.7	\$ 3,113.6	\$ 5,555.6	\$ 32,927.3	\$ 45.0	\$ 233.4	\$ 33,205.7

- (1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of \$0.7 million and \$24.1 million, respectively.  
(2) Represents reversal of interest income recognized in the prior period due to nonpayment.  
(3) Primarily includes interest expense and \$33.2 million in impairment charges.

Six Months Ended June 30, 2019	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
Segment revenues	\$ 1,993.5	\$ 610.0	\$ 352.5	\$ 678.9	\$ 3,634.9	\$ 68.1		\$ 3,703.0
Segment operating expenses (1)	387.9	366.3	120.3	206.9	1,081.4	23.8		1,105.2
Segment gross margin	1,605.6	243.7	232.2	472.0	2,553.5	44.3		2,597.8
Segment selling, general, administrative and development expense (1)	83.9	44.3	38.4	51.5	218.1	5.4		223.5
Segment operating profit	1,521.7	199.4	193.8	420.5	2,335.4	38.9		2,374.3
Stock-based compensation expense							\$ 64.4	64.4
Other selling, general, administrative and development expense							76.5	76.5
Depreciation, amortization and accretion							885.8	885.8
Other expense (2)							442.1	442.1
Income from continuing operations before income taxes								\$ 905.5

- (1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of \$1.5 million and \$62.9 million, respectively.  
(2) Primarily includes interest expense and \$31.1 million in impairment charges.

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(tabular amounts in millions, unless otherwise noted)

Six Months Ended June 30, 2018	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
Segment revenues	\$ 1,888.4	\$ 580.9	\$ 340.9	\$ 649.6	\$ 3,459.8	\$ 62.9		\$ 3,522.7
Segment operating expenses (1)	385.1	338.0	117.6	212.7	1,053.4	25.1		1,078.5
Interest expense, TV Azteca, net (2)	—	—	—	(0.7)	(0.7)	—		(0.7)
Segment gross margin	1,503.3	242.9	223.3	436.2	2,405.7	37.8		2,443.5
Segment selling, general, administrative and development expense (1)	79.2	59.3	34.4	43.7	216.6	6.4		223.0
Segment operating profit	1,424.1	183.6	188.9	392.5	2,189.1	31.4		2,220.5
Stock-based compensation expense							\$ 67.5	67.5
Other selling, general, administrative and development expense							74.0	74.0
Depreciation, amortization and accretion							896.0	896.0
Other expense (3)							615.5	\$ 615.5
Income from continuing operations before income taxes								\$ 567.5

(1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of \$1.7 million and \$65.8 million, respectively.

(2) Consists of interest expense. Due to nonpayment, no interest income has been recognized in the period.

(3) Primarily includes interest expense and \$180.6 million in impairment charges.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This Quarterly Report on Form 10-Q contains forward-looking statements relating to our goals, beliefs, plans or current expectations and other statements that are not of historical facts. For example, when we use words such as "project," "believe," "anticipate," "expect," "forecast," "estimate," "intend," "should," "would," "could," "may" or other words that convey uncertainty of future events or outcomes, we are making forward-looking statements. Certain important factors may cause actual results to differ materially from those indicated by our forward-looking statements, including those set forth under the caption "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 Form 10-K"). Forward-looking statements represent management's current expectations and are inherently uncertain. We do not undertake any obligation to update forward-looking statements made by us.*

The discussion and analysis of our financial condition and results of operations that follow are based upon our consolidated and condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates and such differences could be material to the financial statements. This discussion should be read in conjunction with our consolidated and condensed consolidated financial statements herein and the accompanying notes thereto, information set forth under the caption "Critical Accounting Policies and Estimates" in the 2018 Form 10-K, and in particular, the information set forth therein under Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### Overview

We are one of the largest global real estate investment trusts and a leading independent owner, operator and developer of multitenant communications real estate. Our primary business is the leasing of space on communications sites to wireless service providers, radio and television broadcast companies, wireless data providers, government agencies and municipalities and tenants in a number of other industries. In addition to the communications sites in our portfolio, we manage rooftop and tower sites for property owners under various contractual arrangements. We also hold other telecommunications infrastructure, fiber and property interests that we lease primarily to communications service providers and third-party tower operators. We refer to this business as our property operations, which accounted for 98% of our total revenues for the six months ended June 30, 2019.

We also offer tower-related services in the United States, including site acquisition, zoning and permitting and structural analysis, which primarily support our site leasing business, including the addition of new tenants and equipment on our sites.

The following table details the number of communications sites, excluding managed sites, that we owned or operated as of June 30, 2019:

	Number of Owned Towers	Number of Operated Towers (1)	Number of Owned DAS Sites
U.S.	24,333	15,888	403
Asia:			
India	74,046	—	1,067
EMEA:			
France	2,188	317	9
Germany	2,208	—	—
Ghana	2,335	—	25
Kenya	715	—	—
Nigeria	4,877	—	—
South Africa (2)	2,666	—	—
Uganda	1,589	—	—
EMEA total	16,578	317	34
Latin America:			
Argentina (3)	52	—	9
Brazil (3)	16,650	2,260	97
Chile	1,306	—	21
Colombia	4,982	—	2
Costa Rica	590	—	2
Mexico (4)	9,274	186	91
Paraguay	1,314	—	—
Peru	735	344	—
Latin America total	34,903	2,790	222

(1) Approximately 98% of the operated towers are held pursuant to long-term finance leases, including those subject to purchase options.

(2) In South Africa, we also own fiber.

(3) In Argentina and Brazil, we also own or operate urban telecommunications assets, fiber and the rights to utilize certain existing utility infrastructure for future telecommunications equipment installation.

(4) In Mexico, we also own or operate urban telecommunications assets, including fiber, concrete poles and other infrastructure.

We operate in five reportable segments: U.S. property, Asia property, Europe, Middle East and Africa (“EMEA”) property, Latin America property and services. In evaluating operating performance in each business segment, management uses, among other factors, segment gross margin and segment operating profit (see note 17 to our consolidated and condensed consolidated financial statements included in this Quarterly Report on Form 10-Q).

The 2018 Form 10-K contains information regarding management’s expectations of long-term drivers of demand for our communications sites, as well as key trends, which management believes provide valuable insight into our operating and financial resource allocation decisions. The discussion below should be read in conjunction with the 2018 Form 10-K and, in particular, the information set forth therein under Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview.”

In most of our markets, our tenant leases with wireless carriers generally have initial non-cancellable terms of five to ten years with multiple renewal terms. Accordingly, the vast majority of the revenue generated by our property operations during the three and six months ended June 30, 2019 was recurring revenue that we should continue to receive in future periods. Based upon foreign currency exchange rates and the tenant leases in place as of June 30, 2019, we expect to generate nearly \$34.0 billion of non-cancellable tenant lease revenue over future periods, before the impact of straight-line lease accounting. Most of our tenant leases have provisions that periodically increase the rent due under the lease, typically based on an annual fixed escalation (averaging approximately 3% in the United States) or an inflationary

index in our international markets, or a combination of both. In addition, certain of our tenant leases provide for additional revenue primarily to cover costs (pass-through revenue), such as ground rent or power and fuel costs.

The revenues generated by our property operations may be affected by cancellations of existing tenant leases. As discussed above, most of our tenant leases with wireless carriers and broadcasters are multiyear contracts, which typically are non-cancellable; however, in some instances, a lease may be cancelled upon the payment of a termination fee.

Revenue lost from either tenant lease cancellations or the non-renewal of leases or rent renegotiations, which we refer to as churn, has historically not had a material adverse effect on the revenues generated by our consolidated property operations. During the six months ended June 30, 2019, churn was approximately 6% of our tenant billings. The higher than historical level of churn was largely due to carrier consolidation events in India.

We have experienced an increase in revenue lost from cancellations or non-renewals primarily due to carrier consolidation-driven churn in India, which we expect will continue to result in a higher impact on our revenues, including tenant billings, as compared to the historical average, through 2019. We also expect this churn will continue to compress our gross margin and operating profit in 2019, particularly in our Asia property segment, although we expect this to be partially offset by lower expenses due to reduced tenancy on existing sites or the decommissioning of sites. In addition, we expect to periodically evaluate the carrying value of our Indian assets, which may result in the realization of impairment expense or other similar charges. For more information, please see Item 7 of the 2018 Form 10-K under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates.”

For the six months ended June 30, 2019, aggregate carrier consolidation in India negatively impacted our consolidated property revenue by \$177.2 million, including approximately \$42.3 million in pass-through revenue, and negatively impacted our gross margin and operating profit by \$120.6 million.

In 2019, as compared to 2018 amounts, we expect carrier consolidation in India to negatively impact our consolidated property revenue by approximately \$186.0 million, including approximately \$24.0 million in pass-through revenue and the expected benefit of settlement payments related to prior tenant cancellations, and our operating profit by approximately \$141.0 million. These amounts exclude the impact of the nonrecurrence of one-time items related to the cash payment pursuant to our settlement agreements with Tata Teleservices Limited (“Tata Teleservices”) and related entities in the fourth quarter of 2018.

### **Non-GAAP Financial Measures**

Included in our analysis of our results of operations are discussions regarding earnings before interest, taxes, depreciation, amortization and accretion, as adjusted (“Adjusted EBITDA”), Funds From Operations, as defined by the National Association of Real Estate Investment Trusts (“Nareit FFO”) attributable to American Tower Corporation common stockholders, Consolidated Adjusted Funds From Operations (“Consolidated AFFO”) and AFFO attributable to American Tower Corporation common stockholders.

We define Adjusted EBITDA as Net income before Income (loss) from equity method investments; Income tax benefit (provision); Other income (expense); Gain (loss) on retirement of long-term obligations; Interest expense; Interest income; Other operating income (expense); Depreciation, amortization and accretion; and stock-based compensation expense.

Nareit FFO attributable to American Tower Corporation common stockholders is defined as net income before gains or losses from the sale or disposal of real estate, real estate related impairment charges, real estate related depreciation, amortization and accretion and dividends on preferred stock, and including adjustments for (i) unconsolidated affiliates and (ii) noncontrolling interests. In this section, we refer to Nareit FFO attributable to American Tower Corporation common stockholders as “Nareit FFO (common stockholders).”

We define Consolidated AFFO as Nareit FFO (common stockholders) before (i) straight-line revenue and expense; (ii) stock-based compensation expense; (iii) the deferred portion of income tax; (iv) non-real estate related depreciation,



amortization and accretion; (v) amortization of deferred financing costs, capitalized interest, debt discounts and premiums and long-term deferred interest charges; (vi) other income (expense); (vii) gain (loss) on retirement of long-term obligations; (viii) other operating income (expense); and adjustments for (ix) unconsolidated affiliates and (x) noncontrolling interests, less cash payments related to capital improvements and cash payments related to corporate capital expenditures.

We define AFFO attributable to American Tower Corporation common stockholders as Consolidated AFFO, excluding the impact of noncontrolling interests on both Nareit FFO (common stockholders) and the other adjustments included in the calculation of Consolidated AFFO. In this section, we refer to AFFO attributable to American Tower Corporation common stockholders as “AFFO (common stockholders).”

Adjusted EBITDA, Nareit FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) are not intended to replace net income or any other performance measures determined in accordance with GAAP. None of Adjusted EBITDA, Nareit FFO (common stockholders), Consolidated AFFO or AFFO (common stockholders) represents cash flows from operating activities in accordance with GAAP and, therefore, these measures should not be considered indicative of cash flows from operating activities, as a measure of liquidity or a measure of funds available to fund our cash needs, including our ability to make cash distributions. Rather, Adjusted EBITDA, Nareit FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) are presented as we believe each is a useful indicator of our current operating performance. We believe that these metrics are useful to an investor in evaluating our operating performance because (1) each is a key measure used by our management team for decision making purposes and for evaluating our operating segments’ performance; (2) Adjusted EBITDA is a component underlying our credit ratings; (3) Adjusted EBITDA is widely used in the telecommunications real estate sector to measure operating performance as depreciation, amortization and accretion may vary significantly among companies depending upon accounting methods and useful lives, particularly where acquisitions and non-operating factors are involved; (4) Consolidated AFFO is widely used in the telecommunications real estate sector to adjust Nareit FFO (common stockholders) for items that may otherwise cause material fluctuations in Nareit FFO (common stockholders) growth from period to period that would not be representative of the underlying performance of property assets in those periods; (5) each provides investors with a meaningful measure for evaluating our period-to-period operating performance by eliminating items that are not operational in nature; and (6) each provides investors with a measure for comparing our results of operations to those of other companies, particularly those in our industry.

Our measurement of Adjusted EBITDA, Nareit FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) may not, however, be fully comparable to similarly titled measures used by other companies. Reconciliations of Adjusted EBITDA, Nareit FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) to net income, the most directly comparable GAAP measure, have been included below.

**Results of Operations**  
**Three and Six Months Ended June 30, 2019 and 2018**  
(in millions, except percentages)

Revenue

	Three Months Ended June 30,		Percent Increase (Decrease)	Six Months Ended June 30,		Percent Increase (Decrease)
	2019	2018		2019	2018	
<b>Property</b>						
U.S.	\$ 1,007.2	\$ 957.0	5%	\$ 1,993.5	\$ 1,888.4	6%
Asia	321.1	307.9	4	610.0	580.9	5
EMEA	175.0	166.7	5	352.5	340.9	3
Latin America	345.6	317.8	9	678.9	649.6	5
Total property	1,848.9	1,749.4	6	3,634.9	3,459.8	5
<b>Services</b>	40.7	31.5	29	68.1	62.9	8
Total revenues	\$ 1,889.6	\$ 1,780.9	6%	\$ 3,703.0	\$ 3,522.7	5%

Three Months Ended June 30, 2019

U.S. property segment revenue growth of \$50.2 million was attributable to:

- Tenant billings growth of \$69.9 million, which was driven by:
  - \$52.1 million due to leasing additional space on our sites (“colocations”) and amendments;
  - \$16.8 million from contractual escalations, net of churn; and
  - \$2.3 million generated from sites acquired or constructed since the beginning of the prior-year period (“newly acquired or constructed sites”);
  - Partially offset by a decrease of \$1.3 million from other tenant billings; and
- A decrease of \$19.7 million in other revenue, which includes a \$17.0 million decrease due to straight-line accounting.

Asia property segment revenue growth of \$13.2 million was attributable to:

- Pass-through revenue growth of \$26.5 million;
- An increase of \$24.7 million in other revenue, primarily due to tenant settlement payments attributable to prior tenant cancellations; and
- A decrease in tenant billings of \$25.2 million, which was driven by:
  - A decrease of \$62.4 million resulting from churn in excess of contractual escalations, including \$63.3 million of carrier consolidation-driven churn in India;
  - Partially offset by:
    - \$18.6 million generated from newly acquired or constructed sites, including \$15.2 million from the transaction with Idea Cellular Limited (the “Idea Acquisition”);
    - \$18.1 million due to colocations and amendments; and
    - \$0.5 million from other tenant billings.

Segment revenue growth includes a decrease of \$12.8 million attributable to the negative impact of foreign currency translation related to fluctuations in Indian Rupee (“INR”).

EMEA property segment revenue growth of \$8.3 million was attributable to:

- Tenant billings growth of \$15.8 million, which was driven by:

- \$6.6 million generated from newly acquired or constructed sites, primarily due to the acquisition of communications sites in Kenya in the fourth quarter of 2018 (the “Kenya Acquisition”);
- \$4.5 million due to colocations and amendments;
- \$3.0 million from contractual escalations, net of churn; and
- \$1.7 million from other tenant billings;
- An increase in pass-through revenue of \$3.7 million; and
- An increase of \$0.6 million in other revenue.

Segment revenue growth includes a decrease of \$11.8 million attributable to the negative impact of foreign currency translation, which included, among others, \$5.2 million related to fluctuations in Ghanaian Cedi (“GHS”), \$4.5 million related to fluctuations in South African Rand (“ZAR”) and \$2.1 million related to fluctuations in the Euro.

Latin America property segment revenue growth of \$27.8 million was attributable to:

- Tenant billings growth of \$19.2 million, which was driven by:
  - \$10.2 million due to colocations and amendments;
  - \$4.3 million from contractual escalations, net of churn;
  - \$3.4 million generated from newly acquired or constructed sites; and
  - \$1.3 million from other tenant billings;
- An increase of \$21.6 million in other revenue, primarily due to an \$11.6 million tenant settlement payment in Mexico and \$8.7 million from our fiber business in Brazil acquired in the fourth quarter of 2018; and
- Pass-through revenue growth of \$5.1 million.

Segment revenue growth includes a decrease of \$18.1 million attributable to the negative impact of foreign currency translation, which included, among others, \$14.9 million related to fluctuations in Brazilian Real (“BRL”), \$3.7 million related to fluctuations in Colombian Peso (“COP”), \$1.1 million related to fluctuations in Chilean Peso (“CLP”), partially offset by an increase of \$2.0 million related to fluctuations in Mexican Peso (“MXN”).

The increase in services segment revenue of \$9.2 million was primarily attributable to an increase in site acquisition, zoning and permitting services.

*Six Months Ended June 30, 2019*

U.S. property segment revenue growth of \$105.1 million was attributable to:

- Tenant billings growth of \$144.1 million, which was driven by:
  - \$109.0 million due to colocations and amendments;
  - \$33.1 million from contractual escalations, net of churn; and
  - \$4.2 million generated from newly acquired or constructed sites;
  - Partially offset by a decrease of \$2.2 million from other tenant billings; and
- A decrease of \$39.0 million in other revenue, which includes a \$37.4 million decrease due to straight-line accounting.

Asia property segment revenue growth of \$29.1 million was attributable to:

- Pass-through revenue growth of \$55.5 million;
- An increase of \$41.5 million in other revenue, primarily due to tenant settlement payments attributable to prior tenant cancellations, and a decrease in revenue reserves; and
- A decrease in tenant billings of \$26.7 million, which was driven by:
  - A decrease of \$128.2 million resulting from churn in excess of contractual escalations, including \$130.6 million of carrier consolidation-driven churn in India;
  - Partially offset by:

- \$65.7 million generated from newly acquired or constructed sites, including \$59.6 million from the transaction with Vodafone India Limited and Vodafone Mobile Services Limited (the “Vodafone Acquisition”) and the Idea Acquisition;
- \$34.7 million due to colocations and amendments; and
- \$1.1 million from other tenant billings.

Segment revenue growth includes a decrease of \$41.2 million attributable to the negative impact of foreign currency translation related to fluctuations in INR.

EMEA property segment revenue growth of \$11.6 million was attributable to:

- Tenant billings growth of \$31.2 million, which was driven by:
  - \$13.4 million generated from newly acquired or constructed sites, primarily due to the Kenya Acquisition;
  - \$9.2 million due to colocations and amendments;
  - \$5.7 million from contractual escalations, net of churn; and
  - \$2.9 million from other tenant billings;
- Pass-through revenue growth of \$5.7 million; and
- A decrease of \$0.1 million in other revenue.

Segment revenue growth includes a decrease of \$25.2 million attributable to the negative impact of foreign currency translation, which included, among others, \$10.2 million related to fluctuations in GHS, \$9.9 million related to fluctuations in ZAR and \$4.8 million related to fluctuations in the Euro.

Latin America property segment revenue growth of \$29.3 million was attributable to:

- Tenant billings growth of \$40.5 million, which was driven by:
  - \$20.9 million due to colocations and amendments;
  - \$9.0 million from contractual escalations, net of churn;
  - \$7.4 million generated from newly acquired or constructed sites; and
  - \$3.2 million from other tenant billings;
- An increase of \$29.3 million in other revenue, primarily due to \$17.9 million from our fiber business in Brazil acquired in the fourth quarter of 2018 and an \$11.6 million tenant settlement payment in Mexico, partially offset by revenue reserves; and
- Pass-through revenue growth of \$10.3 million.

Segment revenue growth includes a decrease of \$50.8 million attributable to the negative impact of foreign currency translation, which included, among others, \$40.5 million related to fluctuations in BRL, \$6.3 million related to fluctuations in COP, \$2.3 million related to fluctuations in CLP and \$1.0 million related to fluctuations in MXN.

The increase in services segment revenue of \$5.2 million was primarily attributable to an increase in site acquisition, zoning and permitting services.

## Gross Margin

	Three Months Ended June 30,		Percent Increase (Decrease)	Six Months Ended June 30,		Percent Increase (Decrease)
	2019	2018		2019	2018	
<b>Property</b>						
U.S.	\$ 810.6	\$ 758.2	7%	\$ 1,605.6	\$ 1,503.3	7%
Asia	132.8	127.8	4	243.7	242.9	0
EMEA	114.4	108.2	6	232.2	223.3	4
Latin America	242.1	205.1	18	472.0	436.2	8
Total property	1,299.9	1,199.3	8	2,553.5	2,405.7	6
<b>Services</b>	27.0	18.6	45%	44.3	37.8	17%

### Three Months Ended June 30, 2019

- The increase in U.S. property segment gross margin was primarily attributable to the increase in revenue described above and a decrease in direct expenses of \$2.2 million.
- The increase in Asia property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of \$7.5 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of \$15.7 million as a result of the Idea Acquisition.
- The increase in EMEA property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of \$3.9 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of \$6.0 million, primarily due to the Kenya Acquisition.
- The increase in Latin America property segment gross margin was primarily attributable to the increase in revenue described above, a benefit of \$6.7 million attributable to the impact of foreign currency translation on direct expenses and a reduction of \$3.4 million in interest expense related to TV Azteca, S.A. de C.V. ("TV Azteca"), partially offset by an increase in direct expenses of \$0.9 million, primarily due to our fiber business in Brazil.
- The increase in services segment gross margin was primarily due to the increase in revenue described above, partially offset by an increase in direct expenses of \$0.8 million.

### Six Months Ended June 30, 2019

- The increase in U.S. property segment gross margin was primarily attributable to the increase in revenue described above, partially offset by an increase in direct expenses of \$2.8 million.
- The increase in Asia property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of \$25.0 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of \$53.3 million as a result of the Vodafone Acquisition and the Idea Acquisition.
- The increase in EMEA property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of \$8.3 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of \$11.0 million, primarily due to the Kenya Acquisition.

- The increase in Latin America property segment gross margin was primarily attributable to the increase in revenue described above, a benefit of \$17.7 million attributable to the impact of foreign currency translation on direct expenses and a reduction of \$0.7 million in interest expense related to TV Azteca, partially offset by an increase in direct expenses of \$11.9 million, primarily due to our fiber business in Brazil.
- The increase in services segment gross margin was primarily due to the increase in revenue described above and a decrease in direct expenses of \$1.3 million.

*Selling, General, Administrative and Development Expense (“SG&A”)*

	Three Months Ended June 30,		Percent Increase (Decrease)	Six Months Ended June 30,		Percent Increase (Decrease)
	2019	2018		2019	2018	
Property						
U.S.	\$ 42.2	\$ 43.8	(4)%	\$ 83.9	\$ 79.2	6 %
Asia	17.7	15.1	17	44.3	59.3	(25)
EMEA	20.0	17.6	14	38.4	34.4	12
Latin America	23.8	19.1	25	51.5	43.7	18
Total property	103.7	95.6	8	218.1	216.6	1
Services	2.0	2.9	(31)	5.4	6.4	(16)
Other	59.1	59.4	(1)	139.4	139.8	(0)
Total selling, general, administrative and development expense	\$ 164.8	\$ 157.9	4 %	\$ 362.9	\$ 362.8	0 %

*Three Months Ended June 30, 2019*

- The increases in each of our Asia, EMEA and Latin America property segment SG&A were primarily driven by increased personnel costs to support our business, including our acquisitions of urban telecommunications assets in our Latin America property segment and the Kenya Acquisition. The increase in our Asia property segment SG&A was also driven by an increase in bad debt expense of \$2.3 million.
- The decrease in our U.S. property segment SG&A was primarily driven by a decrease in canceled construction costs of \$5.0 million, partially offset by increased personnel costs to support our business.

*Six Months Ended June 30, 2019*

- The increases in each of our U.S., EMEA and Latin America property segment SG&A were primarily driven by increased personnel costs to support our business, including our acquisitions of urban telecommunications assets in our Latin America property segment and the Kenya Acquisition.
- The decrease in our Asia property segment SG&A was primarily driven by a decrease in bad debt expense of \$14.7 million.

## Operating Profit

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Percent Increase (Decrease)	2019	2018	Percent Increase (Decrease)
<b>Property</b>						
U.S.	\$ 768.4	\$ 714.4	8%	\$ 1,521.7	\$ 1,424.1	7%
Asia	115.1	112.7	2	199.4	183.6	9
EMEA	94.4	90.6	4	193.8	188.9	3
Latin America	218.3	186.0	17	420.5	392.5	7
Total property	1,196.2	1,103.7	8	2,335.4	2,189.1	7
<b>Services</b>	25.0	15.7	59%	38.9	31.4	24%

The increases in operating profit for the three and six months ended June 30, 2019 for our EMEA and Latin America property segments were primarily attributable to increases in our segment gross margin, partially offset by increases in our segment SG&A.

The increase in operating profit for the three months ended June 30, 2019 for our U.S. property segment was attributable to an increase in our segment gross margin and a decrease in our segment SG&A. The increase in operating profit for the six months ended June 30, 2019 for our U.S. property segment was primarily attributable to an increase in our segment gross margin, partially offset by an increase in our segment SG&A.

The increase in operating profit for the three months ended June 30, 2019 for our Asia property segment was primarily attributable to an increase in our segment gross margin, partially offset by an increase in our segment SG&A. The increase in operating profit for the six months ended June 30, 2019 for our Asia property segment was attributable to a decrease in our segment SG&A and an increase in our segment gross margin.

The increases in operating profit for the three and six months ended June 30, 2019 for our services segment were primarily attributable to increases in our segment gross margin and decreases in our segment SG&A.

## Depreciation, Amortization and Accretion

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Percent Increase (Decrease)	2019	2018	Percent Increase (Decrease)
Depreciation, amortization and accretion	\$ 448.9	\$ 449.7	(0)%	\$ 885.8	\$ 896.0	(1)%

The decreases in depreciation, amortization and accretion expense for the three and six months ended June 30, 2019 were primarily attributable to foreign currency exchange rate fluctuations.

## Other Operating Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Percent Increase (Decrease)	2019	2018	Percent Increase (Decrease)
Other operating expenses	\$ 28.7	\$ 67.0	(57)%	\$ 48.8	\$ 234.8	(79)%

The decreases in other operating expenses during the three and six months ended June 30, 2019 were primarily attributable to decreases in impairment charges of \$20.2 million and \$149.5 million, respectively, and decreases in losses on sales or disposals of assets of \$12.1 million and \$29.7 million, respectively. During the three and six months ended June 30, 2018, we recorded impairment charges of \$33.2 million and \$180.6 million, respectively, due primarily to one of our tenants in India, Aircel Ltd.'s, filing for bankruptcy protection in February 2018 and other carrier consolidation-driven churn in India.

*Total Other Expense*

	Three Months Ended June 30,		Percent Increase (Decrease)	Six Months Ended June 30,		Percent Increase (Decrease)
	2019	2018		2019	2018	
Total other expense	\$ 220.0	\$ 227.7	(3)%	\$ 393.3	\$ 381.4	3%

Total other expense consists primarily of interest expense and realized and unrealized foreign currency gains and losses. We record unrealized foreign currency gains or losses as a result of foreign currency exchange rate fluctuations primarily associated with our intercompany notes and similar unaffiliated balances denominated in a currency other than the subsidiaries' functional currencies.

The decrease in total other expense during the three months ended June 30, 2019 was primarily due a decrease in foreign currency losses of \$35.1 million. The decrease was offset by a loss on retirement of long-term obligations of \$22.1 million attributable to the repayment of the 5.050% senior unsecured notes due 2020 (the "5.050% Notes") during the period.

The increase in total other expense during the six months ended June 30, 2019 was due to a loss on retirement of long-term obligations of \$22.2 million primarily attributable to the repayment of the 5.050% Notes and an increase in net interest expense of \$14.2 million, primarily due to a \$9.7 million decrease in interest income. The increase was partially offset by foreign currency gains of \$14.8 million in the current period, compared to foreign currency losses of \$17.1 million in the prior-year period.

*Income Tax Provision (Benefit)*

	Three Months Ended June 30,		Percent Increase (Decrease)	Six Months Ended June 30,		Percent Increase (Decrease)
	2019	2018		2019	2018	
Income tax provision (benefit)	\$ 29.6	\$ 3.9	659%	\$ 63.6	\$ (27.2)	(334)%
Effective tax rate	6.4%	1.2%		7.0%	(4.8)%	

As a real estate investment trust for U.S. federal income tax purposes ("REIT"), we may deduct earnings distributed to stockholders against the income generated by our REIT operations. In addition, we are able to offset certain income by utilizing our net operating losses ("NOLs"), subject to specified limitations. Consequently, the effective tax rate on income from continuing operations for the three and six months ended June 30, 2019 and 2018 differs from the federal statutory rate.

The increase in the income tax provision during the three months ended June 30, 2019 was primarily attributable to an increase in foreign earnings subject to taxation in the current period, as well as the nonrecurrence of the tax effect of certain impairment charges during the three months ended June 30, 2018. The change in the income tax provision (benefit) for the six months ended June 30, 2019 was primarily attributable to an increase in foreign earnings subject to taxation in the current period, as well as the nonrecurrence of certain events during the six months ended June 30, 2018, including a one-time benefit for merger-related activity in our Asia property segment and the tax effect of certain impairment charges.



Net Income/Adjusted EBITDA and Net Income/Nareit FFO/Consolidated AFFO

	Three Months Ended June 30,		Percent Increase (Decrease)	Six Months Ended June 30,		Percent Increase (Decrease)
	2019	2018		2019	2018	
Net income	\$ 434.3	\$ 314.4	38 %	\$ 841.9	\$ 594.7	42 %
Income tax provision (benefit)	29.6	3.9	659	63.6	(27.2)	(334)
Other expense (income)	5.1	34.8	(85)	(16.8)	7.0	(340)
Loss on retirement of long-term obligations	22.1	—	100	22.2	—	100
Interest expense	204.5	207.9	(2)	412.0	407.5	1
Interest income	(11.7)	(18.4)	(36)	(24.1)	(33.8)	(29)
Other operating expenses	28.7	67.0	(57)	48.8	234.8	(79)
Depreciation, amortization and accretion	448.9	449.7	(0)	885.8	896.0	(1)
Stock-based compensation expense	21.9	24.8	(12)	64.4	67.5	(5)
Adjusted EBITDA	\$ 1,183.4	\$ 1,084.1	9 %	\$ 2,297.8	\$ 2,146.5	7 %

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Percent Increase (Decrease)	2019	2018	Percent Increase (Decrease)
Net income	\$ 434.3	\$ 314.4	38 %	\$ 841.9	\$ 594.7	42 %
Real estate related depreciation, amortization and accretion	400.7	400.1	0	789.2	797.4	(1)
Losses from sale or disposal of real estate and real estate related impairment charges (1)	24.4	56.7	(57)	43.5	223.0	(80)
Dividends on preferred stock	—	—	—	—	(9.4)	(100)
Adjustments for unconsolidated affiliates and noncontrolling interests	(30.8)	(60.2)	(49)	(76.4)	(147.1)	(48)
Nareit FFO attributable to American Tower Corporation common stockholders	\$ 828.6	\$ 711.0	17 %	\$ 1,598.2	\$ 1,458.6	10 %
Straight-line revenue	(5.7)	(27.5)	(79)	(11.0)	(45.3)	(76)
Straight-line expense	12.0	20.6	(42)	21.2	34.6	(39)
Stock-based compensation expense	21.9	24.8	(12)	64.4	67.5	(5)
Deferred portion of income tax (2)	(11.4)	(16.0)	(29)	(14.3)	(71.8)	(80)
Non-real estate related depreciation, amortization and accretion	48.2	49.6	(3)	96.6	98.6	(2)
Amortization of deferred financing costs, capitalized interest, debt discounts and premiums and long-term deferred interest charges	6.4	6.1	5	12.8	9.0	42
Payment of shareholder loan interest (3)	(14.2)	—	100	(14.2)	—	100
Other expense (income) (4)	5.1	34.8	(85)	(16.8)	7.0	(340)
Loss on retirement of long-term obligations	22.1	—	100	22.2	—	100
Other operating expense (5)	4.3	10.3	(58)	5.3	11.8	(55)
Capital improvement capital expenditures	(36.4)	(27.6)	32	(64.6)	(61.3)	5
Corporate capital expenditures	(2.1)	(2.3)	(9)	(5.5)	(4.7)	17
Adjustments for unconsolidated affiliates and noncontrolling interests	30.8	60.2	(49)	76.4	147.1	(48)
Consolidated AFFO	\$ 909.6	\$ 844.0	8 %	\$ 1,770.7	\$ 1,651.1	7 %
Adjustments for unconsolidated affiliates and noncontrolling interests (6)	(16.5)	(69.3)	(76)%	(59.8)	(117.1)	(49)%
AFFO attributable to American Tower Corporation common stockholders	\$ 893.1	\$ 774.7	15 %	\$ 1,710.9	\$ 1,534.0	12 %

(1) Included in these amounts are impairment charges of \$13.0 million, \$33.2 million, \$31.1 million and \$180.6 million, respectively.

(2) For the six months ended June 30, 2018, amount includes a tax benefit primarily attributable to the tax effect of an increase in impairment charges and a one-time benefit for merger-related activity in our Asia property segment.

(3) Relates to the payment of capitalized interest associated with the shareholder loan previously owed to our joint venture partner in Ghana (see note 8 to our consolidated and condensed consolidated financial statements included in this Quarterly Report on Form 10-Q). This long-term deferred interest was previously expensed but excluded from Consolidated AFFO.

(4) Includes losses (gains) on foreign currency exchange rate fluctuations of \$5.3 million, \$40.4 million, \$(14.8) million and \$17.1 million, respectively.

(5) Primarily includes acquisition-related costs and integration costs.

(6) Includes adjustments for the impact on both Nareit FFO attributable to American Tower Corporation common stockholders as well as the other line items included in the calculation of Consolidated AFFO.

The increases in net income for the three and six months ended June 30, 2019 were primarily due to increases in our operating profit, decreases in other operating expenses, primarily related to decreases in impairment charges of \$20.2 million and \$149.5 million, respectively, and changes in the income tax provision (benefit).

The increases in Adjusted EBITDA for the three and six months ended June 30, 2019 were primarily attributable to the increases in our gross margin partially offset by increases in SG&A, excluding the impact of stock-based compensation expense, of \$9.7 million and \$3.0 million, respectively.

The growth in Consolidated AFFO and AFFO attributable to American Tower Corporation common stockholders for the three months ended June 30, 2019 was primarily attributable to the increases in our operating profit, partially offset by the increase in the income tax provision net of deferred amounts. AFFO attributable to American Tower Corporation common stockholders was also benefited by lower adjustments for unconsolidated affiliates and noncontrolling interests.

The increase in Consolidated AFFO and AFFO attributable to American Tower Corporation common stockholders for the six months ended June 30, 2019 was primarily attributable to the increases in our operating profit and a decrease in dividends on preferred stock, partially offset by the changes in the income tax provision (benefit) net of deferred amounts. AFFO attributable to American Tower Corporation common stockholders was also benefited by lower adjustments for unconsolidated affiliates and noncontrolling interests.

## Liquidity and Capital Resources

The information in this section updates as of June 30, 2019 the “Liquidity and Capital Resources” section of the 2018 Form 10-K and should be read in conjunction with that report.

### Overview

As a holding company, our cash flows are derived primarily from the operations of, and distributions from, our operating subsidiaries or funds raised through borrowings under our credit facilities and debt or equity offerings.

The following table summarizes the significant components of our liquidity (in millions):

	As of June 30, 2019	
Available under the 2013 Credit Facility	\$	2,208.0
Available under the 2014 Credit Facility		2,100.0
Letters of credit		(10.0)
Total available under credit facilities, net	\$	4,298.0
Cash and cash equivalents		1,192.2
Total liquidity	\$	5,490.2

Subsequent to June 30, 2019, we borrowed an additional \$230.0 million under our multicurrency senior unsecured revolving credit facility entered into in June 2013, as amended (the “2013 Credit Facility”). The borrowings were used for general corporate purposes.

Summary cash flow information is set forth below (in millions):

	Six Months Ended June 30,	
	2019	2018
Net cash provided by (used for):		
Operating activities	\$ 1,821.7	\$ 1,731.8
Investing activities	(590.7)	(1,843.0)
Financing activities	(1,247.4)	188.4
Net effect of changes in foreign currency exchange rates on cash and cash equivalents	(2.5)	(62.0)
Net (decrease) increase in cash and cash equivalents	\$ (18.9)	\$ 15.2

We use our cash flows to fund our operations and investments in our business, including tower maintenance and improvements, communications site construction, managed network installations and tower and land acquisitions. Additionally, we use our cash flows to make distributions, including distributions of our REIT taxable income to maintain our qualification for taxation as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”). We may also repay or repurchase our existing indebtedness or equity from time to time. We typically fund our international expansion efforts primarily through a combination of cash on hand, intercompany debt and equity contributions. In April 2019, Tata Teleservices and Tata Sons Limited, two of our minority holders in India, delivered notice of exercise of their put options with respect to their remaining combined holdings in our Indian subsidiary, ATC Telecom Infrastructure Private Limited (“ATC TIPL”) (see note 12 to our consolidated and condensed consolidated financial statements included in this Quarterly Report on Form 10-Q). Accordingly, we expect to pay an amount equivalent to INR 24.8 billion (approximately \$359.4 million at the June 30, 2019 exchange rate) to redeem the put shares in the third quarter of 2019.

As of June 30, 2019, we had total outstanding principal indebtedness of \$21.2 billion, with a current portion of \$2.4 billion. During the six months ended June 30, 2019, we generated sufficient cash flow from operations, together with borrowings under our credit facilities, to fund our capital expenditures and debt service obligations, as well as our required distributions. We believe cash generated by operating activities during the year ending December 31, 2019, together with our borrowing capacity under our credit facilities, will be sufficient to fund our required distributions, capital expenditures, debt service obligations (interest and principal repayments) and signed acquisitions. As of June 30,

2019, we had \$1.1 billion of cash and cash equivalents held by our foreign subsidiaries, of which \$542.0 million was held by our joint ventures. While certain subsidiaries may pay us interest or principal on intercompany debt, it has not been our practice to repatriate earnings from our foreign subsidiaries primarily due to our ongoing expansion efforts and related capital needs. However, in the event that we do repatriate any funds, we may be required to accrue and pay certain taxes.

### **Cash Flows from Operating Activities**

The increase in cash provided by operating activities for the six months ended June 30, 2019 was attributable to an increase in the operating profit of our property segments, offset by an increase in cash used for working capital.

### **Cash Flows from Investing Activities**

Our significant investing activities during the six months ended June 30, 2019 are highlighted below:

- We spent \$134.5 million for acquisitions.
- We spent \$478.1 million for capital expenditures, as follows (in millions):

Discretionary capital projects (1)	\$	177.6
Ground lease purchases (2)		64.6
Capital improvements and corporate expenditures (3)		70.1
Redevelopment		126.0
Start-up capital projects		39.8
Total capital expenditures (4)	\$	478.1

(1) Includes the construction of 1,834 communications sites globally.

(2) Includes \$15.0 million of perpetual land easement payments reported in Deferred financing costs and other financing activities in the cash flows from financing activities in our condensed consolidated statements of cash flows.

(3) Includes \$4.5 million of finance lease payments reported in Repayments of notes payable, credit facilities, senior notes, secured debt, term loan, finance leases and capital leases in the cash flows from financing activities in our condensed consolidated statements of cash flows.

(4) Net of purchase credits of \$5.7 million on certain assets, which are recorded in investing activities in our condensed consolidated statements of cash flows.

We plan to continue to allocate our available capital, after satisfying our distribution requirements, among investment alternatives that meet our return on investment criteria, while maintaining our commitment to our long-term financial policies. Accordingly, we expect to continue to deploy capital through our annual capital expenditure program, including land purchases and new site construction, and through acquisitions. We also regularly review our tower portfolios as to capital expenditures required to upgrade our towers to our structural standards or address capacity, structural or permitting issues. We expect that our 2019 total capital expenditures will be between \$1 billion and \$1.1 billion, as follows (in millions):

Discretionary capital projects (1)	\$	350	to	\$	380
Ground lease purchases		150	to		160
Capital improvements and corporate expenditures		160	to		180
Redevelopment		270	to		290
Start-up capital projects		70	to		90
Total capital expenditures	\$	1,000	to	\$	1,100

(1) Includes the construction of approximately 3,000 to 4,000 communications sites globally.

## Cash Flows from Financing Activities

Our significant financing activities were as follows (in millions):

	Six Months Ended June 30,	
	2019	2018
Proceeds from issuance of senior notes, net	\$ 3,529.7	\$ 584.9
Repayments of credit facilities, net	(1,233.0)	(965.9)
Proceeds from term loan	1,300.0	1,500.0
Repayments of term loan	(1,500.0)	—
Proceeds from issuance of securities in securitization transaction	—	500.0
Repayments of securitized debt	—	(500.0)
Repayments of senior notes	(1,700.0)	—
Distributions to noncontrolling interest holders, net	(14.0)	(13.9)
Purchase of redeemable noncontrolling interest (1)	(425.7)	—
Distributions paid on common and preferred stock	(775.1)	(654.5)
Purchases of common stock	—	(98.6)

(1) In the fourth quarter of 2018, two of our minority holders in India delivered notice of exercise of their put options with respect to certain shares in our Indian subsidiary, ATC TIPL (see note 12 to our consolidated and condensed consolidated financial statements included in this Quarterly Report on Form 10-Q). During the six months ended June 30, 2019, we completed the redemption of the put shares for total consideration of INR 29.4 billion (\$425.7 million at the date of redemption).

### Senior Notes

#### Repayments of Senior Notes

**Repayment of 3.40% Senior Notes**—On the February 15, 2019 maturity date, we repaid \$1.0 billion aggregate principal amount of 3.40% senior unsecured notes due 2019 (the “3.40% Notes”). The 3.40% Notes were repaid with borrowings from the 2013 Credit Facility and our senior unsecured revolving credit facility entered into in January 2012 and amended and restated in September 2014, as further amended (the “2014 Credit Facility”). Upon completion of the repayment, none of the 3.40% Notes remained outstanding.

**Repayment of 5.050% Senior Notes**—On April 22, 2019, we redeemed all of the \$700.0 million aggregate principal amount of the 5.050% Notes at a price equal to 103.0050% of the principal amount, plus accrued and unpaid interest up to, but excluding April 22, 2019, for an aggregate redemption price of \$726.0 million, including \$5.0 million in accrued and unpaid interest. We recorded a loss on retirement of long-term obligations of \$22.1 million, which includes prepayment consideration of \$21.0 million and the associated unamortized discount and deferred financing costs. The redemption was funded with borrowings from the 2014 Credit Facility and cash on hand. Upon completion of the repayment, none of the 5.050% Notes remained outstanding.

#### Offerings of Senior Notes

**3.375% Senior Notes and 3.950% Senior Notes Offering**—On March 15, 2019, we completed a registered public offering of \$650.0 million aggregate principal amount of 3.375% senior unsecured notes due 2024 (the “3.375% Notes”) and \$600.0 million aggregate principal amount of 3.950% senior unsecured notes due 2029 (the “3.950% Notes”). The net proceeds from this offering were approximately \$1,231.0 million, after deducting commissions and estimated expenses. We used the net proceeds to repay existing indebtedness under the 2013 Credit Facility and the 2014 Credit Facility.

The 3.375% Notes will mature on May 15, 2024 and bear interest at a rate of 3.375% per annum. The 3.950% Notes will mature on March 15, 2029 and bear interest at a rate of 3.950% per annum. Accrued and unpaid interest on the 3.375% Notes will be payable in U.S. Dollars semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2019. Accrued and unpaid interest on the 3.950% Notes will be payable in U.S. Dollars semi-annually in

arrears on March 15 and September 15 of each year, beginning on September 15, 2019. Interest on the 3.375% Notes and the 3.950% Notes will accrue from March 15, 2019 and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

*2.950% Senior Notes and 3.800% Senior Notes Offering*—On June 13, 2019, we completed a registered public offering of \$650.0 million aggregate principal amount of 2.950% senior unsecured notes due 2025 (the “2.950% Notes”) and \$1.65 billion aggregate principal amount of 3.800% senior unsecured notes due 2029 (the “3.800% Notes” and, collectively with the 3.375% Notes, the 3.950% Notes and the 2.950% Notes, the “Notes”). The net proceeds from this offering were approximately \$2,269.0 million, after deducting commissions and estimated expenses. We used the net proceeds to repay existing indebtedness under the 2013 Credit Facility and the 2014 Credit Facility.

The 2.950% Notes will mature on January 15, 2025 and bear interest at a rate of 2.950% per annum. The 3.800% Notes will mature on August 15, 2029 and bear interest at a rate of 3.800% per annum. Accrued and unpaid interest on the 2.950% Notes will be payable in U.S. Dollars semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2020. Accrued and unpaid interest on the 3.800% Notes will be payable in U.S. Dollars semi-annually in arrears on February 15 and August 15 of each year, beginning on February 15, 2020. Interest on the 2.950% Notes and the 3.800% Notes will accrue from June 13, 2019 and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

We may redeem the Notes at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus a make-whole premium, together with accrued interest to the redemption date. If we redeem the 3.375% Notes on or after April 15, 2024, the 2.950% Notes on or after December 15, 2024, the 3.950% Notes on or after December 15, 2028 or the 3.800% Notes on or after May 15, 2029, we will not be required to pay a make-whole premium. In addition, if we undergo a change of control and corresponding ratings decline, each as defined in the applicable supplemental indenture, we may be required to repurchase all of the Notes at a purchase price equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest (including additional interest, if any), up to but not including the repurchase date. The Notes rank equally with all of our other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries.

The supplemental indentures contain certain covenants that restrict our ability to merge, consolidate or sell assets and our (together with our subsidiaries’) ability to incur liens. These covenants are subject to a number of exceptions, including that we and our subsidiaries may incur certain liens on assets, mortgages or other liens securing indebtedness if the aggregate amount of indebtedness secured by such liens does not exceed 3.5x Adjusted EBITDA, as defined in the applicable supplemental indenture.

#### *Bank Facilities*

*2013 Credit Facility.* During the six months ended June 30, 2019, we borrowed an aggregate of \$995.0 million and repaid an aggregate of \$2.2 billion of revolving indebtedness under the 2013 Credit Facility. We used the borrowings to fund acquisitions, to purchase redeemable noncontrolling interests in ATC TIPL, to repay existing indebtedness and for general corporate purposes. We currently have \$3.8 million of undrawn letters of credit and maintain the ability to draw down and repay amounts under the 2013 Credit Facility in the ordinary course.

*2014 Credit Facility.* During the six months ended June 30, 2019, we borrowed an aggregate of \$1.6 billion and repaid an aggregate of \$1.6 billion of revolving indebtedness under the 2014 Credit Facility. We used the borrowings to repay existing indebtedness and for general corporate purposes. We currently have \$6.2 million of undrawn letters of credit and maintain the ability to draw down and repay amounts under the 2014 Credit Facility in the ordinary course.

*2019 Term Loan.* On February 14, 2019, we entered into a \$1.3 billion unsecured term loan (the “2019 Term Loan”), the net proceeds of which were used, together with cash on hand, to repay all outstanding indebtedness under our \$1.5 billion unsecured term loan entered into on March 29, 2018. Any outstanding principal and accrued but unpaid interest will be due and payable in full at maturity.

As of June 30, 2019, the key terms under the 2013 Credit Facility, 2014 Credit Facility, our \$1.0 billion unsecured term loan entered into in October 2013, as amended (the “2013 Term Loan”) and the 2019 Term Loan were as follows:

Bank Facility (1)	Outstanding Principal Balance (\$ in millions)	Maturity Date	LIBOR borrowing interest rate range (2)	Base rate borrowing interest rate range (2)	Current margin over LIBOR and the base rate, respectively
2013 Credit Facility	\$ 642.0	June 28, 2022 (3)	0.875% - 1.750%	0.000% - 0.750%	1.125% and 0.125%
2014 Credit Facility	\$ —	January 31, 2024 (3)	0.875% - 1.750%	0.000% - 0.750%	1.125% and 0.125%
2013 Term Loan	\$ 1,000.0	January 31, 2024	0.875% - 1.750%	0.000% - 0.750%	1.125% and 0.125%
2019 Term Loan	\$ 1,300.0	February 13, 2020	0.550% - 1.375%	0.000% - 0.375%	0.800% and 0.000%

(1) Currently borrowed at the London Interbank Offered Rate (“LIBOR”).

(2) Represents interest rate above LIBOR for LIBOR based borrowings and the interest rate above the defined base rate for base rate borrowings, in each case based on our debt ratings.

(3) Subject to two optional renewal periods.

We must pay a quarterly commitment fee on the undrawn portion of each of the 2013 Credit Facility and the 2014 Credit Facility. The commitment fee for the 2013 Credit Facility and the 2014 Credit Facility ranges from 0.100% to 0.350% per annum, based upon our debt ratings, and is currently 0.125%.

The 2013 Term Loan, the 2019 Term Loan, the 2013 Credit Facility and the 2014 Credit Facility do not require amortization of principal and may be paid prior to maturity in whole or in part at our option without penalty or premium. We have the option of choosing either a defined base rate or LIBOR as the applicable base rate for borrowings under these bank facilities.

The loan agreements for each of the 2013 Term Loan, the 2019 Term Loan, the 2013 Credit Facility and the 2014 Credit Facility contain certain reporting, information, financial and operating covenants and other restrictions (including limitations on additional debt, guaranties, sales of assets and liens) with which we must comply. Failure to comply with the financial and operating covenants of the loan agreements could not only prevent us from being able to borrow additional funds under the revolving credit facilities, but may constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable.

*Stock Repurchase Programs.* In March 2011, our Board of Directors approved a stock repurchase program, pursuant to which we are authorized to repurchase up to \$1.5 billion of our common stock (the “2011 Buyback”). In December 2017, our Board of Directors approved an additional stock repurchase program, pursuant to which we are authorized to repurchase up to \$2.0 billion of our common stock (the “2017 Buyback” and, together with the 2011 Buyback, the “Buyback Programs”).

During the six months ended June 30, 2019, we had no repurchases under either program.

We expect to continue managing the pacing of the remaining \$2.1 billion under the Buyback Programs in response to general market conditions and other relevant factors. We expect to fund further repurchases of our common stock through a combination of cash on hand, cash generated by operations and borrowings under our credit facilities. Purchases under the Buyback Programs are subject to us having available cash to fund repurchases.

*Sales of Equity Securities.* We receive proceeds from sales of our equity securities pursuant to our employee stock purchase plan (“ESPP”) and upon exercise of stock options granted under our equity incentive plans. For the six months ended June 30, 2019, we received an aggregate of \$56.6 million in proceeds upon exercises of stock options and sales pursuant to the ESPP.

*Distributions.* As a REIT, we must annually distribute to our stockholders an amount equal to at least 90% of our REIT taxable income (determined before the deduction for distributed earnings and excluding any net capital gain). Generally, we have distributed, and expect to continue to distribute, all or substantially all of our REIT taxable income after taking into consideration our utilization of NOLs. We have distributed an aggregate of approximately \$6.5 billion to our common stockholders, including the dividend paid in July 2019, primarily classified as ordinary income that may be treated as qualified REIT dividends under Section 199A of the Code for taxable years ending after 2017 and before 2026.



During the six months ended June 30, 2019, we paid \$1.74 per share, or \$768.3 million, to common stockholders of record. In addition, we declared a distribution of \$0.92 per share, or \$407.0 million, paid on July 12, 2019 to our common stockholders of record at the close of business on June 19, 2019.

The amount, timing and frequency of future distributions will be at the sole discretion of our Board of Directors and will depend on various factors, a number of which may be beyond our control, including our financial condition and operating cash flows, the amount required to maintain our qualification for taxation as a REIT and reduce any income and excise taxes that we otherwise would be required to pay, limitations on distributions in our existing and future debt and preferred equity instruments, our ability to utilize NOLs to offset our distribution requirements, limitations on our ability to fund distributions using cash generated through our taxable REIT subsidiaries and other factors that our Board of Directors may deem relevant.

We accrue distributions on unvested restricted stock units, which are payable upon vesting. As of June 30, 2019, the amount accrued for distributions payable related to unvested restricted stock units was \$10.5 million. During the six months ended June 30, 2019, we paid \$6.8 million of distributions upon the vesting of restricted stock units.

### Factors Affecting Sources of Liquidity

As discussed in the “Liquidity and Capital Resources” section of the 2018 Form 10-K, our liquidity depends on our ability to generate cash flow from operating activities, borrow funds under our credit facilities and maintain compliance with the contractual agreements governing our indebtedness. We believe that the debt agreements discussed below represent our material debt agreements that contain covenants, our compliance with which would be material to an investor’s understanding of our financial results and the impact of those results on our liquidity.

*Restrictions Under Loan Agreements Relating to Our Credit Facilities.* The loan agreements for the 2013 Credit Facility, the 2014 Credit Facility, the 2013 Term Loan and the 2019 Term Loan contain certain financial and operating covenants and other restrictions applicable to us and our subsidiaries that are not designated as unrestricted subsidiaries on a consolidated basis. These restrictions include limitations on additional debt, distributions and dividends, guaranties, sales of assets and liens. The loan agreements also contain covenants that establish financial tests with which we and our restricted subsidiaries must comply related to total leverage and senior secured leverage, as set forth in the table below. In the event that our debt ratings fall below investment grade, we must also maintain an interest coverage ratio of Adjusted EBITDA to Interest Expense (each as defined in the applicable loan agreement) of at least 2.50:1.00. As of June 30, 2019, we were in compliance with each of these covenants.

	Ratio (1)	Compliance Tests For The 12 Months Ended June 30, 2019 (\$ in billions)	
		Additional Debt Capacity Under Covenants (2)	Capacity for Adjusted EBITDA Decrease Under Covenants (3)
<b>Consolidated Total Leverage Ratio</b>	Total Debt to Adjusted EBITDA ≤ 6.00:1.00	~ \$8.1	~ \$1.3
<b>Consolidated Senior Secured Leverage Ratio</b>	Senior Secured Debt to Adjusted EBITDA ≤ 3.00:1.00	~ \$11.7 (4)	~ \$3.9

(1) Each component of the ratio as defined in the applicable loan agreement.

(2) Assumes no change to Adjusted EBITDA.

(3) Assumes no change to our debt levels.

(4) Effectively, however, additional Senior Secured Debt under this ratio would be limited to the capacity under the Consolidated Total Leverage Ratio.

The loan agreements for our credit facilities also contain reporting and information covenants that require us to provide financial and operating information to the lenders within certain time periods. If we are unable to provide the required information on a timely basis, we would be in breach of these covenants.

Failure to comply with the financial maintenance tests and certain other covenants of the loan agreements for our credit facilities could not only prevent us from being able to borrow additional funds under these credit facilities, but may constitute a default under these credit facilities, which could result in, among other things, the amounts outstanding,

including all accrued interest and unpaid fees, becoming immediately due and payable. If this were to occur, we may not have sufficient cash on hand to repay such indebtedness. The key factors affecting our ability to comply with the debt covenants described above are our financial performance relative to the financial maintenance tests defined in the loan agreements for these credit facilities and our ability to fund our debt service obligations. Based upon our current expectations, we believe our operating results during the next 12 months will be sufficient to comply with these covenants.

*Restrictions Under Agreements Relating to the 2015 Securitization and the Trust Securitizations.* The indenture and related supplemental indentures governing the American Tower Secured Revenue Notes, Series 2015-1, Class A (the “Series 2015-1 Notes”) and the American Tower Secured Revenue Notes, Series 2015-2, Class A (the “Series 2015-2 Notes,” and, together with the Series 2015-1 Notes, the “2015 Notes”) issued by GTP Acquisition Partners I, LLC (“GTP Acquisition Partners”) in a private securitization transaction in May 2015 (the “2015 Securitization”) and the loan agreement related to the securitization transactions completed in March 2013 (the “2013 Securitization”) and March 2018 (the “2018 Securitization” and, together with the 2013 Securitization, the “Trust Securitizations”) include certain financial ratios and operating covenants and other restrictions customary for transactions subject to rated securitizations. Among other things, GTP Acquisition Partners and American Tower Asset Sub, LLC and American Tower Asset Sub II, LLC (together, the “AMT Asset Subs”) are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets, subject to customary carve-outs for ordinary course trade payables and permitted encumbrances (as defined in the applicable agreement).

Under the agreements, amounts due will be paid from the cash flows generated by the assets securing the 2015 Notes or the assets securing the nonrecourse loan that secures the Secured Tower Revenue Securities, Series 2013-2A (the “Series 2013-2A Securities”), Secured Tower Revenue Securities, Series 2018-1, Subclass A (the “Series 2018-1A Securities”), and the Secured Tower Revenue Securities, Series 2018-1, Subclass R (the “Series 2018-1R Securities” and, together with the Series 2018-1A Securities, the “2018 Securities”) issued in the Trust Securitizations (the “Loan”), as applicable, which must be deposited into certain reserve accounts, and thereafter distributed, solely pursuant to the terms of the applicable agreement. On a monthly basis, after payment of all required amounts under the applicable agreement, subject to the conditions described in the table below, the excess cash flows generated from the operation of such assets are released to GTP Acquisition Partners or the AMT Asset Subs, as applicable, which can then be distributed to, and used by, us. As of June 30, 2019, \$80.0 million held in such reserve accounts was classified as restricted cash.

Certain information with respect to the 2015 Securitization and the Trust Securitizations is set forth below. The debt service coverage ratio (“DSCR”) is generally calculated as the ratio of the net cash flow (as defined in the applicable agreement) to the amount of interest, servicing fees and trustee fees required to be paid over the succeeding 12 months on the principal amount of the 2015 Notes or the Loan, as applicable, that will be outstanding on the payment date following such date of determination.

	Issuer or Borrower	Notes/Securities Issued	Conditions Limiting Distributions of Excess Cash		Excess Cash Distributed During the Six Months Ended June 30, 2019 (in millions)	DSCR as of June 30, 2019	Capacity for	Capacity for
			Cash Trap	DSCR			Decrease in Net Cash Flow Before Triggering Cash Trap DSCR (1)	Decrease in Net Cash Flow Before Triggering Minimum DSCR (1)
<b>2015 Securitization</b>	GTP Acquisition Partners	American Tower Secured Revenue Notes, Series 2015-1 and Series 2015-2	1.30x, Tested Quarterly (2)	(3)(4)	\$120.4	9.22x	\$211.5	\$215.5
<b>Trust Securitizations</b>	AMT Asset Subs	Secured Tower Revenue Securities, Series 2013-2A, Secured Tower Revenue Securities, Series 2018-1, Subclass A and Secured Tower Revenue Securities, Series 2018-1, Subclass R	1.30x, Tested Quarterly (2)	(3)(5)	\$268.1	11.35x	\$600.4	\$609.3

- (1) Based on the net cash flow of the applicable issuer or borrower as of June 30, 2019 and the expenses payable over the next 12 months on the 2015 Notes or the Loan, as applicable.
- (2) Once triggered, a Cash Trap DSCR condition continues to exist until the DSCR exceeds the Cash Trap DSCR for two consecutive calendar quarters. During a Cash Trap DSCR condition, all cash flow in excess of amounts required to make debt service payments, fund required reserves, pay management fees and budgeted operating expenses and make other payments required under the applicable transaction documents, referred to as excess cash flow, will be deposited into a reserve account (the "Cash Trap Reserve Account") instead of being released to the applicable issuer or borrower.
- (3) An amortization period commences if the DSCR is equal to or below 1.15x (the "Minimum DSCR") at the end of any calendar quarter and continues to exist until the DSCR exceeds the Minimum DSCR for two consecutive calendar quarters.
- (4) No amortization period is triggered if the outstanding principal amount of a series has not been repaid in full on the applicable anticipated repayment date. However, in such event, additional interest will accrue on the unpaid principal balance of the applicable series, and such series will begin to amortize on a monthly basis from excess cash flow.
- (5) An amortization period exists if the outstanding principal amount has not been paid in full on the applicable anticipated repayment date and continues to exist until such principal has been repaid in full.

A failure to meet the noted DSCR tests could prevent GTP Acquisition Partners or the AMT Asset Subs from distributing excess cash flow to us, which could affect our ability to fund our capital expenditures, including tower construction and acquisitions and meet REIT distribution requirements. During an "amortization period," all excess cash flow and any amounts then in the applicable Cash Trap Reserve Account would be applied to pay principal of the 2015 Notes or the Loan, as applicable, on each monthly payment date, and so would not be available for distribution to us. Further, additional interest will begin to accrue with respect to any series of the 2015 Notes or subclass of the Loan from and after the anticipated repayment date at a per annum rate determined in accordance with the applicable agreement. With respect to the 2015 Notes, upon the occurrence of, and during, an event of default, the applicable trustee may, in its discretion or at the direction of holders of more than 50% of the aggregate outstanding principal of any series of the 2015 Notes, declare such series of 2015 Notes immediately due and payable, in which case any excess cash flow would need to be used to pay holders of such notes. Furthermore, if GTP Acquisition Partners or the AMT Asset Subs were to default on a series of the 2015 Notes or the Loan, the applicable trustee may seek to foreclose upon or otherwise convert the ownership of all or any portion of the 3,544 communications sites that secure the 2015 Notes or the 5,116 broadcast and wireless communications towers and related assets that secure the Loan, respectively, in which case we could lose such sites and the revenue associated with those assets.

As discussed above, we use our available liquidity and seek new sources of liquidity to fund capital expenditures, future growth and expansion initiatives, satisfy our distribution requirements and repay or repurchase our debt. If we determine

that it is desirable or necessary to raise additional capital, we may be unable to do so, or such additional financing may be prohibitively expensive or restricted by the terms of our outstanding indebtedness. If we are unable to raise capital when our needs arise, we may not be able to fund capital expenditures, future growth and expansion initiatives, satisfy our REIT distribution requirements and debt service obligations, or refinance our existing indebtedness.

In addition, our liquidity depends on our ability to generate cash flow from operating activities. As set forth under the caption “Risk Factors” in Item 1A of the 2018 Form 10-K, we derive a substantial portion of our revenues from a small number of tenants and, consequently, a failure by a significant tenant to perform its contractual obligations to us could adversely affect our cash flow and liquidity.

For more information regarding the terms of our outstanding indebtedness, please see note 8 to our consolidated financial statements included in the 2018 Form 10-K.

### **Critical Accounting Policies and Estimates**

Management’s discussion and analysis of financial condition and results of operations are based upon our consolidated and condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as related disclosures of contingent assets and liabilities. We evaluate our policies and estimates on an ongoing basis, including those related to impairment of long-lived assets, asset retirement obligations, revenue recognition, rent expense, income taxes and accounting for business combinations and acquisitions of assets, which we discussed in the 2018 Form 10-K. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We have reviewed our policies and estimates to determine our critical accounting policies for the six months ended June 30, 2019. As described in our 2018 Form 10-K and below, effective January 1, 2019, we adopted the new lease accounting guidance. We have made no other material changes to the critical accounting policies described in the 2018 Form 10-K.

Effective January 1, 2019, we adopted the new lease standard using the modified retrospective method applied to lease arrangements that were in place on the transition date. The new lease accounting guidance required us to recognize a right-of-use lease asset and lease liability for operating and finance leases. The right-of-use asset is measured as the sum of the lease liability, prepaid or accrued lease payments, any initial direct costs incurred and any other applicable amounts.

The calculation of the lease liability requires us to make certain assumptions for each lease, including lease term and discount rate implicit in each lease, which could significantly impact the gross lease obligation, the duration and the present value of the lease liability. When calculating the lease term, we consider the renewal, cancellation and termination rights available to us and the lessor. We determine the discount rate by calculating the incremental borrowing rate on a collateralized basis at the commencement of a lease or upon a change in the lease term.

During the six months ended June 30, 2019, no potential goodwill impairment was identified as the fair value of each of our reporting units was in excess of its carrying amount. The fair value of our India reporting unit, which is based on the present value of forecasted future value cash flows (the income approach) exceeded the carrying value by approximately \$365.7 million, or 9%. Key assumptions include future revenue growth rates and operating margins, capital expenditures, terminal period growth rate and the weighted-average cost of capital, which were determined considering historical data and current assumptions related to the impacts of the carrier consolidation.

For this reporting unit, we performed a sensitivity analysis on our significant assumptions as of December 31, 2018 and determined that a (i) 6% reduction of projected revenues, (ii) 58 basis point increase in the weighted-average cost of capital or (iii) 28% reduction in terminal sales growth rate, individually, each of which we determined to be reasonable, would impact our conclusion that the fair value of the India reporting unit exceeds its carrying value. There have been no material adverse changes to these sensitivities during the six months ended June 30, 2019. Events that could negatively

affect our India reporting unit's financial results include increased customer attrition exceeding our forecast resulting from the ongoing carrier consolidation, carrier tenant bankruptcies and other factors set forth under the caption "Risk Factors" in Item 1A of the 2018 Form 10-K.

The carrying value of goodwill in the India reporting unit was \$1,056.7 million as of June 30, 2019, which represents 19.0% of our consolidated balance of \$5,557.8 million.

**Accounting Standards Update**

For a discussion of recent accounting standards updates, see note 1 to our consolidated and condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### ***Interest Rate Risk***

As of June 30, 2019, we have one interest rate swap agreement related to debt in Colombia. This swap has been designated as a cash flow hedge, has a notional amount of \$14.8 million, has an interest rate of 5.74% and expires in April 2021. We also have three interest rate swap agreements related to the 2.250% senior unsecured notes due 2022 (the “2.250% Notes”). These swaps have been designated as fair value hedges, have an aggregate notional amount of \$600.0 million, have an interest rate of one-month LIBOR plus applicable spreads and expire in January 2022. In addition, we have three interest rate swap agreements related to a portion of the 3.000% senior unsecured notes due 2023 (the “3.000% Notes”). These swaps have been designated as fair value hedges, have an aggregate notional amount of \$500.0 million and an interest rate of one-month LIBOR plus applicable spreads and expire in June 2023.

Changes in interest rates can cause interest charges to fluctuate on our variable rate debt. Variable rate debt as of June 30, 2019 consisted of \$642.0 million under the 2013 Credit Facility, \$1.3 billion under the 2019 Term Loan, \$1.0 billion under the 2013 Term Loan, \$600.0 million under the interest rate swap agreements related to the 2.250% Notes, \$500.0 million under the interest rate swap agreements related to the 3.000% Notes, \$31.0 million under the South African credit facility, \$14.8 million under the Colombian credit facility after giving effect to our interest rate swap agreement and \$21.1 million under the Brazil credit facility. A 10% increase in current interest rates would result in an additional \$7.2 million of interest expense for the six months ended June 30, 2019.

#### ***Foreign Currency Risk***

We are exposed to market risk from changes in foreign currency exchange rates primarily in connection with our foreign subsidiaries and joint ventures internationally. Any transaction denominated in a currency other than the U.S. Dollar is reported in U.S. Dollars at the applicable exchange rate. All assets and liabilities are translated into U.S. Dollars at exchange rates in effect at the end of the applicable fiscal reporting period and all revenues and expenses are translated at average rates for the period. The cumulative translation effect is included in equity as a component of Accumulated other comprehensive loss. We may enter into additional foreign currency financial instruments in anticipation of future transactions to minimize the impact of foreign currency exchange rate fluctuations. For the six months ended June 30, 2019, 44% of our revenues and 51% of our total operating expenses were denominated in foreign currencies.

As of June 30, 2019, we have incurred intercompany debt that is not considered to be permanently reinvested and similar unaffiliated balances that were denominated in a currency other than the functional currency of the subsidiary in which it is recorded. As this debt had not been designated as being a long-term investment in nature, any changes in the foreign currency exchange rates will result in unrealized gains or losses, which will be included in our determination of net income. An adverse change of 10% in the underlying exchange rates of our unsettled intercompany debt and similar unaffiliated balances would result in \$111.2 million of unrealized losses that would be included in Other expense in our consolidated statements of operations for the six months ended June 30, 2019.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Disclosure Controls and Procedures**

We have established disclosure controls and procedures designed to ensure that material information relating to us, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that these disclosure controls and procedures were effective as of June 30, 2019 and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods specified in the applicable rules and

forms, and that it is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

#### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

We periodically become involved in various claims and lawsuits that are incidental to our business. In the opinion of management, after consultation with counsel, there are no matters currently pending that would, in the event of an adverse outcome, have a material impact on our consolidated financial position, results of operations or liquidity.

### **ITEM 1A. RISK FACTORS**

There were no material changes to the risk factors discussed in Item 1A of the 2018 Form 10-K.



**ITEM 6. EXHIBITS**

<b>Exhibit No.</b>	<b>Description of Document</b>
3.1	<a href="#"><u>Restated Certificate of Incorporation of the Company as filed with the Secretary of State of the State of Delaware, effective as of December 31, 2011 (filed as exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 3, 2012, and incorporated herein by reference)</u></a>
3.2	<a href="#"><u>Certificate of Merger, effective as of December 31, 2011 (filed as exhibit 3.2 to the Company's Current Report on Form 8-K filed on January 3, 2012, and incorporated herein by reference)</u></a>
3.3	<a href="#"><u>Amended and Restated By-Laws of the Company, effective as of February 12, 2016 (filed as exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 16, 2016, and incorporated herein by reference)</u></a>
4.1	<a href="#"><u>Supplemental Indenture No. 1, dated as of June 13, 2019, by and between American Tower Corporation and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K on June 13, 2019, and incorporated herein by reference)</u></a>
10.1	<a href="#"><u>Share Purchase Agreement, dated as of May 30, 2019, by and among the certain sellers listed therein, ATC Heston B.V. and American Tower International, Inc.</u></a>
31.1	<a href="#"><u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
31.2	<a href="#"><u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
32	<a href="#"><u>Certifications filed pursuant to 18. U.S.C. Section 1350</u></a>
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition

**SIGNATURES**

**Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.**

AMERICAN TOWER CORPORATION

Date: July 31, 2019

By: \_\_\_\_\_ /s/ THOMAS A. BARTLETT  
**Thomas A. Bartlett**  
**Executive Vice President and Chief Financial Officer**  
**(Duly Authorized Officer and Principal Financial Officer)**

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**SHARE PURCHASE AGREEMENT**

**relating to the sale and purchase of the  
issued share capital of  
Eaton Towers Holdings Limited**

**Dated 30 May 2019**

**THE PERSONS LISTED IN SCHEDULE 1**

**and**

**ATC HESTON B.V.**

**and**

**AMERICAN TOWER INTERNATIONAL, INC.**

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**THIS AGREEMENT** is made on 30 May 2019

**BETWEEN**

**THE PERSONS** whose names and addresses are set out in Schedule 1 (collectively the “Sellers” and severally a “Seller”);

**ATC HESTON B.V.**, a private company with limited liability, with corporate seat in Amsterdam, the Netherlands, and address at De Ruijterkade 6, Het Ruyterhuis, (1013 AA) Amsterdam, the Netherlands, and registered in the Dutch Trade Register of the Chamber of Commerce under number 74728369 (the “Purchaser”); and

**AMERICAN TOWER INTERNATIONAL, INC.**, a company incorporated in the State of Delaware, United States of America, whose registered office is at 1209 Orange Street, Wilmington, County of New Castle (the “Guarantor”),

(each a “Party” and together the “Parties”).

**BACKGROUND**

- (A) Eaton Towers Holdings Limited (the “Company”) is a limited company registered in Jersey under number 108727. Further particulars of the Company are set out in Part A of Schedule 2.
- (B) The Sellers are, at the date of this Agreement and as of immediately prior to Completion, entitled to sell (or procure the sale of) the entire issued share capital of the Company.
- (C) The Sellers wish to sell (or procure the sale of) and the Purchaser wishes to purchase all of the Shares on and subject to the terms and conditions of this Agreement.
- (D) The Guarantor has entered into this Agreement solely for the purpose of guaranteeing certain obligations of the Purchaser under this Agreement, on the terms and subject to the conditions set forth herein.

**THE PARTIES AGREE** as follows:

**1. Interpretation**

1.1 In this Agreement:

“Acquired Site” means any operational site containing passive infrastructure for telecommunication services that is acquired, or its management or operation is taken over, by a Group Company after 31 December 2018 and on or prior to the Completion Date;

“ <u>Affiliate</u> ”	means in relation to a person, each and any subsidiary or holding company of that person and each and any subsidiary of a holding company of that person, provided that in relation to the Sellers, such term shall not include (i) any Group Company, (ii) the portfolio companies of any Seller or any of their respective Affiliates, or any subsidiaries of such portfolio companies, and (iii) any person who controls or is under common control with a Seller that is an investment fund or that holds Shares on behalf of such a fund;
“ <u>Affiliate Agreement</u> ”	means (i) the shareholders’ agreement relating to the Company dated 31 March 2015 between, among others, the Company and the Sellers and any amendments thereto, (ii) the subscription and investment agreement relating to the Company dated 31 March 2015 between, among others, the Company and the Sellers, (iii) the subscription and investment agreement entered into on 7 February 2013 and as amended and restated on 30 October 2013 between, amongst others, the Company, CIPEF ETW (Jersey) Limited and the Managers (as defined therein), and (iv) any agreement between a Group Company and any participant in any MIP, other than agreements relating to employment relationships and the payment of compensation and benefits in the ordinary course;
“ <u>Agreed Rate</u> ”	means 3 percent above US\$ LIBOR from time to time;
“ <u>Airtel Tower Transaction</u> ”	means the purchase by one or several Group Companies of approximately 112 towers from Airtel in the Relevant Jurisdictions in a single transaction or series of related transactions;
“ <u>Analyst Presentation</u> ”	means the analyst presentation dated 15 January 2018 in folder 15.2 of the Data Room;
“ <u>Anchor Tenant</u> ”	means a Tier 1 Customer or a Tier 2 Customer that has ordered the construction of a BTS Site by a Group Company under a BTS Agreement;
“ <u>Annualized New Run Rate Revenue</u> ”	means the sum of (without duplication): <ul style="list-style-type: none"> <li>(a) the annualized revenues for each Eligible Tier 1 Colocation and each Eligible Tier 2 Colocation, which shall be calculated as the product of (1) the monthly recurring revenue from each such Eligible Tier 1 Colocation and each such Eligible Tier 2 Colocation based on the contractual rates, fees and other charges in effect on the Determination Date, multiplied by (2) 12;</li> </ul>

- (b) the annualized revenues for Incremental Loadings, which shall be calculated, for each Incremental Loading, as the product of (1) the monthly recurring revenue for the Incremental Loading at the relevant site based on the contractual rates, fees and other charges in effect on the Determination Date multiplied by (2) 12; and
- (c) the annualized revenues from each Anchor Tenant on each Eligible BTS Site and the annualized monthly contractual rates, fees and other charges that will become payable by each Anchor Tenant on each WIP Site and RFI Site upon the expiration of the applicable period during which such rates, fees or other charges are waived by the Group, which shall be calculated as the product of (1) in the case of Eligible BTS Sites, the monthly recurring revenue from each Anchor Tenant on such Eligible BTS Site and in the case of WIP Sites and RFI Sites, the monthly contracted revenue from each Anchor Tenant on the relevant WIP Site and RFI Site, in each case, based on the contractual rates, fees and other charges that will become payable upon the expiration of the applicable period during which such rates, fees or other charges are waived by the Group, multiplied by (2) 12.

For the purposes of this calculation, (A) monthly recurring revenue shall exclude (i) non-cash items (including any non-cash portion of revenue related to straight-line accounting of contractual escalations)), (ii) non-recurring revenue items (including back-billing), (iii) installation revenues, (iv) revenue from Acquired Sites (other than revenue from new Colocations thereon entered into after the acquisition of the applicable Acquired Site) and (v) revenue in respect of sites for which service orders have been received but have not yet become WIP Sites or RFI Sites, (B) monthly recurring revenue shall include (without duplication of any of the foregoing excluded items) (i) recurring pass-through energy revenues, and (ii) recurring rental payments that would have been received by a Group Company but for that Group Company having granted the Anchor Tenant up to a six-month rental payment reprieve during which time rental payments were not due, provided that such reprieve period commenced after 31 December 2018 and prior to the Determination Date, and (C) revenues from rewards or additional revenues upon achieving targets or other criteria shall be included (i) in respect of Eligible BTS Sites where targets or other criteria for achieving rewards or additional revenues have been achieved during the period from 1 January 2019 to the Determination

Date (inclusive), the annualized monthly average of the rewards or additional revenues for the period (which, for the avoidance of doubt, shall be from 1 January 2019 to the Determination Date) during which the targets or other criteria have been achieved, and (ii) in respect of RFI Sites and WIP Sites where no invoice has been issued due to their impending or recent completion but such sites are otherwise eligible to receive rewards or additional revenues based on achieving targets or other criteria, 75% of such annualized rewards or additional revenues for such RFI Sites and WIP Sites, determined based on the 2018 monthly average of such rewards or additional revenues received by the Group in the Relevant Jurisdiction.

For the purposes of this definition, “monthly recurring revenues” means revenues that are of the type that are expected to be recurring on a monthly or quarterly basis, and that are not generated solely in or specific to a particular month or months or quarter or quarters, as applicable;

“Annualized New Run Rate Revenue Threshold” means US\$19 million;

“applicable law” means any law (including common law or other binding law), statute, regulation, code, ordinance, rule, judgment, order, decree or directive or any determination by or requirement of a Governmental Authority or interpretation or administration of any of the foregoing by a Governmental Authority;

“Base Amount” has the meaning given in Clause 3.1;

“BTS Agreement” means any agreement between a Group Company, on the one hand, and an Anchor Tenant, on the other hand, related to the construction of one or more BTS Sites for such Anchor Tenant, including master or framework agreements for such construction and any Master Lease Agreement that covers such construction;

“BTS Site” means any site containing passive infrastructure for telecommunication services that is built to the specifications of, or to meet the demands of, an Anchor Tenant, and that is built using specifications that are materially consistent with the relevant Group Company’s previous building practices in the Relevant Jurisdiction, including in-building solutions;

“Budget” means the Group’s budget for the financial year ended 31 December 2019 in the agreed form;



<u>“Business Day”</u>	means any day (other than a Saturday, Sunday or a public holiday) on which banks are open in London, England, Amsterdam, The Netherlands and New York, United States of America for a full range of business;
<u>“Colocation”</u>	means any contract or other arrangement with a customer to install antennae or other transmission devices or equipment at a site owned or operated by a Group Company;
<u>“Communications Authority Condition”</u>	has the meaning given in Clause 6.1(b);
<u>“Companies Act”</u>	means the UK Companies Act 2006;
<u>“Company”</u>	has the meaning given in the recitals;
<u>“Competing Entity”</u>	has the meaning given in Clause 11.3(b);
<u>“Completion”</u>	means completion of the sale and purchase of the Shares under this Agreement;
<u>“Completion Date”</u>	has the meaning given in Clause 8.1;
<u>“Conditions”</u>	has the meaning given in Clause 6.1(b);
<u>“Consideration”</u>	has the meaning given in Clause 3.1;
<u>“Consolidated New Revenue Run Rate”</u>	means the Annualized New Run Rate Revenue adjusted as follows: <ul style="list-style-type: none"> <li>(a) RFI Sites included in the determination will be limited to an aggregate of 30 RFI Sites;</li> <li>(b) monthly recurring revenues shall exclude (i) the amount of any full or partial non-payment by Tier 1 Customers or Tier 2 Customers owed on the Determination Date (other than any non-payment that is no more than 90 days from the relevant due date), (ii) all contracted or recorded revenues from Lycamobile, (iii) all contracted or recorded revenues for (x) all WIP Sites and (y) any RFI Sites in excess of the 30 eligible RFI Sites referenced in clause (a) above, and (iv) any foreign exchange changes between 31 December 2018 and the Determination Date, and for purposes of the determination the foreign exchange rate shall be fixed as the closing LCY/US\$ spot rates of exchange of each applicable LCY (as applicable) as published by Bloomberg on 31 December 2018 and all applicable items will be converted into US\$ at such</li> </ul>

rate, as necessary;

- (c) monthly recurring revenues shall include revenues between 1 January 2019 and the Determination Date (inclusive) from contractual price or rate escalations in Group Companies' contracts with customers, but only with respect to contracts from which Group Companies recognised revenues as at the Locked Box Date (which revenues the Parties acknowledge are US\$245 million on a run-rate basis) and only to the extent of escalations actually implemented between 1 January 2019 and the Determination Date (inclusive), provided that (i) the impact of such escalations on the portion of prices or rates attributable to energy shall be excluded, and (ii) the base amount for the calculation of the escalator shall be in US\$ determined in accordance with sub-Clause (b)(iv) of this definition; and
- (d) monthly recurring revenues shall include (without duplication of any of the foregoing excluded items) actual and/or notified (in writing) impacts of (i) any churn and tenant discounts and/or most-favoured nation discounts with respect to contracts from which Group Companies recognised revenues as at the Locked Box Date (which revenues the Parties acknowledge are US\$245 million on a run-rate basis), and (ii) tenant discounts and/or most-favoured nation discounts with respect to (x) Eligible Tier 1 Colocations and Eligible Tier 2 Colocations, (y) Eligible BTS Sites, and (z) RFI Sites (subject to the limit on RFI Sites in sub-Clause (a) of this definition), in each case between 1 January 2019 and the Determination Date (inclusive).

For the purposes of this definition, "monthly recurring revenues" means revenues that are of the type that are expected to be recurring on a monthly or quarterly basis, and that are not generated solely in or specific to a particular month or months or quarter or quarters, as applicable;

"Consolidated New Revenue Run Rate Additional Threshold"

means USD 29 million;

"Consolidated New Revenue Run Rate Initial Threshold"

means USD 25 million;

“ <u>Conversion Rate</u> ”	means, for the purpose of calculating the US\$ equivalent of any revenue item incurred in LCY, the average daily closing LCY/US\$ spot rates of exchange of such LCY (as applicable) as published by Bloomberg during the period starting on the date of this Agreement and ending on the Determination Date;
“ <u>Customer Statements</u> ”	means the statements that may be made to customers of (a) the Purchaser and any Related Person, or (b) the Sellers, the Group Companies and any Related Person, in each case in relation to the transactions contemplated by this Agreement, each in the agreed form;
“ <u>Cut-Off Date</u> ”	has the meaning given in Clause 4.3;
“ <u>Data Room</u> ”	has the meaning given in the Warranty Deed;
“ <u>Determination Date</u> ”	means the earlier of (i) the Completion Date (if occurring on the last day of a calendar month, or if not occurring on the last day of a calendar month, then the last day of the calendar month preceding the Completion Date) and (ii) 31 October 2019;
“ <u>Disclosed</u> ”	means any fact, matter, event, circumstance or information which is disclosed with sufficient details to enable a reasonable buyer to identify the nature and scope of the matter disclosed in or under the Disclosure Letter, the Transaction Documents, the Data Room, the Analyst Presentation or the Prospectus;
“ <u>Disclosing Party</u> ”	has the meaning given in Clause 12.1(a);
“ <u>Disclosure Letter</u> ”	means the letter delivered by or on behalf of the Warrantors (as defined in the Warranty Deed) to the Purchaser, dated the date of this Agreement, with respect to certain matters disclosed in respect of the Warranty Deed and attached hereto as an Exhibit;
“ <u>Disputed Items</u> ”	has the meaning given in Clause 3.7;
“ <u>Draft Interim Amount Statement</u> ”	has the meaning given in Clause 3.6;
“ <u>Eaton Towers Egypt Condition</u> ”	has the meaning given in Clause 6.1(e);
“ <u>EBT Loan</u> ”	means the non-interest bearing loan extended by the Company to the Eaton Towers Holdings Limited Employee Benefit Trust, which is due in the principal amount of about USD 5.34 million on the date hereof;

“Eligible BTS Site”

means any BTS Site not in place or operational as at 31 December 2018 (i) for which all permits required for each Relevant Jurisdiction for the construction or operation of such BTS Site (as set out for each Relevant Jurisdiction in Schedule 6, together with such other permits not listed on such Schedule which are required by a change in applicable law that takes effect following the date hereof) have been obtained, (ii) for which a Group Company has executed a ground lease based on the Relevant Jurisdiction’s then-current market terms, (iii) for which construction has been completed such that a ready for installation notice has been issued to the applicable customer and accepted (or deemed accepted pursuant to the applicable customer agreement) by such customer (other than any installation of the relevant customer’s antennae or other transmission devices or equipment), and (iv) in respect of which a Group Company has, after 31 December 2018, received payment (or, in the event of a rental reprieve described below, recorded revenue), in each case from an Anchor Tenant in accordance with the terms and conditions of the underlying BTS Site agreement, provided that a Group Company may have granted the Anchor Tenant up to a six-month rental payment reprieve during which time rental payments are not due as long as such reprieve period commences after 31 December 2018 and prior to the Determination Date, and:

- (a) if such BTS Site is being ordered through an existing BTS Agreement or Master Lease Agreement, the rates for the use of such site by the applicable Anchor Tenant are no less than 95% of the rates then in effect for such Anchor Tenant in the Relevant Jurisdiction in which the BTS Site is located;
- (b) the terms for the use of such site by the Anchor Tenant comply with the following parameters:
  - (1) a minimum ten-year term, except if the termination of the use of such site by the Anchor Tenant, together with all other terminations of the use of sites owned by the Group by the customer in the Relevant Jurisdiction where the BTS Site is located, does not exceed 1% per annum of total Group-owned sites in use by Anchor Tenant in the Relevant Jurisdiction;
  - (2) if the rates are denominated in LCY, then the rate escalations (other than the portion of rates allocable to electricity, diesel or other energy sources) are no less than the increase in Consumer

Price Index in the Relevant Jurisdiction in which the BTS Site is located, except if the rate escalations are in fixed amounts, then the fixed amount is no less than 75% of the rolling 12 month average of the Consumer Price Index increases in the applicable Relevant Jurisdiction at the relevant time;

- (3) if the rates are denominated in US\$, then the rate escalations (other than the portion of rates allocable to electricity, diesel or other energy sources) are no less than 75% of the rolling 12-month average of the US Consumer Price Index increase at the relevant time;
  - (4) the portion of the fees allocable to electricity, diesel or other energy sources shall be based on prices therefor paid by the applicable Group Company from time to time; and
  - (5) the initial non-energy monthly rate shall be within a 5% range of the monthly non-energy rates currently being paid by other Tier 1 Customers or Tier 2 Customers in the Relevant Jurisdiction; or
- (c) the BTS Site is being ordered pursuant to an RFP initiated by the Anchor Tenant;

“Eligible Tier 1 Colocation”

means any Colocation with a Tier 1 Customer:

- (a) for which a Group Company has begun receiving (or, in the event of a rental reprieve described below, recording) revenue in respect of such Colocation from a Tier 1 Customer after 31 December 2018 (including on a Site owned or operated by a Group Company at 31 December 2018 or on an Acquired Site) in accordance with the terms and conditions of the underlying Colocation agreement, provided that a Group Company may have granted the Tier 1 Customer up to a three month rental payment reprieve (or, if any member of the Purchaser’s Group grants the applicable Tier 1 Customer a rental payment reprieve of more than three months in the Relevant Jurisdiction, then a payment reprieve of up to that same period extended by the member of the Purchaser’s Group to such customer in such Relevant Jurisdiction) during which time rental payments are not due so long as such reprieve period commences after 31 December 2018

and prior to the Determination Date;

- (b) for which the relevant Group Company has performed structural analysis prior to installing antennae or other transmission devices or equipment (or updating, reconfiguration or adjustment of previously-installed antennae or other transmission devices or equipment) and has performed all required strengthening work in connection with the proposed installation (or updating, reconfiguration or adjustment of a previous installation); and
- (c) either:
  - (1)
    - (A) if such Colocation is pursuant to an existing Master Lease Agreement, the rates for such Colocation payable by the applicable Tier 1 Customer are no less than 95% of the rates then in effect for such Tier 1 Customer in the Relevant Jurisdiction in which the Colocation is located; or
    - (B) if such Colocation is not pursuant to an existing Master Lease Agreement, the terms for such Colocation by the applicable Tier 1 Customer comply with the following parameters:
      - (I) a minimum ten-year term, except if the termination of the use of such Colocation by the customer, together with all other terminations of the use of sites owned by the Group by the customer in the Relevant Jurisdiction in which the Colocation is located, does not exceed 1% per annum of total Group-owned sites in use by such Tier 1 Customer in the Relevant Jurisdiction;
      - (II) if the rates are denominated in LCY, then the rate escalations (other than the portion of rates allocable to electricity, diesel or other energy sources) are no less than the increase in Consumer Price Index in the Relevant Jurisdiction in which the

Colocation is located, except if the rate escalations are in fixed amounts, then the fixed amount is no less than 75% of the rolling 12 month average of the Consumer Price Index increases in the applicable Relevant Jurisdiction;

- (III) if the rates are denominated in US\$, then the rate escalations (other than the portion of rates allocable to electricity, diesel or other energy sources) are no less than 75% of the rolling 12-month average of the US Consumer Price Index increase at the relevant time;
- (IV) the portion of the fees allocable to electricity, diesel or other energy sources shall be based on prices therefor paid by the applicable Group Company from time to time; and
- (V) the initial non-energy monthly rate shall be within a 5% range of the monthly non-energy rates currently being paid by other Tier 1 Customers in the Relevant Jurisdiction; or

- (2) the terms of which comply with the terms of an RFP initiated by the Tier 1 Customer;

“Eligible Tier 2 Colocation” means any Colocation with a Tier 2 Customer:

- (a) for which a Group Company has begun receiving (or, in the event of a rental reprieve described below, recording) revenue in respect of such Colocation from a Tier 2 Customer after 31 December 2018 (including on a Site owned or operated by a Group Company at 31 December 2018 or on an Acquired Site) in accordance with the terms and conditions of the underlying Colocation agreement, provided that a Group Company may have granted the Tier 2 Customer up to a three month rental payment reprieve (or, if any member of the Purchaser’s Group grants the applicable Tier 2 Customer a rental payment reprieve of more than three months in the Relevant Jurisdiction, then a payment reprieve of up to that same period extended by the member of the Purchaser’s Group to

such customer in such Relevant Jurisdiction) during which time rental payments are not due so long as such reprieve period commences after 31 December 2018 and prior to the Determination Date;

- (b) for which the relevant Group Company has performed structural analysis prior to installing antennae or other transmission devices or equipment (or updating, reconfiguration or adjustment of previously-installed antennae or other transmission devices or equipment) and has performed all required strengthening work in connection with the proposed installation (or updating, reconfiguration or adjustment of a previous installation); and
- (c) either:
  - (1)
    - (A) if such Colocation is pursuant to an existing Master Lease Agreement, the rates for such Colocation by the applicable Tier 2 Customer are no less than 95% of the rates then in effect for such Tier 2 Customer in the Relevant Jurisdiction in which the Colocation is located in accordance with such Master Lease Agreement; or
    - (B) if such Colocation is not pursuant to an existing Master Lease Agreement, such Colocation has a minimum five-year term, except if the termination of the use of such Colocation by the customer, together with all other terminations of the use of sites owned by the Group by the customer in the Relevant Jurisdiction in which the Colocation is located, does not exceed 1% per annum of total Group-owned sites in use by such Tier 2 Customer in the Relevant Jurisdiction; or
  - (2) the terms of which comply with the terms of an RFP initiated by the Tier 2 Customer;

“Employee”

means an individual who has entered into or works under a contract of employment with any Group Company and also includes any director or other officer of any Group Company whether or not he has entered into or works or worked under a contract of employment with any Group Company;



<u>“Encumbrance”</u>	means any claim, charge (fixed or floating), mortgage, security, pledge, lien, encumbrance, option, equity, power of sale, hypothecation, trust, right of set off or other third party right or interest (legal or equitable), including any reservation or retention of title, right of pre-emption, right of first refusal, easement, assignment by way of security or any other security interest of any kind, howsoever created or arising or any other agreement, arrangement or obligation (including a sale and repurchase agreement) to create any of the foregoing or having a similar effect;
<u>“Escrow Agent”</u>	means such internationally recognised bank or other financial institution designated jointly by the Sellers’ Representative and the Purchaser as escrow agent under the Escrow Agreement;
<u>“Escrow Agreement”</u>	means the escrow agreement to be entered into on or prior to the Completion Date among the Sellers’ Representative, the Purchaser and the Escrow Agent for the purposes of the Interim Amount Escrow Account and the Relevant Claim Escrow Account, with such terms and conditions as are customary for such an agreement and as are acceptable to the parties, each acting reasonably;
<u>“Escrow Interim Amount”</u>	has the meaning given in paragraph 1.3(a) of Schedule 3;
<u>“Estimated Interim Amount”</u>	has the meaning given in Clause 3.5(a);
<u>“Existing Facilities”</u>	means: <ul style="list-style-type: none"> <li>(a) the bank facility between Eaton Towers Kenya Limited and Standard Chartered Bank entered into on 22 September 2015 and amended and restated on 6 July 2018;</li> <li>(b) the bank facility between Eaton Towers Burkina Faso SA, BNP Paribas Fortis SA/NV and Societe Generale entered into on 22 October 2015 and amended on 24 May 2018;</li> <li>(c) the bank facility between Eaton Towers Niger SA, Société de Promotion et de Participation pour la Coopération Economique and Banque Atlantique Niger SA entered into on 4 August 2016 and amended on 11 April 2018; and</li> <li>(d) the bank facility between Eaton Towers Limited and Standard Bank of South Africa Limited entered into on</li> </ul>

25 April 2019;

<u>“Existing Indebtedness”</u>	means all outstanding and unpaid amounts of Indebtedness owing as at the Completion Date (in principal, interest and any other sums) due by the Group Companies pursuant to, or in connection with, the Existing Facilities (including (and without duplication), all breakage costs due in connection with the voluntary or mandatory prepayment of the Existing Facilities at or promptly following Completion) as determined in accordance with the terms of the Existing Facilities;
<u>“Extended Longstop Date”</u>	has the meaning given in Clause 6.10;
<u>“Final Interim Amount”</u>	has the meaning given in Clause 3.8;
<u>“Final Interim Amount Statement”</u>	has the meaning given in Clause 3.8;
<u>“Governmental Authority”</u>	means any supra-national, national, state, municipal or local government (including any sub-division, court, judicial, administrative agency, commission or other authority or body thereof), recognised investment exchange or private body exercising any regulatory, taxing, importing or quasi-governmental authority in any jurisdiction;
<u>“Group”</u>	means the Company and those of its Subsidiaries listed in Schedule 2 and <u>“Group Company”</u> means all or any one of them;
<u>“Guarantor”</u>	has the meaning given in the preamble;
<u>“Guarantor Warranty”</u>	has the meaning given in Clause 10.1;
<u>“ICC”</u>	has the meaning given in Clause 27.2;
<u>“IFRS”</u>	means the International Financial Reporting Standards; means:
<u>“Incremental Loading”</u>	(a) the additional loading capacity or ground space rented on, or additional energy loading charges applicable, following 31 December 2018 (or the updating, reconfiguration or adjustment of equipment installed prior to 31 December 2018) with respect to a Group Company tower which has resulted in additional loading capacity, ground space being rented or additional energy loading charges following 31 December 2018 and on or prior to the Determination Date to or by a Tier 1 Customer or a Tier 2 Customer;

and

- (b) without duplication of any amounts taken into account in the determination of the Annualized New Revenue Run Rate, the additional recurring revenues recognised on or after 1 January 2019 and on or prior to the Determination Date (inclusive) attributable to billing errors by a Group Company in respect of items that had not been properly invoiced by a Group Company prior to 31 December 2018 or in respect of items which a Group Company had undercharged the applicable customer as a result of a billing error;

“Indebtedness”

means, without duplication and determined on a consolidated basis (a) the outstanding borrowings of each member of the Group for the payment or repayment of money to the relevant counterparty in each case including any unpaid accrued interest thereon and including any costs, fees or penalties for the early redemption or repayment of such borrowings, in each case as at Completion, (b) any reimbursement or repayment obligations of each member of the Group evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of each member of the Group issued or assumed as the deferred purchase price of assets or securities, (d) the net obligations of members of the Group under interest rate, currency or commodity derivatives or hedging transactions or similar arrangements (valued at the termination value thereof), (e) all letters of credit or performance bonds issued for the account of each member of the Group, only to the extent drawn upon, (f) all guarantees and keepwell arrangements of each member of the Group of any Indebtedness of any other Person other than a member of the Group, (g) all financial or capital lease obligations of each member of the Group for real or personal property required under IFRS as of the Locked Box Date to be capitalised on the books and records of such person and (h) all shareholder loans, but excluding all intra-Group balances;

“Independent Accountant”

has the meaning given in Clause 3.9;

“Interest Amount”

means (a) an amount of interest calculated on the Base Amount if the Completion Date occurs after the Target Completion Date at an annual percentage rate of six percent (6%) for the period between the Target Completion Date (inclusive) and the Completion Date (exclusive); or (b) if the Purchaser exercises its right pursuant to the last sentence of Clause 8.1 to defer the Completion Date, the “Interest Amount” shall be an amount of interest calculated on the Base Amount at an annual rate of seventeen percent (17%) for the period between the date on which the last of the Conditions is

satisfied or waived in accordance with Clause 6.9 (inclusive) and the Completion Date (exclusive); in each case, such interest shall be determined *pro rata temporis* on the basis of a year of 365 days;

“Interim Amount”

means:

- (a) if the Consolidated New Revenue Run Rate is greater than the Consolidated New Revenue Run Rate Initial Threshold and lower than or equal to the Consolidated New Revenue Run Rate Additional Threshold, the product of (x) the amount in excess of the Consolidated New Revenue Run Rate Initial Threshold, multiplied by (y) 3;
- (b) if the Consolidated New Revenue Run Rate is greater than the Consolidated New Revenue Run Rate Additional Threshold, the sum of (i) the amount determined pursuant to clause (a) above, plus (ii) the product of (x) the amount by which the Consolidated New Revenue Run Rate is greater than the Consolidated New Revenue Run Rate Additional Threshold, multiplied by (y) 6 (such amount determined pursuant to clause (a) or (b) above, a “Positive Interim Amount”); or
- (c) if the Annualized New Run Rate Revenue (converted into US\$ at the Conversion Rate, as necessary) is lower than the Annualized New Run Rate Revenue Threshold, the product of (x) such amount lower than the Annualized New Run Rate Revenue Threshold, multiplied by (y) 6 (a “Negative Interim Amount”).

If all of the Conditions have been satisfied or waived in accordance with Clause 6 prior to 31 October 2019, and Completion takes place prior to 31 October 2019 or is deferred by the Purchaser to a date after 31 October 2019 in accordance with the last sentence of Clause 8.1, and the Interim Amount is a negative number (being a Negative Interim Amount), the Interim Amount shall be deemed to be equal to zero (US\$0).

For the avoidance of doubt, (i) in the event of a Positive Interim Amount, the Interim Amount shall be a positive number, (ii) in the event of a Negative Interim Amount, the Interim Amount shall be a negative number and (iii) in the event that there is no Positive Interim Amount or Negative Interim Amount, the Interim Amount shall be equal to zero (\$0) USD. Furthermore, in the event of a Negative Interim Amount the Sellers shall have the option to elect, by written

notice delivered by the Sellers' Representative on their behalf to the Purchaser at the time of the delivery of the Estimated Interim Amount, to have the calculation of any Positive Interim Amount provided in accordance with the terms of this Agreement, and if the Sellers do not make such election in connection with the delivery of the Estimated Interim Amount, then there will be no Positive Interim Amount determined hereunder.

"Interim Amount Escrow Account"

means the escrow account maintained by the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement for the purposes of administering payment of the Escrow Interim Amount, if any, as set out in Clause 3.12;

"LCY"

means, in each Relevant Jurisdiction, the legal currency in such jurisdiction, being the West African CFA Franc in Burkina Faso, the Ghanaian Cedi in Ghana, the Kenyan Shilling in Kenya, the West African CFA Franc in Niger, the Ugandan Shilling in Uganda and the Pound Sterling in the United Kingdom;

"Leakage"

means without duplication:

- (a) any dividend or distribution of profits or assets, any payments in lieu of any dividend or distribution, or any repurchase, redemption or return of share or loan capital in each case declared, paid or made by a Group Company (other than to another Group Company), whether actual or deemed;
- (b) any payments made (including gifts, bonuses, loan and interest repayments, management, monitoring, service or directors' fees, charges or other compensation or fees), or agreed to be made by a Group Company, to (or assets transferred or surrendered to or liabilities assumed, indemnified, guaranteed, secured or incurred for the benefit of or other benefits granted to) any Seller or Related Person of any Seller or any Other Shareholder or Related Person of any Other Shareholder, other than in connection with (i) their status as an Employee and (ii) to any lender or other providers of credit under the Existing Facilities;
- (c) any payments made or agreed to be made by a Group Company to any person other than a Group Company, in respect of any share capital or other equity securities of a Group Company being issued, redeemed, purchased or repaid, or any other return of capital;

- (d) the waiver, discount or release by a Group Company of any amount or obligation owed to it or that will in the future be owed to it by any Seller or Related Person of any Seller or any Other Shareholder or Related Person of any Other Shareholder;
- (e) the creation of any Encumbrance over the assets of any Group Company in favour of any Seller or any Other Shareholder or Related Person of any Seller or Other Shareholder;
- (f) the payment of any fees, expenses and other amounts payable to service providers, consultants or advisers, including lawyers and brokers, or any filing fees, in connection with the transactions contemplated by this Agreement or any other Transaction Document;
- (g) any bonus payment, termination payment or other emolument by a Group Company paid to any Employee in connection with the transactions contemplated by this Agreement or any other Transaction Document (including pursuant to the MIP Cash Plan) and any payment of overtime to any Employee (and payments to interim staff members or consultants employed or engaged in connection with the transactions contemplated by this Agreement) and reimbursement of Employees' cancelled vacation, to the extent incurred in connection with the transactions contemplated by this Agreement; and
- (h) any agreement or arrangement made or entered into by a Group Company with respect to any of the foregoing matters,

in each case together with any Tax or amounts in respect of Tax (excluding amounts in respect of VAT that are recoverable, but including amounts in respect of VAT that are irrecoverable or employer's social security contributions) arising in respect of any of the foregoing for which any Group Company is liable or liable to account, provided that Leakage shall not, in any event, include any Permitted Leakage;

“Listing Obligation”

means any obligation or requirement under applicable law of a Relevant Jurisdiction to admit to listing on the stock exchange of, or offer to the public in, a Relevant Jurisdiction, any shares or other equity securities;

“Local Agreements”

means the agreements relating to the share capital of each of Eaton Towers Ghana (M) Limited, Eaton Towers Uganda

Limited and Eaton Towers Niger S.A., respectively, each in the agreed form;

“Local Shareholder Requirement”

means any obligation or requirement under the applicable laws of a Relevant Jurisdiction requiring a Group Company to have more than a *nominal* amount (or such other terms as otherwise agreed in writing by the Parties) of its share capital be owned by any person other than the Purchaser or any of the Purchaser’s Affiliates;

“Locked Box Accounts”

means the audited consolidated financial statements of the Company for the year ended on the Locked Box Date, comprising the balance sheet, the profit and loss accounts, the statement of cash flows and the notes to the accounts;

“Locked Box Date”

means 31 December 2018;

“Longstop Date”

means 31 December 2019;

“Losses”

means any damages, fines, penalties, liabilities, claims, losses, actions, demands, costs and out-of-pocket expenses (including fees and expenses of attorneys), excluding any (a) punitive or (b) special loss, indirect or consequential loss or any direct or indirect loss of profit, loss of goodwill or possible business, except, in the case of this clause (b), to the extent such Losses are a reasonably foreseeable result of the event that gave rise thereto or the matter for which recovery is sought hereunder, regardless of the form of action through which such Losses are sought, and except in the case of the foregoing clauses (a) and (b), to the extent any such Losses are finally determined to be payable as part of a Third Party Claim for which the indemnitee is entitled to indemnification under this Agreement;

“Master Lease Agreement”

means a master lease agreement under which a member of the Group has agreed to make space available on a site(s) for use by the relevant customer for a designated period of time;

“Material Adverse Effect”

means any adverse fact, change, development, event or circumstance which is or is reasonably likely to become materially adverse to the business, financial condition, assets, liabilities or operations of the business of the Group, taken as a whole, or the ability of the Sellers to consummate the transactions contemplated by this Agreement; provided, however, that Material Adverse Effect shall not include the effect of any adverse fact, change, development, event or circumstance to the extent it results from or arises out of, alone or in combination:

- (a) general economic or political conditions (including results of elections) or securities, credit, financial or other capital markets conditions, or currencies, interest or exchange rates, in each case in Ghana, Kenya, Burkina Faso, Niger, Uganda or the United Kingdom;
- (b) changes or conditions generally affecting the industries, businesses, geographical areas or segments thereof in which the Group operates;
- (c) any change in applicable law after the date of this Agreement (or generally accepted interpretation, enforcement or application of applicable law);
- (d) any change in applicable IFRS after the date of this Agreement (or authoritative interpretation, enforcement or application of IFRS);
- (e) the negotiation, execution, announcement, pendency or performance of this Agreement or the transactions contemplated hereby, in each case arising as a result of the identity of the Purchaser;
- (f) anything expressly contemplated in this Agreement or any other Transaction Document, including anything that is or would be taken into account in any adjustment to the Consideration or anything for which the Purchaser gave its prior written consent;
- (g) any industrial action or strike or any acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any such industrial action, strike, acts of war, armed hostilities, sabotage or terrorism threatened or underway in any jurisdiction in which the Group operations as of the date of this Agreement;
- (h) earthquakes, hurricanes, floods, or other natural disasters; and
- (i) any failure, in and of itself, by the Company, any Group Company or the business of the Group to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period,

provided that in the case of sub-Clauses (a), (b), (c), (d), (g) and (h) only to the extent such effects do not, individually or in the aggregate, have a materially disproportionate adverse



impact on the Group, taken as a whole, relative to other similarly-situated companies in the industry in which the Group operates;

- “Merger Control Condition” has the meaning given in Clause 6.1(a);
- “MIPs” means the plans of the Company pursuant to which points have been awarded, and/or B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and/or Deferred Shares (each as referenced on Part A of Schedule 2 hereto) in the capital of the Company have been issued, to current and former employees of Group Companies (including, for the avoidance of doubt, the MIP Cash Plan pursuant to which points were awarded);
- “MIP Cash Plan” means any plan of the Company pursuant to which cash awards or payments will be made to current and former employees of Group Companies, including in connection with the transaction contemplated by this Agreement;
- “MTN” means Mobile Telephone Networks (Netherlands) B.V. a company incorporated in The Netherlands (registered no. 52017508), whose registered office is at Fred. Roeskestraat 123, 1076EE Amsterdam, The Netherlands;
- “MTN Agreements” means, together, (i) that certain Shareholders’ Deed, dated 8 December 2011, relating to Uganda Tower InterCo B.V. and ATC Uganda Limited, among MTN and the other parties thereto and (ii) that certain Shareholders’ Deed, dated 3 May 2011, relating to Ghana Tower InterCo B.V. and ATC Tower (Ghana) Limited, among MTN and the other parties thereto;
- “Notice of Disagreement” has the meaning given in Clause 3.7;
- “Notified Leakage” has the meaning given in Clause 3.5(b);
- “Other Shareholders” means each holder of Other Shares (including, for the avoidance of doubt, each participant in the MIPs);
- “Other Shares” means all of the issued shares in the capital of the Company other than the Sellers’ Shares, which comprise (a) 11,925,524 A Ordinary Shares and (b) the number of B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and Deferred Shares in each case in the capital of the Company, set out in paragraph 7 of Part A of Schedule 2, taken together;
- “Permitted Leakage” means (without duplication):
- (a) any payment in respect of any directors’ fees payable to the non-executive directors of any Group Company

up to an aggregate amount of US\$100,000 per annum;

- (b) the payment of an accrued and unpaid advisory fee to CIPEF ETW (Jersey) Limited for calendar year 2019 and, in the event of an Extended Longstop Date, calendar year 2020, up to \$250,000 per calendar quarter and subject to an aggregate amount of US\$1,000,000 per annum;
- (c) (i) any payments pursuant to the Existing Facilities and (ii) the write-off, cancellation, termination or other non-cash settlement of the EBT Loan;
- (d) any Leakage to the extent reimbursed to any Group Company by or on behalf of any Seller or Related Person of any Seller or Other Shareholder or Related Person of any Other Shareholder without any cost to any Group Company;
- (e) any disposition, dividend or distribution of shares and other securities of Eaton Towers Egypt Limited to the extent necessary or appropriate to satisfy the Eaton Towers Egypt Condition, but excluding the costs, expenses, penalties or Taxes incurred in connection therewith;
- (f) any payment made or matter undertaken at the written request or with the written consent of the Purchaser which payment or matter would have otherwise constituted Leakage;
- (g) the payment of any fees, expenses and other amounts payable to consultants or advisers in connection with the transactions contemplated by this Agreement, including all fees, expenses and payables related to the preparation of the VDD Reports and related services (including to Donnelly Financial Solutions in connection with the construction and hosting of the Data Room) and the preparation of the Locked Box Accounts, up to an aggregate amount of US\$3.25 million;
- (h) the payment of fifty percent (50%) of all filing fees incurred in relation to any application, notification, submission or merger clearance or similar filing required to be made in any jurisdiction in connection with the Merger Control Condition and the Communication Authority Condition;

- (i) any payment made or proposed to be made in connection with the termination of employment (including in respect of restrictive covenants) by a Group Company of those individuals listed in schedule 2 to the Disclosure Letter, up to US\$6.7 million in the aggregate;
- (j) any provision of services by any Employee to a Seller or their Related Persons or Other Shareholder or their Related Persons in connection with the transactions contemplated by this Agreement, in each case where no incremental compensation is received for the provision of such services;
- (k) the payment of any stamp duty or similar Taxes in connection with the capitalisation of intra-group debt owed by Goodison One Hundred Twenty Limited to Eaton Towers Limited as outlined in the steps paper set out in annex A to the Disclosure Letter, up to KES25,534,843.10 in the aggregate;
- (l) the payment of any stamp duty or similar Taxes in connection with the capitalisation of intra-group debt owed by Eaton Towers Uganda Limited to Eaton Towers Limited following the refinancing and repayment of a local bank facility, up to UGX1,844,301,077 in the aggregate; and
- (m) the payment of any stamp duty or similar Taxes in connection with the capitalisation of intra-group debt owed by Eaton Towers Ghana Limited to Eaton Towers Limited following the refinancing and repayment of a local bank facility, up to GHS2,191,023.75 in the aggregate,

in each case together with any Tax or amounts in respect of Tax (including, where applicable, amounts in respect of VAT and employer's social security contributions) arising in respect of any of the foregoing for which any Group Company is liable or liable to account, provided that it is hereby acknowledged that all dollar limitations set forth in the foregoing clauses of the definition of "Permitted Leakage" shall be inclusive of any such Tax and such sums in respect of VAT and any employer's social security contributions;

"Pro Rata Percentage"

means, on any given date, with respect to any Seller or Other Shareholder, such Seller's or Other Shareholder's pro rata percentage of any amounts to be distributed or paid to such person under this Agreement or any other Transaction

Document, in each case as determined in good faith by the Sellers' Representative (on behalf of the Sellers) based on the entitlement of such Seller's Seller Shares and such Other Shareholder's Other Shares pursuant to the Company's articles of association; *provided*, that at all times the Pro Rata Percentage of all Sellers and Other Shareholders shall equal one hundred percent (100%). The Pro Rata Percentage of each Seller and Other Shareholder as of Completion and each relevant date thereafter shall be maintained by the Sellers' Representative (on behalf of the Sellers); *provided further*, that it is acknowledged and agreed that neither the Purchaser, the Guarantor nor any of their Affiliates (including, following the Completion, the Company and each other member of the Group) shall have any liability or responsibility in connection with or arising out of the calculation of the Pro Rata Percentage of any Seller or Other Shareholder;

<u>"Prospectus"</u>	means the draft prospectus of Eaton Towers Group plc dated 7 June 2018 in folder 15.1 of the Data Room;
<u>"Purchaser"</u>	has the meaning given in the preamble;
<u>"Purchaser Warranty"</u>	has the meaning given in Clause 10.1;
<u>"Purchaser's Group"</u>	means the Purchaser and each of its Affiliates and includes from and after Completion each Group Company;
<u>"Related Person"</u>	means, in relation to any person, any other person who is connected to that person (as determined in accordance with sections 1122 and 1123 of the UK Corporation Tax Act 2010 as at the date of this Agreement), provided that the term shall (a) exclude any Group Company and (b) in relation to CIPEF ETW (Jersey) Limited, means Capital International Private Equity Fund VI, LP, CIPE ETW Coinvestment Fund LP and CGPE VI, LP, and successor entities (including funds) of each of them, and any of their subsidiaries;
<u>"Relevant Claim"</u>	means any claim by the Purchaser under this Agreement (including any claim for Leakage under Clause 4);
<u>"Relevant Claim Escrow Account"</u>	means the escrow account maintained by the Escrow Agent pursuant to the terms and conditions of the Escrow Agreement for the purposes of administering payment of Relevant Claims;
<u>"Relevant Claim Escrow Amount"</u>	means US\$19 million, or such other amount (if any) standing to the credit of the Relevant Claim Escrow Account from time to time, as applicable;

“ <u>Relevant Jurisdiction</u> ”	means any of Burkina Faso, Ghana, Kenya, Niger, Uganda and the United Kingdom;
“ <u>Relevant Proportion</u> ”	means, for a given Seller, the ratio between (i) the aggregate of the number of Shares owned by such Seller and (ii) the number of Shares owned by all Sellers, as set out in Schedule 1;
“ <u>Relief</u> ”	means any loss, relief, allowance, credit or deduction in respect of any Tax or relevant to the computation of any income, profits or gains for the purposes of any Tax, or any right to or actual repayment or saving of Tax (including any repayment supplement, fee or interest in respect of Tax);
“ <u>Resolution Period</u> ”	has the meaning given in Clause 3.8;
“ <u>Restricted Person</u> ”	has the meaning given in Clause 6.14;
“ <u>RFI Site</u> ”	means a fully completed WIP Site that is awaiting installation of the relevant customer’s antennae or other transmission devices or equipment prior to a Group Company commencing receipt of revenues in respect thereof, in respect of which a Group Company has issued or issues to the relevant customer a “ready for installation” notice on or prior to the Determination Date with an acceptance or deemed acceptance deadline (pursuant to the applicable customer agreement) that expires after the Determination Date but not later than the 15 <sup>th</sup> day following the Determination Date; provided that such acceptance or deemed acceptance deadline shall not be taken into account for the purposes of sub-Clause (c) of the definition of Annualized New Run Rate Revenue, but shall be taken into account for purposes of the definition of Consolidated New Revenue Run Rate;
“ <u>RFP</u> ”	means a bona fide request for proposal from a customer or potential customer of a Group Company pursuant to which proposals are sought from more than one bidder (including from the Purchaser or a member of the Purchaser’s Group);
“ <u>Rules</u> ”	has the meaning given in Clause 27.2;
“ <u>Sellers</u> ”	has the meaning given in the preamble;
“ <u>Sellers’ Representative</u> ”	has the meaning given in Clause 15.1;
“ <u>Sellers’ Shares</u> ”	has the meaning given in Clause 2.1;

“ <u>Sellers’ Warranties</u> ”	means the warranties set out in Schedule 4, and “ <u>Sellers’ Warranty</u> ” shall be construed accordingly;
“ <u>Senior Employee</u> ”	has the meaning given in the Warranty Deed;
“ <u>Shares</u> ”	means all of the issued shares in the capital of the Company, being the Sellers’ Shares and the Other Shares, taken together;
“ <u>Subsidiary</u> ”	means, at any relevant time, any then subsidiary or subsidiary undertaking of the Company; basic information concerning each subsidiary and subsidiary undertaking of the Company as at the date of this Agreement is set out in Part B of Schedule 2;
“ <u>Target Completion Date</u> ”	means 31 October 2019;
“ <u>Tax</u> ” or “ <u>Taxation</u> ”	means all forms of taxation, charges, fees, imposts, duties and levies whether direct or indirect and whether levied by reference to gross or net income, profits or gains, net wealth, asset values, turnover, added value, employment, use, occupation, development, sales, or other reference and any other statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, rates and levies (including social security contributions and any other payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any person and all penalties, fines, surcharges, charges, costs and interest relating thereto or to any obligation in respect of any of them;
“ <u>Tax Authority</u> ”	means any taxing or other authority competent to impose any liability in respect of Taxation or responsible for the administration and/or collection of Taxation or enforcement of any law in relation to Taxation;
“ <u>Tax Return</u> ”	means any return, report or statement required to be filed with a Tax Authority (including any computations or attachments thereto, and any amendment thereof) including any information return, self-assessment return, claim for refund, amended return or declaration of estimated Tax, and including any claims, notices, surrenders or consents relating thereto;
“ <u>Third Party Claim</u> ”	has the meaning given in paragraph 14 of Schedule 5;
“ <u>Tier 1 Customer</u> ”	means any of MTN, Vodafone, Airtel, Safaricom, TKL, Orange, Onatel, Telcel, or Moov, or any subsidiary or parent undertaking of, joint venture of or successor to, any of the foregoing, or any other GSM mobile network operator from time to time in the Relevant Jurisdiction (including any

subsidiary or affiliate thereof);

“Tier 2 Customer”

means (a) Africell, Jamii or Liquid, (b) Lycamobile solely in Uganda, or (c) any other person that the Purchaser and the Sellers’ Representative may agree in writing to be included as a “Tier 2 Customer”;

“Transaction Documents”

means this Agreement, the Warranty Deed, the Disclosure Letter, the Escrow Agreement, the Local Agreements and each other arrangement and document entered into or to be entered into pursuant to any of them or otherwise by the Parties in connection with the transactions contemplated hereby;

“Uganda Tax Condition”

has the meaning given in Clause 6.1;

“Unresolved Items”

has the meaning given in Clause 3.9;

“VAT”

means:

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) as amended;
- (b) to the extent not included in limb (a), any value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto; and
- (c) any other tax of a similar nature to the taxes referred to in limbs (a) or (b), whether imposed in a member state of the EU in substitution for, or levied in addition to, the such taxes referred to in limbs (a) or (b) or imposed elsewhere; value added tax in the United Kingdom and any similar sales or turnover tax chargeable elsewhere;

“VDD Reports”

means:

- (a) the vendor legal due diligence report prepared by Allen & Overy LLP dated 11 January 2018;
- (b) the vendor financial and tax due diligence report prepared by KPMG LLP which consists of four volumes dated 21 December 2017, 21 December 2017, 22 January 2018 and 12 February 2018, respectively; and
- (c) the tax report prepared by PwC dated 14 January, 2019;

“ <u>W&amp;I Insurance Policy</u> ”	means the warranty and indemnity insurance policy between Euclid Transactional UK Limited as the “Insurer” and the Purchaser as the “Insured”, with policy number ETUK(19)/3/19, dated on or about the date of this Agreement;
“ <u>Warrantors</u> ”	has the meaning given in the Warranty Deed;
“ <u>Warranty Deed</u> ”	means the warranty deed between the Warrantors (as defined therein) and the Purchaser dated the same date as this Agreement and attached hereto as an Exhibit; and
“ <u>WIP Site</u> ”	means any in-process BTS Site owned or managed by a Group Company (i) for which all permits required for each Relevant Jurisdiction for the construction or operation of such in-process site (as set out for each Relevant Jurisdiction in Schedule 6, together with such other permits not listed on such Schedule which are required by a change in applicable law that takes effect following the date hereof) have been obtained, (ii) for which a Group Company has executed a ground lease based on the Relevant Jurisdiction’s then-current market terms, (iii) on which construction of infrastructure for telecommunication services was commenced, and which construction shall include at least breaking ground and pouring concrete for the foundation or otherwise initiating physical construction of the applicable structure, and (iv) in respect of which a Group Company has, after 31 December 2018, contracted to receive revenue from a Tier 1 Customer or a Tier 2 Customer.

1.2 In this Agreement:

- (a) a reference to a “subsidiary undertaking” or “parent undertaking” is to be construed in accordance with section 1162 (and Schedule 7) of the Companies Act, and a reference to a “subsidiary” or “holding company” is to be construed in accordance with section 1159 (and Schedule 6) of the Companies Act;
- (b) a reference to a document in the “agreed form” is a reference to a document in a form approved, and for the purposes of identification initialled, by or on behalf of the Purchaser and the Sellers (or Sellers’ Representative on behalf of the Sellers);
- (c) unless the context requires otherwise, a reference to a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time and any subordinate legislation made under the statutory provision (as so modified or re-enacted), in each case except to the



extent that the effect of referring to any such modification or re-enactment coming into force after the date of this Agreement would be to increase or extend the liability or obligations of any Party under this Agreement;

- (d) a reference to a “person” includes a reference to any individual, firm, company, corporation or other body corporate, government, state, state agency, joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);
- (e) a reference to a person includes a reference to that person’s legal personal representatives, successors and permitted assigns;
- (f) a reference to a “Party” includes that Party’s successors and permitted assigns;
- (g) a reference to a Clause, paragraph, or Schedule is a reference to a clause or paragraph of or schedule to this Agreement, unless the context otherwise requires;
- (h) a reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court official or any other legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;
- (i) unless the context otherwise requires, words in the singular shall include the plural and in the plural include the singular;
- (j) if a period of time is specified and dates from a given day or the day of an act or event, it shall (unless otherwise stated in Clause 25 (Notices)) be calculated excluding that day and a reference to a time of day is unless otherwise specifically stated a reference to the local time in London, England;
- (k) “USD”, “US\$” or “\$” is a reference to the lawful currency of the United States;
- (l) “KES” is a reference to the lawful currency of Kenya, “UGX” is a reference to the lawful currency of Uganda, and “GHS” is a reference to the lawful currency of Ghana;

- (m) a reference to writing shall include any mode of reproducing words in a legible and non-transitory form; and
  - (n) the formulation “to the extent” shall be read as meaning “if, but only to the extent that” unless the context requires otherwise.
- 1.3 The *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms “other”, “including”, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.4 The table of contents, headings and sub-headings of this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.5 Where the value of any Relevant Claim or other cost or amount (other than any revenue item, which shall be subject to the Conversion Rate) is expressed in a currency other than United States Dollars and it is necessary to determine whether a monetary limit or threshold referred to in this Agreement has been reached or exceeded, the value of that Relevant Claim or other cost or amount shall be translated into United States Dollars at the closing spot rate (as listed on [www.bloomberg.com](http://www.bloomberg.com)) (i) in respect any Relevant Claim, on the date on which the Relevant Claim is notified (or deemed notified) to the Sellers in accordance with the terms of this Agreement and (ii) in respect of other cost or amount, on the relevant date of determination of such amount in accordance with the terms of this Agreement.

## **2. Sale and Purchase of the Shares**

- 2.1 Subject to the terms of this Agreement, each of the Sellers shall sell, transfer, deliver and convey those Shares set opposite its name in Schedule 1 (the “Sellers’ Shares”), and the Purchaser shall purchase those Sellers’ Shares, with effect from Completion, with:
- (a) full title guarantee and free from all Encumbrances; and
  - (b) all rights attaching to them as at Completion (including all dividends and distributions declared, paid or made up after the date of this Agreement and all other rights and advantages belonging to or accruing on the Shares on or after that date).

- 2.2 Each of the Sellers waives (and shall procure the unconditional waiver by each other applicable person of) all rights of pre-emption over any of the Shares conferred by the articles of association of the Company, the shareholders' agreement relating to the Company or in any other way and undertakes to take all reasonable steps necessary to ensure that any rights of pre-emption over any of the Shares are waived, in each case in connection with the transactions contemplated by this Agreement and the other Transaction Documents.
- 2.3 Subject to the terms of this Agreement, each Seller hereby undertakes to procure that each Other Shareholder shall sell, transfer, deliver and convey the Other Shares, and the Purchaser shall purchase those Other Shares, with effect from Completion, with:
- (a) full title guarantee and free from all Encumbrances; and
  - (b) all rights attaching to them as at Completion (including all dividends and distributions declared, paid or made up after the date of this Agreement and all other rights and advantages belonging to or accruing on such Other Shareholders' Shares on or after that date).

### **3. Consideration**

- 3.1 The total consideration for the sale of the Shares shall be (i) US\$1,607,356,299 (the "Base Amount"), (ii) plus or minus the Final Interim Amount, and (iii) plus the Interest Amount, if applicable (collectively, the "Consideration"), to be paid in accordance with this Clause 3 and Part B of Schedule 3.
- 3.2 The proportion of the Consideration to which each Seller and each Other Shareholder is entitled shall be an amount equal to the entitlement of such Seller's Seller Shares and such Other Shareholder's Other Shares pursuant to the Company's articles of association, in each case, subject to any applicable adjustments set forth in this Agreement. All such Consideration shall be paid in cash as contemplated by this Clause 3 and Part B of Schedule 3. The electronic transfer of the Consideration (as provided for in Part B of Schedule 3) shall constitute full satisfaction of the obligations of the Purchaser to the Sellers and the Other Shareholders regarding payment of the Consideration and the Purchaser shall not be responsible for any onward transfer of the relevant proportion of the Consideration to any Seller or Other Shareholder.
- 3.3 Where any payment is made by any Seller in satisfaction of a liability arising under any Transaction Document (including pursuant to Clause 4, Clause 7 or Clause 9), it shall also be an adjustment (by way of reduction) to the Consideration.

- 3.4 The Sellers' Representative shall deliver to the Purchaser, no later than:
- (a) ten Business Days prior to the Completion Date, its good faith calculation of the Interim Amount presented substantially in the form set forth on Schedule 8 (the "Estimated Interim Amount"); and
  - (b) four Business Days prior to the Completion Date, its good faith calculation of any Leakage (including (a) any amount exceeding the amount of Permitted Leakage set forth under the definition of Permitted Leakage, and (b) the amount due on Completion with respect to the MIP Cash Plan, together with all costs and expenses of the Group in connection therewith) ("Notified Leakages"), setting out in reasonable detail the nature of the Notified Leakages and the calculation of the amount thereof.

The Sellers' Representative shall consult with the Purchaser in calculating the Estimated Interim Amount and regarding Notified Leakages (including by providing to the Purchaser reasonable supporting documentation and information for, and details of the nature and calculations of, the items in the Estimated Interim Amount) and shall act in good faith to take into account any comments submitted by the Purchaser in connection therewith.

- 3.5 No later than ninety (90) days after the Completion Date, the Purchaser shall deliver to the Sellers' Representative a written statement (the "Draft Interim Amount Statement"), consisting of its calculation, in reasonable detail, of the Interim Amount.
- 3.6 The Sellers' Representative shall notify the Purchaser within thirty days of its receipt of the Draft Interim Amount Statement whether it disagrees with the Draft Interim Amount Statement, which notice (the "Notice of Disagreement") shall set out in reasonable detail: (a) each item of the Draft Interim Amount Statement with which the Sellers' Representative disagrees (the "Disputed Items"); (b) the reasons for the disagreement; and (c) the proposed adjusted value for each Disputed Item.
- 3.7 If the Sellers' Representative agrees with the Draft Interim Amount Statement or fails to deliver its Notice of Disagreement within the fourteen day period referred to in Clause 3.6, such Draft Interim Amount Statement shall be final and binding upon the Parties and constitute the "Final Interim Amount Statement", and the Interim Amount set forth therein shall constitute the "Final Interim Amount" for all purposes of this Agreement. If the Sellers' Representative delivers its Notice of Disagreement within the ten Business Day period referred to in Clause 3.6, then the Sellers' Representative and the Purchaser shall seek in good faith to resolve the Disputed Items within 20 Business Days beginning on the date the Sellers' Representative receives the Notice of Disagreement (the "Resolution Period"). If the Sellers' Representative and the Purchaser reach written agreement with respect to any Disputed Items, the Parties shall revise the Draft Interim Amount Statement to reflect such agreement, and if

such agreement has been reached in respect of all Disputed Items, that revised Draft Interim Amount Statement shall constitute the Final Interim Amount Statement.

- 3.8 If the Purchaser and the Sellers' Representative are unable to resolve all of the Disputed Items during the Resolution Period, then the Purchaser and the Sellers' Representative shall jointly engage and submit the unresolved Disputed Items (the "Unresolved Items") to an internationally recognised accounting firm as the Purchaser and the Sellers' Representative may agree, or, failing such agreement or failing such firm accepting such appointment within 10 Business Days, to such internationally recognised accounting firm in London as the President of the Institute of Chartered Accountants in England and Wales may, on the application of either the Sellers' Representative or the Purchaser, nominate (the "Independent Accountant").
- 3.9 In any reference to the Independent Accountant in accordance with Clause 3.8:
- (a) the Independent Accountant shall act as an expert and not as an arbitrator;
  - (b) the Independent Accountant shall be directed to determine, by reference to the written submissions of the Purchaser and the Sellers' Representative and the terms of this Agreement, only the Unresolved Items still in dispute and shall be limited to those adjustments, if any, required to be made for the Draft Interim Amount Statement to comply with the provisions of this Agreement;
  - (c) in no event shall the Independent Accountant's determination of each of the Unresolved Items be for an amount that is outside the range of the Purchaser's and the Sellers' Representative's disagreement for that Unresolved Item;
  - (d) the Purchaser and the Sellers' Representative shall use all reasonable endeavours to cause the Independent Accountant to issue its written determination regarding the Unresolved Items within 20 Business Days after such items are submitted to the Independent Accountant for review;
  - (e) the Purchaser and the Sellers' Representative shall use all reasonable endeavours to promptly, and in any event within 10 days, furnish to the Independent Accountant detailed supporting documentation and their written position regarding each Unresolved Item and such other work papers and other documents and information pertaining to the Unresolved Items as the Independent Accountant may reasonably request;
  - (f) the determination of the Independent Accountant shall be final, binding and conclusive upon the Purchaser and the Sellers' Representative absent

manifest error, and the Purchaser and the Sellers' Representative shall revise the Draft Interim Amount Statement to reflect such determination upon receipt thereof and that revised Draft Interim Amount Statement shall constitute the Final Interim Amount Statement; and

- (g) the fees, expenses and costs of the Independent Accountant shall be borne *pro rata* as between the Sellers' Representative, on the one hand, and Purchaser, on the other hand, in proportion to the final allocation made by such Independent Accountant of the Unresolved Items weighted in relation to the claims made by the Sellers' Representative and Purchaser, such that the prevailing party pays the lesser proportion of such fees, expenses and costs. For example, if the Sellers' Representative claims that the appropriate adjustments with respect to the Unresolved Items are \$1,000.00 greater than the amount determined by Purchaser (and such amount is the aggregate amount of the Unresolved Items) and if the Independent Accountant ultimately resolves the Unresolved Items by awarding to the Sellers \$300.00 of the \$1,000.00 contested, then the fees, expenses and costs of the Independent Accountant will be allocated 30% (i.e., 300 divided by 1,000) to the Purchaser and 70% (i.e., 700 divided by 1,000) to the Sellers.

3.10 Each Party shall use all reasonable endeavours to provide promptly to the other Party reasonable access to employees, documents and information as such other Party shall reasonably request in connection with its review of the Draft Interim Amount Statement or the Notice of Disagreement, as the case may be, including all working papers of the accountants who compiled or reviewed such statements or notices (subject to the Purchaser, the Sellers' Representative and their respective accountants entering into any undertakings required by the other Party's accountants in connection herewith), and shall otherwise cooperate in good faith with such other Party to arrive at a final determination of the Final Interim Amount Statement.

3.11 Within five Business Days after the final agreement on or final determination of the Final Interim Amount Statement pursuant to Clause 3.7, 3.8 or 3.9:

- (a) if the Final Interim Amount is a positive number, (i) the Sellers' Representative and the Purchaser shall jointly instruct the Escrow Agent to pay the entire amount of the Escrow Interim Amount to the account designated by the Sellers' Representative, by wire transfer of immediately available funds from the Interim Amount Escrow Account, for the benefit of the Sellers and the Other Shareholders based on their Pro Rata Percentages, and (ii) the Purchaser shall pay to the Sellers' Representative, or procure the payment of, by wire transfer of immediately available funds to the account designated by the Sellers' Representative, an amount equal to the Final Interim Amount, for the benefit of the Sellers and the Other Shareholders based on their Pro Rata Percentages;

- (b) if the Final Interim Amount is a negative number, (i) the Sellers' Representative and the Purchaser shall jointly instruct the Escrow Agent to pay the absolute value of the Final Interim Amount (up to the Escrow Interim Amount) to the account designated by the Purchaser, by wire transfer of immediately available funds from the Interim Amount Escrow Account, and (ii) (A) if the Escrow Interim Amount exceeds the absolute value of the Final Interim Amount, the Sellers' Representative and the Purchaser shall jointly instruct the Escrow Agent to pay the remainder of the Escrow Interim Amount to the account designated by the Sellers' Representative, by wire transfer of immediately available funds from the Interim Amount Escrow Account, for the benefit of the Sellers and the Other Shareholders based on their Pro Rata Percentages, and (B) if the absolute value of the Final Interim Amount exceeds the Escrow Interim Amount, then the Purchaser shall (x) first recover the difference between the Final Interim Amount and the Escrow Interim Amount from the Relevant Claim Escrow Account and the Purchaser and the Sellers' Representative shall jointly instruct the Escrow Agent to pay to the Purchaser such amount to the account designated by the Purchaser, by wire transfer of immediately available funds from the Relevant Claim Escrow Account, and (y) if the difference between the Final Interim Amount and the Escrow Interim Amount exceeds the Relevant Claim Escrow Amount, each Seller shall pay to the Purchaser (or to its order), by wire transfer of immediately available funds, its Relevant Proportion of the entire amount of such excess above the Relevant Claim Escrow Amount to the account designated by the Purchaser; or
- (c) if the Final Interim Amount is equal to zero USD (\$0), the Sellers' Representative and the Purchaser shall jointly instruct the Escrow Agent to pay the entire amount of the Escrow Interim Amount to the account designated by the Sellers' Representative, by wire transfer of immediately available funds from the Interim Amount Escrow Account, for the benefit of the Sellers and the Other Shareholders based on their Pro Rata Percentages.

Any payment made or procured to be made pursuant to the applicable section of Clause 3.11 to the applicable Party or Parties shall be treated as an adjustment to the Consideration.

3.12 If the Purchaser or the Sellers' Representative (on behalf of the Sellers) fails to give a written instruction in breach of Clause 3.11, the Purchaser (in the case of a breach by the Purchaser), or the Sellers (in the case of a breach by the Sellers' Representative and in their respective Relevant Proportions), shall:

- (a) indemnify the other Party against all Losses incurred by it as a result of such breach and in taking any action or proceedings to enforce its rights to receive payment of the amount that is due; and

- (b) to the extent the Escrow Agent becomes involved in any such action or proceedings, be responsible for and shall pay any costs or fees properly incurred by the Escrow Agent as a result.

#### **4. Leakage**

- 4.1 Each Seller undertakes to the Purchaser that in the period from (and excluding) the Locked Box Date up to (and including) the Completion Date there has been no Leakage and no arrangement or agreement or offer has been made or entered into that has resulted or will result in any Leakage.
- 4.2 In the event of any Leakage which is prohibited by Clause 4.1 (but subject always to Clause 4.3), (x) if such Leakage is identified prior to the Completion Date, the Sellers' Representative shall notify the Purchaser of such Leakage in accordance with Clause 3.4(b), and such amount shall be deducted from the Consideration; or (y) if such Leakage is identified following the Completion Date, subject to the limitations on each Sellers' liability set out in this Clause 4 and Schedule 5, each Seller covenants to the Purchaser to pay or procure payment to the Purchaser (or to its order) on written demand by the Purchaser an amount in cash equal to the aggregate of the amount or value of such Leakage, provided that, in each case:
  - (a) any Leakage may not be required to be repaid more than once to the Purchaser;
  - (b) to the extent the Leakage concerns an item which is not the payment of a sum of monies, the payment shall be equal to the amount which places the relevant Group Company in the same position as if such Leakage had not occurred;
  - (c) to the extent any Leakage is received or made in favour of a given Seller or its Related Persons, the payment obligation shall be entirely borne by such Seller and such Seller shall also be liable for the full amount of any Tax (including amounts in respect of VAT and/or employer's social security contributions) arising on or with respect to such Leakage (in accordance with the closing language of such defined term) regardless of the person on whom that Tax is primarily chargeable; and
  - (d) subject to Clause 4.2(c), to the extent the Leakage is received by a third party and not by a Seller or a member of such Seller's Group or Related Person, the repayment obligation shall be borne by all Sellers, in proportion of the Relevant Proportion of each Seller.



- 4.3 No Seller shall be liable for any claim under this Clause 4 unless written notice has been given to the Sellers' Representative on or before the date which is the earlier of: (a) 9 months following the Completion Date and (b) 2 months post completion of the audit of the Group's consolidated financial statements for the year ended 31 December 2019 (such date, the "Cut-Off Date"); provided, that notwithstanding the foregoing, if the Longstop Date is extended to the Extended Longstop Date pursuant to Clause 6.10, then the "Cut-Off Date" will be the date which is 9 months following the Completion Date.
- 4.4 Save in the case of fraud, the aggregate liability of each Seller for breach of this Clause 4 shall not in any circumstances exceed the Consideration received by such Seller. For the purposes of this Clause 4.4, any deemed adjustment (by way of reduction) to the Consideration pursuant to paragraph 20 of Schedule 5 shall be disregarded in determining the Consideration received by such Seller.
- 4.5 The Sellers undertake to notify the Purchaser in writing as soon as reasonably practicable after becoming aware of anything that would constitute, or would reasonably be expected to constitute, the occurrence of any Leakage.

## **5. Local Agreements**

- 5.1 The Sellers shall procure that each relevant Group Company enters into the relevant Local Agreement, and the Purchaser shall enter into the relevant Local Agreement, in each case as promptly as reasonably practicable following the date hereof and in any event prior to the regulatory filings contemplated by Clause 6.5, provided that the consummation of the transactions contemplated thereby shall be subject to the occurrence of, and consummated concurrently with, Completion. The Parties acknowledge and agree that the relevant Local Agreement will be amended, as applicable, in connection with and to reflect any adjustments to the Consideration hereunder or under any other Transaction Document. If this Agreement is terminated pursuant to Clauses 6.10 or 6.11 or if Completion otherwise does not occur, the Local Agreements shall not be completed and the Parties shall waive all rights and release all obligations under the Local Agreements, or procure such waiver and release from the respective parties to the Local Agreements.
- 5.2 To the extent that the provisions of this Agreement or any other Transaction Document is or are inconsistent with or additional to the provisions of a Local Agreement, the provisions of this Agreement or such other Transaction Document shall prevail and the Sellers and the Purchaser shall procure that the provisions of the relevant Local Agreement are adjusted to the extent necessary to give effect to the provisions of this Agreement or such other Transaction Document subject to being compliant with any relevant law in the relevant jurisdiction and/or that the parties thereto comply to the extent lawful with the provisions of this Agreement or such other Transaction Document as though they were bound by such provisions in place

of the provisions of the relevant Local Agreement. For the avoidance of doubt, each Local Agreement will be entered into solely in order to document the agreements set out therein.

## 6. Conditions Precedent

6.1 The sale and purchase of the Shares pursuant to this Agreement are in all respects conditional upon the satisfaction or waiver in accordance with Clause 6.9, on or prior to the Completion Date, of the following conditions:

- (a) the receipt or deemed receipt (by expiration of the applicable waiting period(s) relating to) of clearances or approvals under competition or merger control laws for the acquisition by the Purchaser of the Sellers' Shares under this Agreement from:
  - (i) the Competition Authority in Kenya; and
  - (ii) the Competition Commission for the Common Market for Eastern and Southern Africa,  
  
(together, the "Merger Control Condition");
- (b) the receipt of all necessary clearances and approvals under applicable communications licensing laws and laws having similar effect for the acquisition by the Purchaser of the Sellers' Shares under this Agreement in:
  - (i) Ghana (the National Communication Authority);
  - (ii) Kenya (the Communication Authority and the Ministry of Information, Communication and Technology);
  - (iii) Niger (the Ministry of Communications on the recommendation of the Postal Regulatory Authority (*Autorité de Régulation des Communications Électroniques et de la Poste*)); and
  - (iv) Uganda (the Communications Commission),  
  
(together, the "Communications Authority Condition")

- (c) the relevant Group Companies shall have paid the applicable licence fees, and submitted the applicable compliance or equivalent filings, in respect of (a) the Kenya A Network Facilities Provider-Tier 2 licence (Licence No. TL/NFP/T2/00025) (the Licence) issued by the Communications Authority and a Tier 2 Compliance Certificate granted to KTL (Licence No TL/NFP/T2/00025) for the year 2019/2020, and (b) the Uganda Public Infrastructure Provider Licence issued by the Uganda Communications Commission under the Uganda Communications Act No.1 of 2013 and its Regulations, in accordance with the terms of a Public Infrastructure Provider Licence Agreement (PIP Licence Agreement) dated 17 April 2012, entered into between the Government of the Republic of Uganda, the UCC and Eaton Towers Uganda Limited;
  - (d) completion of the transfer of ownership of all of the shares of Eaton Towers Egypt Limited held by Eaton Towers Limited to a person or persons who is or are not, as applicable, a Group Company (the "Eaton Towers Egypt Condition"); and
  - (e) the receipt of a private ruling from the Uganda Revenue Authority in a form satisfactory to the Purchaser and the Sellers' Representative confirming that Ugandan income tax chargeable in connection with Completion and/or the relevant Local Agreement will be chargeable only on the deemed disposal of assets and liabilities by Eaton Uganda Towers Limited pursuant to sections 79(ga) and 75(2) of the Ugandan Income Tax Act (such tax being chargeable on Eaton Uganda Towers Limited) (the "Uganda Tax Condition"), and the conditions set forth in the foregoing sub-Clauses (a) to (e) (inclusive), taken together, the "Conditions").
- 6.2 The Purchaser undertakes to use all reasonable endeavours promptly to take, and to procure that its Affiliates take, any and all reasonable steps necessary, and, where applicable, co-operate in good faith with the Sellers' Representative, the Sellers and the Group Companies (including in relation to any filings required to be made jointly with any Seller or a Group Company) to satisfy the Merger Control Condition as soon as possible prior to the Target Completion Date, and in any event prior to the Longstop Date, by, among others:
- (a) making all necessary applications, notifications, submissions and filings required under applicable law in a form or forms reasonably acceptable to and/or jointly, when appropriate, with the Sellers' Representative as promptly as practicable following the date of this Agreement, and in any event within thirty days from the date of this Agreement, and not withdrawing any such documents without the written consent of the Sellers' Representative;

- (b) submitting drafts to the Sellers' Representative of, and give the Sellers' Representative reasonable time to comment thereon, to the extent reasonably practicable to do so, and consulting with, or obtaining the written approval of (in relation to filings required to be made jointly with any Seller or a Group Company), as appropriate, the Sellers' Representative (not to be unreasonably withheld, delayed or conditioned) on the contents of, and the procedures for making, the applications, notifications, submissions or filings referred to in Clause 6.2(a) or any other material written communications intended to be sent to any Governmental Authority related thereto, before they are made, reflecting any reasonable comments which the Sellers' Representative may have, or obtaining its approval in relation to filings required to be made jointly with any Seller or Group Company (not to be unreasonably withheld, delayed or conditioned), as appropriate, provided that (i) any information included in any applications, notifications, submissions, filings or communications concerning any Seller, any Seller's Affiliates or any Group Company shall require the prior written approval of the Sellers' Representative (not to be unreasonably withheld, delayed or conditioned); and (ii) the Purchaser shall prepare the drafts of all such applications, notifications, submissions, filings or communications, including any applications, notifications, submissions, filings or communications that are to be made or sent jointly with any Seller or Group Company;
- (c) providing the Sellers' Representative with final copies of all filings described in Clause 6.2(b);
- (d) diligently progressing the applications, notifications, submissions or filings referred to in Clause 6.2(a) and promptly supplying any additional information that may be reasonably requested by any relevant Governmental Authority, in each case, subject to the written approval (not to be unreasonably withheld, delayed or conditioned) of the Sellers' Representative in relation to any such applications, notifications, submissions or filings that have been made or sent jointly with any Seller or a Group Company;
- (e) keeping the Sellers' Representative reasonably informed about the status and progress of the applications, notifications, submissions or filings made, promptly providing copies (or in the case of oral communication, details) to the Sellers' Representative of the actual applications, notifications, submissions or filings and all related documents, and any material communication (whether written or oral) from or with any relevant Governmental Authority, and giving the Sellers' Representative reasonable notice of, and opportunity for it or any of its respective representatives to attend, all meetings and telephone calls with any relevant Governmental Authority, except to the extent a Governmental Authority expressly requests that the Sellers' Representative or its representatives should not be present at such meeting, and if so requested by the Sellers' Representative, provide the Sellers' Representative with a written summary of any material information

arising out of, or any material communication made in connection with, such meetings or telephone calls, in each case, to the extent legally permitted under applicable law;

- (f) accepting, committing to and/or effecting any conditions, obligations or requirements, in each case which are immaterial, imposed or requested by any Governmental Authority in the Relevant Jurisdictions, in order to satisfy the Merger Control Condition, it being understood that the Consideration shall not be adjusted as a result of any such action or commitment and provided that in no event shall the Purchaser propose, accept, or commit to take any action that may have an impact on any Seller, any Seller's Affiliates or, prior to Completion, any Group Company without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, delayed or conditioned) and provided further that if the Sellers' Representative grants its prior written consent following the written request of the Purchaser to any such action that may have an impact on any Seller, any Seller's Affiliates or any Group Company, the Purchaser shall accept, commit to and/or effect such action;
- (g) promptly opposing or seeking a waiver of any Listing Obligation, Local Shareholder Requirement or motion or action for a temporary, preliminary or permanent injunction against the transactions contemplated by this Agreement or any portion thereof and taking any and all actions necessary and reasonable to ensure that no decree, judgment, injunction, temporary restraining order or any other order or decision by any relevant Governmental Authority would preclude consummation of the transactions contemplated by this Agreement by the Longstop Date (including by reason of the imposition of a Listing Obligation or a Local Shareholder Requirement);
- (h) not entering into any other agreement or arrangement or taking any action or omitting to take any action the primary purpose of which is intended to delay, impede or prejudice the satisfaction of the Merger Control Condition;
- (i) providing the Sellers' Representative with a copy of all decisions or draft decisions related to the satisfaction of the Merger Control Condition, promptly upon receipt from the respective Governmental Authority and in any event within two Business Days following receipt; and
- (j) bearing all costs and expenses incurred by the Purchaser in connection with the applications, notifications, submissions or filings in connection with the Merger Control Condition and the Communication Authority Condition, and fifty percent (50%) of all filing fees incurred in relation to any application, notification, submission or merger clearance or similar filing required to be made in any jurisdiction in connection with the Merger Control Condition

and the Communication Authority Condition, with the Sellers bearing the remaining fifty percent (50%) of such fees.

Notwithstanding the foregoing or anything to the contrary herein, it is hereby acknowledged and agreed that nothing shall require or obligate the Purchaser or any of its Affiliates (including any member of the Group following Completion) to:

- (A) propose, accept, commit to and/or effect, by consent decree, hold separate order, or otherwise, the sale, divestiture, transfer, licence, disposition or hold separate (through the establishment of a trust or otherwise) of any assets, properties, or businesses of the Purchaser or any of its Affiliates or of any Group Company (including for the purposes of this Clause 6.2 any portfolio companies of the Purchaser or its Affiliates, or any subsidiaries of such portfolio companies);
- (B) accept, commit to and/or effect any other conditions, obligations or requirements imposed or requested by, or any changes to any licences or permits of the Purchaser or any of its Affiliates (including any member of the Group following Completion) imposed or requested by, any Governmental Authority, in each case which are not immaterial in order to satisfy the Merger Control Condition; provided that for all applicable purposes of this Clause 6.2, the Parties acknowledge and agree that any changes to licences or permits in any Relevant Jurisdiction to amalgamate or conform the terms of such licences or permits to be consistent with the terms and conditions of the equivalent licences and permits of the Purchaser's Group in such Relevant Jurisdiction will be deemed to be immaterial;
- (C) accept any Listing Obligation or Local Shareholder Requirement; or
- (D) disclose any competitively sensitive information to the Sellers or the Sellers' Representative, provided that the Purchaser shall use all reasonable endeavours to develop an alternative to providing such information so as to address such matters that is reasonably acceptable to the Sellers and implement appropriate and mutually agreeable measures to permit the disclosure of such information, including by arrangement of appropriate clean room procedures or redaction, if the Purchaser and the Sellers' Representative determine that doing so would reasonably permit the disclosure of such information without violating applicable law.

6.3 The Purchaser undertakes to use all reasonable endeavours to promptly take, and to procure that its Affiliates take, any and all reasonable steps necessary, and, where applicable, co-operate in good faith with the Sellers' Representative, the Sellers and the Group Companies to procure the satisfaction of the Communication Authority

Condition as soon as possible prior to the Target Completion Date, and in any event prior to the Longstop Date, by, among others:

- (a) promptly supplying to the Sellers' Representative, the Sellers or the relevant Group Company any information that may be reasonably requested or required by any relevant Governmental Authority;
- (b) accepting, committing to and/or effecting any conditions, obligations or requirements, in each case which are immaterial, imposed or requested by any Governmental Authority in the Relevant Jurisdictions, in order to satisfy the Communication Authority Condition, it being understood that the Consideration shall not be adjusted as a result of any such action or commitment and provided that in no event shall the Purchaser propose, accept or commit to take any action that may have an impact on any Seller, any Seller's Affiliates or, prior to Completion, any Group Company without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, delayed or conditioned) and provided further that if the Sellers' Representative grants its prior written consent following the written request of the Purchaser to any such action that may have an impact on any Seller, any Seller's Affiliates or any Group Company, the Purchaser shall accept, commit to and/or effect such action;
- (c) promptly opposing or seeking a waiver of any Listing Obligation, Local Shareholder Requirement or motion or action for a temporary, preliminary or permanent injunction against the transactions contemplated by this Agreement or any portion thereof and taking any and all actions necessary and reasonable to ensure that no decree, judgment, injunction, temporary restraining order or any other order or decision by any relevant Governmental Authority would preclude consummation of the transactions contemplated by this Agreement by the Longstop Date (including by reason of the imposition of a Listing Obligation or a Local Shareholder Requirement); and
- (d) not entering into any other agreement or arrangement or taking any action or omitting to take any action the primary purpose of which is intended to delay, impede or prejudice the satisfaction of the Communication Authority Condition.

Notwithstanding the foregoing or anything to the contrary herein, it is hereby acknowledged and agreed that nothing shall require or obligate the Purchaser or any of its Affiliates (including any member of the Group following Completion) to:

- (A) propose, accept, commit to and/or effect, by consent decree, hold separate order, or otherwise, the sale, divestiture, transfer, licence, disposition or hold separate (through the establishment of a trust or otherwise) of any assets, properties, or businesses of the Purchaser or any of its Affiliates or of any

Group Company (including for the purposes of this Clause 6.3 any portfolio companies of the Purchaser or its Affiliates, or any subsidiaries of such portfolio companies);

- (B) accept, commit to and/or effect any other conditions, obligations or requirements imposed or requested by, or any changes to any licences or permits of the Purchaser or any of its Affiliates (including any member of the Group following Completion) imposed or requested by, any Governmental Authority, in each case which are not immaterial in order to satisfy the Communications Authority Condition; provided that for all applicable purposes of this Clause 6.3, the Parties acknowledge and agree that any changes to licences or permits in any Relevant Jurisdiction to amalgamate or conform the terms of such licences or permits to be consistent with the terms and conditions of the equivalent licences and permits of the Purchaser's Group in such Relevant Jurisdiction will be deemed to be immaterial;
- (C) accept any Listing Obligation or Local Shareholder Requirement; or
- (D) disclose any competitively sensitive information to the Sellers or the Sellers' Representative, provided that the Purchaser shall use all reasonable endeavours to develop an alternative to providing such information so as to address such matters that is reasonably acceptable to the Sellers and implement appropriate and mutually agreeable measures to permit the disclosure of such information, including by arrangement of appropriate clean room procedures or redaction, if the Purchaser and the Sellers' Representative determine that doing so would reasonably permit the disclosure of such information without violating applicable law.

6.4 Each Seller undertakes to use all reasonable endeavours to promptly take, and shall use such endeavours to procure, insofar as it is legally able to do so, that the Group Companies take, in each case any and all reasonable steps necessary, and, where applicable, co-operate in good faith with the Purchaser (including in relation to any filings required to be made jointly with the Purchaser) to satisfy the Communication Authority Condition as soon as possible prior to the Target Completion Date and in any event prior to the Longstop Date, by, among others:

- (a) making all necessary applications, notifications, submissions and filings required under applicable law in a form or forms reasonably acceptable to and/or jointly, when appropriate, with the Purchaser as promptly as practicable following the date of this Agreement, and in any event within thirty days from the date of this Agreement, and not withdrawing any such documents without the written consent of the Purchaser;
- (b) submitting drafts to the Purchaser of, and giving the Purchaser reasonable time to comment thereon, to the extent reasonably practicable to do so, and



consulting with, or obtaining the written approval (in relation to filings required to be made jointly with the Purchaser) of the Purchaser (not to be unreasonably withheld, delayed or conditioned) on the contents of, and the procedures for making, the applications, notifications, submissions or filings referred to in Clause 6.3(a) or any other material written communications intended to be sent to any Governmental Authority related thereto, before they are made, reflecting any reasonable comments which the Purchaser may have, or obtaining its approval in relation to filings required to be made jointly with the Purchaser (not to be unreasonably withheld, delayed or conditioned), as appropriate, provided that (i) any information included in any applications, notifications, submissions, filings or communications concerning the Purchaser or its Affiliates shall require the prior written approval of the Purchaser (not to be unreasonably withheld, delayed or conditioned); and (ii) the Sellers' Representative shall procure the preparation of the drafts of all such applications, notifications, submissions, filings or communications, including any applications, notifications, submissions, filings or communications that are to be made or sent jointly with the Purchaser;

- (c) providing the Purchaser with final copies of all filings described in Clause 6.3(b) to the extent prepared by the Sellers or Sellers' Representative;
- (d) diligently progressing the applications, notifications, submissions or filings referred to in Clause 6.3(a) and promptly supplying any additional information that may be requested by any relevant Governmental Authority, in each case, subject to the written approval (not to be unreasonably withheld, delayed or conditioned) of the Purchaser in relation to any such applications, notifications, submissions or filings that have been made or sent jointly with the Purchaser;
- (e) keeping the Purchaser reasonably informed about the status and progress of the applications, notifications, submissions or filings made, promptly providing copies (or in the case of oral communication, details) to the Purchaser of the actual applications, notifications, submissions or filings and all related documents, and any material communication (whether written or oral) from or with any relevant Governmental Authority, and to the extent reasonably practicable giving the Purchaser reasonable notice of, and opportunity for it or any of its respective representatives to attend, all meetings and telephone calls with any relevant Governmental Authority, except to the extent a Governmental Authority expressly requests that the Purchaser or its representatives should not be present at such meeting, and if so requested by the Purchaser, provide the Purchaser with a written summary of any material information arising out of, or any material communication made in connection with, such meetings or telephone calls, in each case, to the extent legally permitted under applicable law;

- (f) promptly opposing or seeking a waiver of any Listing Obligation, Local Shareholder Requirement or motion or action for a temporary, preliminary or permanent injunction against the transactions contemplated by this Agreement or any portion thereof and taking any and all actions necessary and reasonable to ensure that no decree, judgment, injunction, temporary restraining order or any other order or decision by any relevant Governmental Authority would preclude consummation of the transactions contemplated by this Agreement by the Longstop Date (including by reason of the imposition of a Listing Obligation or a Local Shareholder Requirement);
- (g) not entering into any other agreement or arrangement or taking any action or omitting to take any action which may in any way delay, impede or prejudice the satisfaction of the Communication Authority Condition;
- (h) providing the Purchaser with a copy of all decisions or draft decisions related to the satisfaction of the Communication Authority Condition, as soon as practicable upon receipt from the respective Governmental Authority and in any event within two Business Days following receipt; and
- (i) bearing all costs and expenses incurred by the Sellers, the Sellers' Representative and the Group Companies in connection with such applications, notifications, submissions or filings in connection with the Merger Control Condition and the Communication Authority Condition, and fifty percent (50%) of all filing fees incurred in relation to any application, notification, submission or merger clearance or similar filing required to be made in any jurisdiction in connection with the Merger Control Condition and the Communication Authority Condition, with the other fifty percent (50%) of such costs being borne by the Purchaser.

Notwithstanding the foregoing or anything to the contrary herein, it is hereby acknowledged and agreed that:

- (A) the Sellers shall not and shall not permit any member of the Group to accept, commit to and/or effect any conditions, obligations or requirements imposed or requested by any Governmental Authority, or any changes to any licences or permits of the Group imposed or requested by any Governmental Authority, in each case which are not immaterial in order to satisfy the Communication Authority Condition or the Merger Control Condition, in each case without the prior written approval of the Purchaser;
- (B) in no event shall the Sellers or any Group Company propose, accept or commit to take any action that may have an adverse impact on the Purchaser or the Purchaser's Group (including any Group Company from and after Completion) without the prior written consent of the Purchaser; and

- (C) nothing shall require or obligate any Seller or any of their respective Affiliates (including any member of the Group prior to Completion) to disclose any competitively sensitive information to the Purchaser, provided that the Sellers shall and shall procure that the Group Companies shall use all reasonable endeavours to develop an alternative to providing such information so as to address such sensitivity that is reasonably acceptable to the Purchaser and implement appropriate and mutually agreeable measures to permit the disclosure of such information, including by arrangement of appropriate clean room procedures or redaction, if the Purchaser and the Sellers' Representative determine that doing so would reasonably permit the disclosure of such information without violating applicable law.

6.5 Each Seller undertakes to use all reasonable endeavours to promptly take, and shall use such endeavours to procure, insofar as it is legally able to do so, that the Group Companies take, in each case any and all reasonable steps necessary, and, where applicable, co-operate in good faith with the Purchaser (including in relation to any filings required to be made jointly with the Purchaser) to satisfy the Uganda Tax Condition as soon as possible prior to the Target Completion Date and in any event prior to the Longstop Date, by, among others:

- (a) making all necessary applications, notifications, submissions and filings (including a joint filing between the Sellers and Eaton Towers Uganda Limited to be made, if practicable, concurrently with the making of the requisite application to the Communications Commission in Uganda in furtherance of the Communications Authority Condition) in accordance with the relevant procedures under applicable law (and in particular under section 45 of the Ugandan Tax Procedures Code Act 2014 (as amended)) in a form or forms reasonably acceptable to the Purchaser as promptly as practicable following the date of this Agreement, and in any event within thirty days from the date of this Agreement, and not withdrawing any such documents without the written consent of the Purchaser;
- (b) submitting drafts to the Purchaser of, and giving the Purchaser reasonable time to comment thereon, to the extent reasonably practicable to do so, and consulting with, or obtaining the written approval of the Purchaser (not to be unreasonably withheld, delayed or conditioned) on the contents of, and the procedures for making, the applications, notifications, submissions or filings referred to in Clause 6.5(a) or any other material written communications intended to be sent to the Uganda Revenue Authority related thereto, before they are made, reflecting any reasonable comments which the Purchaser may have, provided that (i) any information included in any applications, notifications, submissions, filings or communications concerning the Purchaser or its Affiliates shall require the prior written approval of the Purchaser (not to be unreasonably withheld, delayed or conditioned) and (ii) all drafts of all such applications, notifications, submissions, filings or

communications shall be prepared by such Ugandan counsel as is agreed in writing between the Sellers' Representative and the Purchaser;

- (c) providing the Purchaser with final copies of all filings described in Clause 6.5(b) to the extent prepared by the Sellers or Sellers' Representative or Ugandan counsel of the Sellers or a relevant Group Company;
- (d) diligently progressing the applications, notifications, submissions or filings referred to in Clause 6.5(a) and promptly supplying any additional information that may be requested by the Uganda Revenue Authority, in each case, subject to the reasonable comments of the Purchaser;
- (e) keeping the Purchaser reasonably informed about the status and progress of the applications, notifications, submissions or filings made, promptly providing copies (or in the case of oral communication, details) to the Purchaser of the actual applications, notifications, submissions or filings and all related documents, and any material communication (whether written or oral) from or with the Uganda Revenue Authority, and to the extent reasonably practicable giving the Purchaser reasonable notice of, and opportunity for it or any of its respective representatives to attend, all meetings and telephone calls with the Uganda Revenue Authority, except to the extent the Uganda Revenue Authority expressly requests that the Purchaser or its representatives should not be present at such meeting, and if so requested by the Purchaser, provide the Purchaser with a written summary of any material information arising out of, or any material communication made in connection with, such meetings or telephone calls, in each case, the extent legally permitted under applicable law;
- (f) not entering into any other agreement or arrangement or taking any action or omitting to take any action which may in any way delay, impede or prejudice the satisfaction of the Uganda Tax Condition;
- (g) providing the Purchaser with a copy of all decisions or draft decisions related to the satisfaction of the Uganda Tax Condition, as soon as practicable upon receipt from the Uganda Revenue Authority and in any event within two Business Days following receipt; and
- (h) bearing fifty percent (50%) of all costs and expenses incurred in relation to the steps undertaken in accordance with this Clause 6.5 in connection with the Uganda Tax Condition, with the other fifty percent (50%) of such costs being borne by the Purchaser.

Notwithstanding the foregoing or anything to the contrary herein, it is hereby acknowledged and agreed that:

- (A) the Sellers shall not and shall not permit any member of the Group to accept, commit to and/or effect any conditions, obligations or requirements imposed or requested by the Uganda Revenue Authority, or any changes to any licences or permits of the Group imposed or requested by any Governmental Authority, in each case which are not immaterial in order to satisfy the Uganda Tax Condition without the prior written approval of the Purchaser; and
- (B) in no event shall the Sellers or any Group Company propose, accept or commit to take any action that may have an adverse impact on the Purchaser or the Purchaser's Group (including any Group Company from and after Completion) without the prior written consent of the Purchaser.

6.6 The Sellers shall, in connection with the satisfaction of the Conditions, use all reasonable endeavours and co-operate in good faith with the Purchaser to satisfy such Conditions as soon as possible prior to the Target Completion Date and in any event prior to the Longstop Date. Without limiting the generality of the foregoing, the Sellers and the Sellers' Representative undertake to use their respective reasonable endeavours to promptly take, and to procure that its Affiliates take, any and all reasonable steps necessary, and, where applicable, co-operate in good faith with the Purchaser to procure the satisfaction of the Merger Control Condition as soon as possible prior to the Target Completion Date and in any event prior to the Longstop Date, by, among others:

- (a) promptly signing all documents and expeditiously providing all necessary information upon being reasonably requested or required to do so and taking all such steps and rendering all such assistance as may be reasonably necessary to procure that any submission to the relevant Governmental Authority is properly prepared, submitted in a timely manner and duly approved;
- (b) promptly opposing or seeking a waiver of any Listing Obligation, Local Shareholder Requirement or motion or action for a temporary, preliminary or permanent injunction against the transactions contemplated by this Agreement or any portion thereof and taking any and all actions necessary and reasonable to ensure that no decree, judgment, injunction, temporary restraining order or any other order or decision by any relevant Governmental Authority would preclude consummation of the transactions contemplated by this Agreement by the Longstop Date (including by reason of the imposition of a Listing Obligation or a Local Shareholder Requirement); and
- (c) not entering into any other agreement or arrangement or taking any action or omitting to take any action which may in any way delay, impede or prejudice the satisfaction of the Merger Control Condition.

- 6.7 The Purchaser, on the one hand, and the Sellers, on the other hand, shall each bear fifty percent (50%) of all costs, penalties and fines resulting from not making a filing with, or seeking the authorisation or approval of, a relevant Governmental Authority required by applicable law or regulation in a Relevant Jurisdiction in connection with the transactions contemplated by this Agreement that the Purchaser and the Sellers' Representative agree should have taken place or been obtained prior to Completion, in each case other than in connection with (x) the winding up, dissolution or liquidation, as the case may be, of (i) Eaton Towers (Lilongwe) Limited, (ii) Eaton Towers South Africa (M) Limited and (iii) Goodison One Hundred Twenty Limited, or (y) satisfaction of the Eaton Towers Egypt Condition, which costs, penalties and fines associated with clauses (x) or (y) not shared by the parties and shall instead be payable one-hundred percent (100%) by the Sellers.
- 6.8 The Parties undertake promptly to inform each other in writing upon becoming aware of the satisfaction of any Condition, or of anything that may prevent or delay the satisfaction of any Condition.
- 6.9 The Sellers' Representative (on behalf of the Sellers) and the Purchaser may by written agreement between them waive, in whole or in part, any or all of the Conditions.
- 6.10 If any of the Conditions has not been fulfilled (or waived in accordance with Clause 6.9), or any of the Conditions becomes incapable of satisfaction and is not waived in accordance with Clause 6.9, in each case, on or before the Longstop Date (or such later date as may be agreed in writing by the Sellers' Representative (on behalf of the Sellers) and the Purchaser), then the Sellers' Representative (on behalf of the Sellers), in its sole discretion, may unilaterally extend, no more than twice, the Longstop Date in each case to a date that is no later than 30 June 2020 (the "Extended Longstop Date") by providing written notice of such election to the Purchaser no later than 20 Business Days prior to the Longstop Date (as may have been extended, and in which case all references to the "Longstop Date" in this Agreement shall be deemed to be references to the "Extended Longstop Date"). In connection with any such extension, the Sellers' Representative and the Purchaser shall discuss in good faith and agree in writing upon the Group's budget for the first six months of 2020, which shall be consistent with the Budget.
- 6.11 If either:
- (a) the Sellers' Representative (on behalf of the Sellers) does not extend the original Longstop Date pursuant to Clause 6.10;  
or
  - (b) any of the Conditions has not been fulfilled (or waived in accordance with Clause 6.9), or any of the Conditions becomes incapable of satisfaction and is

then either the Sellers' Representative (on behalf of the Sellers) or the Purchaser may terminate this Agreement by giving notice to the other Parties, provided that a Party shall not be entitled to terminate this Agreement pursuant to this Clause 6.11 if the failure by such Party or its Affiliates to perform any of its or their obligations under this Agreement has resulted in any of the Conditions not being fulfilled or becoming incapable of satisfaction.

- 6.12 Unless and until the Purchaser exercises its right pursuant to the last sentence of Clause 8.1 to defer the Completion Date (in which case, for the avoidance of doubt, the Purchaser shall cease to have any right to terminate this Agreement pursuant to this Clause 6.12), the Purchaser may terminate this Agreement prior to Completion by giving not less than 20 Business Days' prior written notice to the Sellers if:
- (a) a Material Adverse Effect shall have occurred following the date of this Agreement, setting out in reasonable detail such Material Adverse Effect; provided that this Agreement shall not terminate and the Parties shall perform their obligations hereunder if the consequences of such Material Adverse Effect are addressed by the Sellers or the Group, to the reasonable satisfaction of the Purchaser, prior to the end of such 20 Business Day period; or
  - (b) any applicable law or Governmental Authority or other authority with relevant powers to which any Party is subject or submits, whether or not the requirement has the force of law, imposes or subjects (or would impose or subject after Completion) the Purchaser or any member of the Group to any Listing Obligation or any Local Shareholder Requirement.
- 6.13 The Sellers' Representative (on behalf of the Sellers) or the Purchaser may terminate this Agreement prior to Completion by giving prior written notice to (in the case of the Sellers' Representative) the Purchaser or (in the case of the Purchaser) to the Sellers' Representative if the Uganda Revenue Authority withdraws or makes a material or adverse amendment to such private ruling as is mentioned in Clause 6.1(e) after such private ruling had been obtained.
- 6.14 If this Agreement is terminated pursuant to Clauses 6.11, 6.12 or 6.13 all provisions of this Agreement shall cease to have effect except that:
- (a) this Clause 6.14 and Clauses 1, 5, 8.6 and 12 to 27 (inclusive) shall continue to apply following such termination; and

- (b) such termination shall be without prejudice to any rights and obligations already arisen in connection with or by virtue of any breach of this Agreement and liability already accrued (subject to the limitations set forth in this Agreement) prior to the termination of this Agreement.

6.15 If this Agreement is terminated for any reason, from and after such termination until the date that is eighteen months following such termination, the Purchaser shall not, and shall procure that any Related Person shall not, without the prior written consent of the Sellers' Representative, solicit the employment of or hire of any director, officer, or employee of any Group Company (each a "Restricted Person"), whether directly or indirectly, nor enter into any employment, consultancy or service relationship with any Restricted Person, provided that the foregoing restrictions shall not prevent the Purchaser or the relevant Related Person from publishing any recruitment advertisement in any local or national newspaper or other publication or on any website.

## 7. Pre-Completion Covenants

7.1 Until Completion, each Seller shall, insofar as it is legally able to do so, and shall use all reasonable endeavours to procure that the Warrantors: (i) use all reasonable endeavours to ensure that the business of the Group will be carried on in the ordinary and usual course on the same basis and in substantially the same manner as immediately prior to the date of this Agreement, (ii) use all reasonable endeavours to preserve the goodwill and organization of the Group's businesses and the relationships with its customers, suppliers, employees and other material business relations, and (iii) without limiting the generality of the foregoing, ensure that without the prior written consent of the Purchaser (not to be unreasonably withheld, delayed or conditioned), no Group Company will:

- (a) acquire, sell or otherwise dispose or transfer any shares, loan capital or other securities of any person (whether by merger, split up, contribution or any other transaction affecting its share capital);
- (b) increase, redeem or decrease its share or loan capital, authorize or issue any other securities, except for share capital increases or issuances of loan capital subscribed by a Group Company in another Group Company or redemption or decreases in share or loan capital by a Group Company from another Group Company;
- (c) declare or pay a dividend, an interim dividend or make any other distribution (whether in cash, stock or in kind) (other than a dividend or a distribution declared or paid from a Group Company to another Group Company);



- (d) make any amendment to the terms of any shares, loan capital or other securities of any Group Company (other than shares, loan capital or other securities of a Group Company held by another Group Company);
- (e) make any amendments to its constitutional or organizational documents (other than any amendment that would not require the vote of its shareholders);
- (f) make any material change in the nature of its business, or enter into new lines of business, including agreeing or entering into arrangements or agreements for providing management and ancillary services for active infrastructure or equipment, in each case on terms where the applicable member of the Group that is a party thereto is not able to terminate such arrangement or agreement on no more than 6 months' prior written notice without any additional cost, expense, penalty or other liability or obligation imposed on any member of the Group in connection with such termination;
- (g) incorporate any Subsidiary companies or resolve the dissolution and/or winding-up of any of the Group Companies;
- (h) acquire all or part of any business undertaking (including by acquiring assets or securities) in a single transaction or series of related transactions, at a price or with a value in the aggregate in excess of US\$5,000,000; provided that the acquisition in connection with the Airtel Tower Transaction shall not require the prior written consent of the Purchaser so long as the purchase price (including any assumed debt) therefor does not exceed US\$21,000,000 (excluding any sales, value added, transfer, stamp or similar Taxes that may be borne by any Group Company in connection with the Airtel Tower Transaction);
- (i) dispose of all or part of any business undertaking (including by disposing of assets or securities), (1) in a single transaction or series of related transactions, at a price or with a value in the aggregate in excess of US\$2,500,000; or (2) where such disposal would cause the aggregate value for all such disposals to exceed US\$5,000,000;
- (j) enter into, vary, apply for, amend, renew, extend or terminate, or waive any right under, or voluntarily fail to renew any agreement for the construction, lease, occupation, operation or use of a site containing passive infrastructure for telecommunication services (including in-building solutions), except for:
  - (i) entry into any individual site agreements under existing master lease agreements or BTS Agreements in connection with (A) new

- Colocations, (B) additional loading capacity, energy use or ground space rental, or (C) the updating, reconfiguration or adjustment of installed equipment, each in the ordinary course of business;
- (ii) entry into new leases in the ordinary course of business for the use of such sites that are owned or operated by a Group Company on the Relevant Jurisdiction's then-current market terms;
  - (iii) renewals of leases for the use of such sites that are owned or operated by a Group Company that (A) have a remaining term of less than 18 months from time to time and/or (B) result in an increase in ground rent consistent with then prevailing market ground rent in the Relevant Jurisdiction;
  - (iv) variations or amendments to any existing operation and maintenance contracts with respect to a site owned or operated by a Group Company, including the scope of work thereunder or any other term that would negatively affect the ability of the Group Company to comply with the service level obligations under then-existing agreements with customers, other than (A) where the service provider fails to perform its obligations in accordance with the terms and conditions of any such contract, (B) extension of the term of any such contract that is due to expire before the Longstop Date (as may be extended under the terms and conditions of the Agreement) of no more than 12 months, (C) price increases limited to the greater of (x) 5% on an aggregate basis in respect of such contract (as stated in LCY) and (y) the applicable local Consumer Price Index at the time of such price increase, and (D) any amendments or variations that would not adversely affect the operation of the applicable site or the Group Company's obligations to its customers at such site;
  - (v) waivers of rights under, variations or amendments to any existing master lease agreements or other equivalent framework agreements with respect to Colocations and BTS Agreements that are operationally driven and are neither material nor have an adverse economic impact on any Group Company;
  - (vi) waivers of rights, variations or amendments that are operationally driven and are neither material nor have an adverse economic impact on any Group Company;
  - (vii) adjustments in pricing pursuant to the terms of the relevant individual site agreements in effect on the date of this Agreement;

- (viii) variations or amendments that effect price discounts of not more than 5% (by reference to then-current rates) in any individual site agreements that are in effect as of the date of this Agreement with Tier 1 Customers or Tier 2 Customers; and
- (ix) enter into a master lease agreement and new Colocations with Lycamobile in Uganda;
- (k) (i) accelerate or delay the collection of receivables, grant volume rebates or discounts to customers or factor receivables, in each case outside the ordinary course of business or inconsistent with past practice or (ii) make any material payments other than in a manner consistent with previous dealings with the recipients of such payments, in each case outside the ordinary course of business or inconsistent with past practice;
- (l) make any change to the accounting bases, practices, policies or procedures in place within the Group Companies, except as required by applicable law or IFRS;
- (m) (i) make, change or revoke, or permit to be made, changed or revoked, any Tax election, or change any of its methods of accounting or reporting for Tax purposes, except as required by applicable law or (ii) settle any Tax audit, provided that nothing done, made, changed, revoked or permitted by the Sellers or the Warrantors without the consent of the Purchaser under this sub-Clause (m) shall restrict the right of the Purchaser to make a claim against the Sellers or the Warrantors (as appropriate) under any Transaction Document;
- (n) change its residence for Tax purposes or establish a permanent establishment or any other presence which may be subject to Tax under applicable law in a jurisdiction other than that of its current residence for Tax purposes;
- (o) make any material changes to its insurance policies;
- (p) institute or settle, or agree to settle, any litigation or injunction in respect of which the amount claimed is in excess of US\$250,000 or series of related claims in excess of US\$250,000 or which would result in a payment to or by any Group Company (excluding any insurance recoveries) greater than US\$250,000;
- (q) (i) omit timely to make any filing with or pay any fees to any Governmental Authority necessary to maintain any operating licences (including timely payment of all licence renewal fees) or permits, (ii) terminate or fail to renew

or extend any operating licence or permit (iii) agree to any modification or amendment of any of its operating licences or permits, or (iv) seek any new operating licences or material permits, in each case other than (A) as required by applicable law or any obligation of the Sellers under this Agreement, (B) as would not have a material and adverse effect on the relevant Group Company and (C) applications for new site permits (including build, aviation or airspace safety, environmental, radiation or fire permits) or the renewals, modifications or amendments thereof in the ordinary course of business;

- (r) incur any Indebtedness for borrowed money, other than in connection with (i) the financing of the Airtel Tower Transaction, or (ii) (A) the receipt of trade credit, (B) drawdowns under the Existing Facilities, or (C) use of available overdraft facilities, in each case (A), (B) and (C) in the ordinary course of business;
- (s) grant any loan to any third parties (including to directors, officers or employees of the Group Companies) outside the ordinary course of business or inconsistent with past practice, except payment terms for goods or services provided to any person and except for loans to another Group Company;
- (t) guarantee the obligation of any third party (other than another Group Company) outside the ordinary course of business or inconsistent with past practice;
- (u) create any Encumbrance over any part of its material assets outside the ordinary course of business or guarantee or indemnify the obligations of any third party (other than another Group Company);
- (v) enter into any material new agreement or amend or modify any existing material agreement with any trade union, works council or similar body of employee representatives;
- (w) pay any bonus or termination payment or other emolument to any Employee which is outside the ordinary course of business or is inconsistent with past practice, other than if such payment is or would be a Permitted Leakage;
- (x) appoint or remove any Senior Employee or director or make any amendment to the remuneration, bonus terms or terms of engagement of any Senior Employee or director, other than any removal of any Senior Employee or director for cause, other than if such action is or would be a Permitted Leakage;

- (y) vary or amend any management incentive plan of any Group Company or the terms of employment of, bonus or remuneration or other benefits of any nature whatsoever payable to any Senior Employee, in each case other than any variations made in the ordinary course of business, consistent with past practice, or if such action is or would be a Permitted Leakage;
- (z) terminate, renew, extend or make any material amendments or modifications to any Group Company's existing office lease, other than an extension on a month-to-month basis of the term of the Group's lease in respect of (i) 22-25 Eastcastle Street, London W1W 8DF to 11 January 2020, (ii) GoldCrest Executive, Al Thanyah Fifth, Dubai to 31 July 2020, (iii) Part of 9<sup>th</sup> Floor, Tower B, Reliable Towers on Land Reference Number 209/5959, Nairobi to 29 February 2020 and (iv) Part of 10<sup>th</sup> Floor, Tower B, Reliable Towers on Land Reference Number 209/5959, Nairobi to 29 February 2020, provided that, in each case, to the extent that, after the Sellers have taken all reasonable endeavours to extend such leases on a month-to-month basis, the Group is unable to obtain such extension, the Group may enter into longer extensions in respect of such leases, provided that the Sellers shall have taken all reasonable endeavours to ensure that such extensions contain an extension term as short as practically possible; or
- (aa) enter into any commitment or agreement to do any of the above.

7.2 For the purposes of this Clause 7, "the Sellers using all reasonable endeavours" shall refer to the Sellers exercising their respective rights through nominee directors on the board of directors of the Company (as applicable) and in their respective capacity as shareholders at the shareholders' meetings of the Company in a manner consistent with this Clause 7.

7.3 Nothing in this Clause 7.1 shall operate so as to restrict or prevent, or so as to require any Seller, any of the Sellers' respective Affiliates, or a Group Company to act in a manner that restricts or prevents, between the date of this Agreement and Completion:

- (a) any action specifically Disclosed in the Disclosure Letter;
- (b) any action reasonably required to satisfy the Eaton Towers Egypt Condition (provided such action does not impose any liability or obligation on the Purchaser or the Group following Completion);
- (c) any director or officer of any Seller, the Sellers' respective Affiliates or any Group Company from complying with his or her fiduciary duties under applicable law;

- (d) any action reasonably undertaken by any Seller, the Sellers' respective Affiliates or any Group Company in an emergency or other extraordinary situation with a view to minimizing any material adverse effect on any Seller, the Sellers' respective Affiliates or Group Company;
- (e) any action or conduct which any Group Company is required to take, or omit to take, as a result of, or in order to comply with any, applicable law or regulation or any request or demand of any applicable Governmental Authority;
- (f) any action reasonably necessary to discharge any obligation pursuant to any contract, arrangement, licence or consent that is entered into prior to the date of this Agreement (to the extent such contract, arrangement, licence or consent has been Disclosed prior to the date of this Agreement);
- (g) any action taken at the written request of the Purchaser or with the written consent of the Purchaser; or
- (h) any matter provided for or action reasonably required to give effect to, including exercise of rights under, the Transaction Documents.

7.4 The Sellers' Representative (on behalf of the Sellers) shall take all actions necessary to exercise the drag-along rights under, and cause the waiver of all rights of pre-emption or similar rights over any of the Shares conferred by, the articles of association of the Company and the shareholders' agreement relating to the Company. The Sellers shall procure that all of the Shares shall be transferred to the Purchaser on Completion free of Encumbrances and the Purchaser shall not be required to proceed to Completion unless all of the Shares are so delivered to the Purchaser. True, correct and complete copies of all such notices and related materials delivered to the Other Shareholders shall be promptly delivered to the Purchaser.

7.5 Each of the Sellers shall use all reasonable endeavours to procure that the Purchaser and its representatives shall, at the Purchaser's sole cost, be given reasonable access during normal working hours to: (i) Senior Employees; (ii) the information listed in, and in accordance with the terms of, the Access to Information Protocol (as defined in the Warranty Deed); and (iii) subject to the prior written consent of a Warrantor and under the supervision of a relevant Senior Employee, to the Group Companies' management and premises, and (x) in the case of paragraphs (i) and (iii) above, such access shall be only as is reasonably required to facilitate the ownership transition process and only to the extent that such access does not unreasonably interfere with the operations of the Group Companies or the discharge by the Senior Employees of their day-to-day duties and responsibilities with respect to the Group Companies and further provided that such access shall in each case be given subject to the notice to and the general oversight by the Sellers' Representative and (y) in the case of

paragraphs (i), (ii) and (iii) above, such access shall be only to the extent that such access complies with applicable law (including competition or antitrust laws). Without limiting the generality of the foregoing and for the avoidance of doubt the obligations of the Sellers under this Clause 7.5 shall be provided subject to arrangement of appropriate clean room procedures that are reasonably satisfactory to the Purchaser and the Warrantors. Subject to the foregoing sentence, nothing in this Clause 7.5 shall entitle the Purchaser to access any information or document which is protected by legal professional privilege, which has been prepared by a Seller or a Group Company or their professional advisers with a view to assessing the merits of any claim or argument or which is of a commercially sensitive nature, provided that the Sellers' Representative (on behalf of the Sellers) shall and shall use all reasonable endeavours to procure that the Group Companies shall use all reasonable endeavours to develop an alternative to providing such information so as to address such matters that is reasonably acceptable to the Purchaser and the Group and implement appropriate and mutually agreeable measures to permit the disclosure of such information in a manner to remove the basis for the objection, including by arrangement of appropriate clean room procedures, redaction or entry into a customary joint defence agreement with respect to any information to be so provided, if the Purchaser and the Sellers' Representative determine that doing so would reasonably permit the disclosure of such information without violating applicable law or jeopardising such privilege.

- 7.6 On or prior to Completion, the Sellers shall and shall use all reasonable endeavours to procure that the Group Companies shall take, in each case at the sole cost and expense of the Sellers (save to the extent it is Permitted Leakage), all action required to settle all outstanding amounts owing under any Affiliate Agreement and terminate all such Affiliate Agreements as of Completion (save in each case for the relevant rights (but not any liabilities or obligations) of the Group Companies set forth in the provisions of such Affiliate Agreements as are set out in Schedule 8, each of which shall each survive and remain in full force and effect after Completion) without any surviving obligations or liability to the Group or the Purchaser after Completion.
- 7.7 Each of the Sellers shall use all reasonable endeavours to procure that the Group Companies take all actions reasonably necessary to cause all securities which have been issued by the Group Companies (other than the Company) and which are not held by another Group Company to be transferred to, on or prior to the Completion Date, a person nominated in writing not more than 60 days following the date of this Agreement by the Purchaser free and clear of all Encumbrances such that following such transfers, and in each case on Completion, all of the share capital of each of the Group Companies will be owned (directly or indirectly) by the Purchaser or its nominees. True, correct and complete copies of all related documents shall be promptly delivered to the Purchaser.
- 7.8 The Sellers shall use all reasonable endeavours to procure that the Group Companies make payment of all applicable licence fees, and submit all applicable compliance or equivalent filings, to the extent such payments and filings remain outstanding, in

respect of (a) the Kenya A Network Facilities Provider-Tier 2 licence (Licence No. TL/NFP/T2/00025) (the Licence) issued by the Communications Authority and a Tier 2 Compliance Certificate granted to Eaton Towers Kenya Limited (Licence No TL/NFP/T2/00025) for the year 2019/2020, and (b) the Uganda Public Infrastructure Provider Licence issued by the Uganda Communications Commission under the Uganda Communications Act No.1 of 2013 and its Regulations, in accordance with the terms of a Public Infrastructure Provider Licence Agreement (PIP Licence Agreement) dated 17 April 2012, entered into between the Government of the Republic of Uganda, the UCC and Eaton Towers Uganda Limited.

- 7.9 The Sellers shall use all reasonable endeavours to procure that the Group Companies deliver valid notices of termination under the employment contracts of all of the Group's employees located in London and Dubai, in each case on or prior to Completion, with such terminations to be effective on and from Completion (save to the extent of any applicable notice periods under such employees' employment contracts which may continue following Completion, in respect of which the relevant Group Company shall make payments in lieu of notice).
- 7.10 From and after the date of this Agreement and until Completion, the Sellers shall use all reasonable endeavours to procure that the relevant Group Companies use all reasonable endeavours, at the cost of the Group, to wind up, dissolve or liquidate, as the case may be, prior to Completion (i) Eaton Towers (Lilongwe) Limited, (ii) Eaton Towers South Africa (M) Limited and (iii) Goodison One Hundred Twenty Limited.
- 7.11 Without limiting the generality of Clause 7.1, from and after the date of this Agreement and until Completion, the Sellers shall use all reasonable endeavours to procure that the Group Companies use all reasonable endeavours and cooperate with the Purchaser's reasonable requests, at the Purchaser's sole cost, to (A) procure the post-Completion retention of the employment or engagement by the Group of members of the senior management teams (including the managing directors, deputy managing directors and chief financial officers) of the Group in each of Niger and Burkina Faso, in each case identified by the Purchaser in its sole discretion; and (B) assist the Purchaser in identifying those employees of the Group Companies that the Purchaser may wish to retain post-Completion, and taking such steps as the Purchaser reasonably requests to ensure the retention of such employees. For the avoidance of doubt, no Seller and no Group Company shall have any obligation to incur any out-of-pocket expenses or otherwise pay amounts in connection with this Clause 7.11 if this Agreement is validly terminated in accordance with its terms, and any such expenses or other payments incurred by any Seller or Group Company shall be promptly reimbursed in full by the Purchaser in connection with any such valid termination other than a termination resulting from a breach of this Agreement by the Sellers.
- 7.12 Without limiting the generality of Clause 7.1, from and after the date of this Agreement and until Completion, the Sellers shall use all reasonable endeavours to procure that the Group Companies use all reasonable endeavours to ensure that the Group is not in default under any of the Group's Existing Indebtedness instruments,



including in respect of the Group's obligations thereunder to maintain coverage or leverage ratios in accordance with the applicable terms of such instruments.

- 7.13 The Purchaser may elect, at its option and at its sole cost, by giving the Sellers' Representative written notice not later than 20 Business Days from the date of this Agreement:
- (a) in addition to the payment of the Consideration, to repay on Completion, on behalf of the Group Companies, or request that the Sellers use reasonable endeavours to procure that the relevant Group Company repays, the full amount of the Existing Indebtedness in accordance with the terms of the Existing Facilities, and to request that the Sellers use reasonable endeavours to procure that the relevant Group Company obtains pay-off letters in customary form with appropriate Encumbrance releases (subject to completion of any administrative procedures set forth therein to effect such release) reasonably acceptable to the Purchaser in respect of each Existing Facility, to be delivered on or around the Completion Date; or
  - (b) assume on Completion the full amount of the Existing Indebtedness in accordance with the terms of the Existing Facilities and request that the Sellers use reasonable endeavours to procure that the receipt of all necessary waivers in respect of any provisions regarding mandatory repayment of Existing Indebtedness in connection with the consummation of the transactions contemplated by this Agreement,

and the Sellers shall, and shall use reasonable endeavours to ensure that the relevant Group Companies shall, cooperate in good faith with the Purchaser in fulfilling any tasks which the Purchaser, acting reasonably, may request and that are required for the repayment or assumption of the Existing Indebtedness pursuant to this Clause 7.12, it being agreed that (i) no Seller and no Group Company shall have any obligation to incur any out-of-pocket expenses or otherwise pay amounts for that purpose and any such expenses or other payments incurred by any Seller or Group Company on the Purchaser's written request shall be promptly reimbursed in full by the Purchaser; and (ii) in the event the Purchaser elects the repayment of the Existing Indebtedness pursuant to sub-Clause (a), the Purchaser shall make funds available to the Group Companies for such repayment. The Sellers shall use reasonable endeavours to ensure that the relevant Group Companies shall not agree to pay any fees, premiums or other charges to any lenders in relation to the early repayment of, or assumption by the Purchaser of obligations under, the Existing Facilities without the prior written consent of the Purchaser.

- 7.14 Until Completion, the Purchaser shall not, and shall procure that any Related Person shall not, without the prior written consent of the Sellers' Representative, solicit the employment of or hire of any Restricted Person, whether directly or indirectly, nor enter into any employment, consultancy or service relationship with any Restricted Person, provided that the foregoing restrictions shall not prevent the Purchaser or the

relevant Related Person from publishing any recruitment advertisement in any local or national newspaper or other publication or on any website.

- 7.15 Until Completion, the Purchaser, on the one hand, and each of the Sellers, on the other hand, shall not and shall procure that any Related Person and any director, officer or employee of the Purchaser or any Related Person, or the Sellers or any Related Person, respectively, shall not make or issue any statement or comment (whether orally or in writing) regarding the transactions contemplated by this Agreement to any customer of (a) the Purchaser or any Related Person or (b) any Group Company, in each case that is inconsistent with or is contrary to the Customer Statements.

## **8. Completion**

- 8.1 Completion shall take place at the Company's offices (or at any other place as may be agreed in writing between the Sellers' Representative (on behalf of the Sellers) and the Purchaser) on the last day of the month during which the last of the Conditions is satisfied (except if such day is not a Business Day, Completion shall take place on the next following Business Day), provided that if the last day of such month is less than four Business Days after the day on which the last of the Conditions is satisfied, Completion shall take place on the last day of the following month (except that if such day is not a Business Day, Completion shall take place on the next following Business Day), or at such other time and on such other date as the Parties may agree in writing (such date, the "Completion Date"). Notwithstanding the foregoing, the Completion Date shall be no earlier than 10 Business Days after the delivery by the Sellers' Representative of the Estimated Interim Amount, and no earlier than four Business Days after the delivery by the Sellers' Representative of its statement of Notified Leakage, in each case in accordance with Clause 3.4. Notwithstanding the foregoing, the Purchaser shall be entitled, in its sole and absolute discretion by written notice to the Sellers' Representative no later than two Business Days prior to the proposed Completion Date, to defer the Completion Date until the earlier of (i) the date on which the Purchaser enters into an agreement with MTN with respect to the purchase or sale of equity interests from or to the counterparties to the MTN Agreements in connection with the consummation of the transactions contemplated by this Agreement, and (ii) the Longstop Date.

### 8.2 At Completion:

- (a) the Sellers shall do all those things required of them in accordance with Part A of Schedule 3; and
- (b) the Purchaser shall do all those things required of it in accordance with Part B of Schedule 3.

- 8.3 No Party shall be obliged to complete this Agreement unless:
- (a) the other Parties comply with their respective obligations to be undertaken at or prior to Completion under this Clause 8 and Schedule 3; and
  - (b) the sale and purchase of all of the Shares is completed simultaneously, which constitute the entire issued share capital of the Company.
- 8.4 If a Party fails to comply with its respective obligations to be undertaken at or prior to Completion under this Clause 8 and Schedule 3, the other Party shall be entitled, in its sole and absolute discretion (without prejudice to any other remedies or accrued rights which it may have against the non-compliant Party), by written notice to the non-compliant Party, to:
- (a) defer Completion for a period of 30 days; or
  - (b) proceed to Completion so far as practicable (without prejudice to its rights hereunder).
- 8.5 If Completion has been deferred pursuant to Clause 8.4(a) by a Party and the non-compliant Party fails to comply with its obligations to be undertaken at or prior to Completion under this Clause 8 or Schedule 3 on the deferred Completion Date, then the Party that deferred Completion shall be further entitled, in its sole and absolute discretion (without prejudice to any other remedies or accrued rights which it may have against the non-compliant Party) by written notice to the non-compliant Party, to terminate this Agreement without liability on its part, subject to Clause 8.6.
- 8.6 If this Agreement is terminated pursuant to Clause 8.5, all of the provisions of this Agreement shall cease to have effect except that:
- (a) this Clause 8.6 and Clauses 1, 5 6.11, 6.12, 6.13 and 12 to 27 (inclusive) shall continue to apply following such termination; and
  - (b) such termination shall be without prejudice to any rights and obligations already arisen in connection with or by virtue of any breach of this Agreement and liability already accrued (subject to the limitations set forth in this Agreement) prior to the termination of this Agreement.
- 8.7 This Agreement shall, as regards the Sellers' Warranties, the Purchaser Warranties and any other of its provisions remaining to be performed or capable of having or

taking effect following the Completion Date, remain in full force and effect following the Completion Date.

## **9. Sellers' Warranties and Undertakings**

- 9.1 Each Seller warrants to the Purchaser that each of such Sellers' Warranties is true, accurate and not misleading at the date of this Agreement and immediately before Completion.
- 9.2 Each Seller undertakes to disclose in writing to the Purchaser anything which is or is reasonably likely to constitute a material breach of such Seller's Warranties as soon as reasonably practicable upon it coming to its notice both before or at the time of Completion.
- 9.3 Where a Sellers' Warranty relates to the Sellers or Sellers' Shares, each Seller shall only be taken to give that warranty in relation to itself or its own Sellers' Shares, as applicable, and not in relation to any other Seller or Sellers' Shares.
- 9.4 The Sellers' liability for Relevant Claims shall be limited or excluded, as the case may be, as set out in Schedule 5.
- 9.5 As concerns any Sellers' Warranties that are expressed to be given subject to the knowledge of the Sellers, in respect of each Seller, such Sellers' Warranties are given solely on the basis of such Seller's actual awareness at the date of (and not prior to the date of) this Agreement, having made due and careful inquiries of the Warrantors to the extent relevant, provided that no Seller shall be imputed with the knowledge of, or be deemed to have the constructive knowledge of, any other person.
- 9.6 The Parties agree and acknowledge that, without prejudice to the termination rights explicitly set out in this Agreement, no party shall be entitled to rescind this Agreement.
- 9.7 Each of the Sellers' Warranties shall be construed as a separate and independent warranty and shall not be restricted or limited by reference to any other warranty or any term of this Agreement.
- 9.8 From and after Completion each Seller undertakes to indemnify and hold harmless the Purchaser for all Losses (including liabilities in respect of Tax and the loss of any Reliefs) suffered by the Purchaser or the Group Companies as a result of or in connection with:

- (a) the operations of, or winding-down, dissolution, liquidation or other similar proceeding in respect of, (i) Eaton Towers (Lilongwe) Limited, (ii) Eaton Towers South Africa (M) Limited and (iii) Goodison One Hundred Twenty Limited as outlined in the steps paper set out in annex A to the Disclosure Letter, including any Losses arising from such reorganisation being implemented otherwise than in accordance with such steps paper, but excluding any stamp duty or similar Taxes payable in connection with the capitalization in accordance with such steps paper of intra-group debt owed by Goodison One Hundred Twenty Limited to Eaton Towers Limited up to KES25,534,843.10 in the aggregate, which shall be borne by the Group;
- (b) satisfaction of the Eaton Towers Egypt Condition;
- (c) the MIPSs, including payments to participants in the MIPS in connection with the transactions contemplated by this Agreement and the settlement and termination of the MIPS; and
- (d) (i) the operation, termination and winding-up of the Eaton Towers Holdings Limited Employee Benefit Trust and (ii) the write-off, cancellation, termination or other non-cash settlement of the EBT Loan, in each case, other than with respect to the principal amount thereof.

9.9 Each Seller shall use all reasonable endeavours to procure the termination and wind-up, as soon as reasonably practicable following the Completion Date, of the Eaton Towers Holdings Limited Employee Benefit Trust.

9.10 From and after Completion each Seller shall not, nor will it permit any of its Affiliates to, use any name, phrase or logo incorporating "Eaton" or such corporate design logo or its color scheme in any agreements or other business materials or products. Without limiting the generality of the foregoing, at or as soon as reasonably practicable following Completion, but in no event later than twenty (20) Business Days following the Completion Date, the Sellers shall, and shall cause each of their respective Affiliates to, change the name of any related entities, including Eaton Towers Group plc, so that they cease to use the "Eaton" name. For the avoidance of doubt, this Clause 9.10 shall not apply to the use of "ETW" in the name of any Seller or its Affiliates or related persons.

## **10. Purchaser's and Guarantor's Warranties**

10.1 Each of the Purchaser and the Guarantor jointly and severally warrants to each Seller that:

- (a) it has the power to execute and deliver this Agreement, and each of the other Transaction Documents to which it is or will be a party, and to perform its obligations under each of them and has taken all action necessary to authorise such execution and delivery and the performance of such obligations;
- (b) this Agreement constitutes, and each of the other Transaction Documents to which it is or will be a party will, when executed, constitute legal, valid and binding obligations of it, in accordance with its terms;
- (c) the execution and delivery by it of this Agreement and of each of the other Transaction Documents to which it is or will be a party and the performance of the obligations of it under it and each of them do not and will not conflict with or constitute a default under any provision of:
  - (i) any agreement or instrument to which it is a party;
  - (ii) its constitutional documents; or
  - (iii) any law, lien, lease, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which it is bound;
- (d) other than as contemplated by this Agreement or other Transaction Document, all material authorisations from, and material notices or filings with, any Governmental Authority that are necessary to enable it to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is or will be a party have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with in all material respects; and
- (e) it has (and at Completion will have) access to immediately available on an unconditional basis (subject only to Completion) the necessary cash resources to meet its payment obligations under this Agreement, and each of the other Transaction Documents to which it is or will be a party,

(each, when given by the Purchaser, a “Purchaser Warranty.” and, when given by the Guarantor, a “Guarantor Warranty.”).

10.2 Immediately before Completion, each of the Purchaser and the Guarantor is deemed to severally warrant to each Seller that each Purchaser Warranty and each Guarantor

Warranty, respectively, is true, accurate and not misleading as at the date of this Agreement and immediately before Completion.

## **11. Restraints**

11.1 In this Clause 11, unless clearly inconsistent with the context, words and phrases defined hereunder shall bear the meanings assigned to them in this Clause 11.1:

- (a) “Land Rights” shall mean any ownership, lease, sublease, licence, development, usufruct, servitude, management use, marketing right, occupancy, agency or other rights (including economic rights such as rights to rental income) of any nature, to or in respect of any immovable property or improvements to immovable property in the Territory;
- (b) “Restraint Period” shall mean a period of eighteen months from Completion; and
- (c) “Territory” shall mean the countries of Ghana, Kenya, Burkina Faso, Niger, Uganda and South Africa.

11.2 CIPEF ETW (Jersey) Limited hereby undertakes in favour of the Purchaser (on behalf of itself and as agent and trustee for all other members of the Purchaser’s Group), in order to protect the value of the Shares, that it will not, and will procure that none of its Related Persons shall, either alone or jointly, during any part of the Restraint Period:

- (a) whether as proprietor, partner, shareholder, member, trustee, beneficiary, employee, consultant, contractor, financier, director, officer, agent, representative or otherwise, and whether for reward or not, directly or indirectly:
  - (i) carry on in the Territory any undertaking or activity which is competitive with the business of the Group Companies as it existed on Completion;
  - (ii) have a debt or equity interest or holding in any company, close corporation, firm, undertaking or concern operating in any part of the Territory which is competitive with the business of the Group Companies as it existed on Completion; or

- (iii) solicit or agree to acquire, negotiate with a view to acquiring, hold or exercise any Land Rights relating to any tower sites in the Territory (foregoing sub-Clauses (a) to (c) (inclusive), referred to hereinafter as a “Competitive Activity”); or
- (b) solicit the employment of or hire any one or more of the employees of the Group as at Completion, whether directly or indirectly, nor enter into any employment, consultancy or service relationship with any such person.

11.3 The restrictions in Clause 11.2(a) shall not:

- (a) prevent CIPEF ETW (Jersey) Limited or any Related Person from holding shares or debentures in a listed company which confer not more than 5% of the votes which could normally be cast at a general meeting of that company;
- (b) in the case of the restrictions in clauses 11.2(a) and 11.2(b), apply (or as the case may be shall cease to apply) to the extent that CIPEF ETW (Jersey) Limited or the relevant Related Person after Completion acquires any company or group of companies, or its business, with headquarters outside the Territory (“Acquired Group”) and, as a result of that acquisition, acquires a company or business which carries on a Competitive Activity referred to in Clauses 11.2(a) or 11.2(b) (“Competing Entity”), provided that such Competing Entity represents less than 10% of the gross asset value of the Acquired Group. CIPEF ETW (Jersey) Limited or the relevant Related Person shall be required to use all reasonable endeavours to divest such Competing Entity to the extent engaging in such a Competitive Activity within twelve (12) months after consummation of such acquisition and to the extent that CIPEF ETW (Jersey) Limited or the relevant Related Person is unable to do so within such 12-month period, the Purchaser shall have the option expiring one calendar month from the expiry of such 12-month period to acquire such Competing Entity at its fair market value as determined by independent accountants mutually acceptable to CIPEF ETW (Jersey) Limited or the relevant Related Person, on the one hand, and the Purchaser, on the other hand;
- (c) apply (or as the case may be shall cease to apply) to the extent that CIPEF ETW (Jersey) Limited or the relevant Related Person after Completion is acquired by any company or business or merges with any company or business in a bona fide arms-length transaction with an unaffiliated third party, which carries on a Competitive Activity or which subsequently elects to directly or indirectly carry on such a Competitive Activity; or



- (d) prevent CIPEF ETW (Jersey) Limited or the relevant Related Person from carrying on the business or range of business carried on by such person at Completion outside the Territory.
- 11.4 The restrictions in Clause 11.2(b) shall not prevent CIPEF ETW (Jersey) Limited or the relevant Related Person from publishing any recruitment advertisement in any local or national newspaper or other publication or on any website.
- 11.5 Clause 11.2 may be enforced by the relevant member of the Purchaser's Group against the Sellers under the Contracts (Rights of Third Parties) Act 1999.
- 11.6 No Seller shall use the proceeds received by it under this Agreement in breach of any Sanctions (as defined in the Warranty Deed), including by directly transferring such proceeds to any person who is the subject of Sanctions.
- 11.7 CIPEF ETW (Jersey) Limited agrees that the restrictions contained in this Clause 11 are no greater than is reasonable and necessary for the protection of the interests of the Purchaser and the Group, but if any such restriction shall be held to be void, but would be valid if deleted in part or reduced in application, such restriction shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

## 12. Confidential Information

- 12.1 Subject to Clause 12.2 and Clause 13, each Seller undertakes to the Purchaser, acting for itself and as agent and trustee for the Purchaser's Group, and the Purchaser undertakes to each of the Sellers, that the Sellers or the Purchaser (and the Purchaser's Group) (as the case may be) shall treat as confidential all information:
  - (a) received or obtained as a result of entering into or performing this Agreement which relates to:
    - (i) the other Parties and their respective Affiliates (the "Disclosing Party");
    - (ii) the provisions or the subject matter of this Agreement or any Transaction Document and any claim or potential claim thereunder;
    - (iii) the negotiations relating to this Agreement or any Transaction Documents; and

(b) in the case of the Sellers, relating to the Group that is not publicly available.

12.2 Clause 12.1 does not apply to disclosure of any such information as is referred to in that Clause by a Party:

- (a) which is required to be disclosed by applicable law, by a rule of a listing authority or stock exchange to which any Party (or member of the Purchaser's Group) is subject or submits or by a Governmental Authority or other authority with relevant powers to which any Party is subject or submits, whether or not the requirement has the force of law provided that the disclosure shall, if permitted by law and so far as is practicable, be made after consultation with, in the case of disclosure by the Purchaser or the Company, the Sellers' Representative or, in the case of disclosure by any Seller, the Purchaser and after taking into account the reasonable requirements of the Sellers' Representative or the Purchaser (as applicable) as to its timing, content and manner of making or despatch;
- (b) to an adviser for the purpose of advising in connection with the transactions contemplated by this Agreement or any Transaction Document or any future transactions relating to the Group or any of its assets provided that such disclosure is necessary for these purposes and is on the basis the Party disclosing such information procures that such adviser keeps such information confidential on the same terms which apply to the Disclosing Party under this Agreement;
- (c) to a director, officer, employee or auditor of the Purchaser or a Group Company whose function requires him to have the relevant confidential information and is on the basis the Party disclosing such information procures that such adviser keeps such information confidential on the same terms which apply to the Disclosing Party under this Agreement;
- (d) to the extent such Party is an investment fund or which holds or held Shares on behalf of such a fund to: (i) the manager of, adviser to, participant or investor or prospective participant or investor in, that fund, and (ii) to the manager of, adviser to, participant or investor or prospective participant or investor in a fund which has the same manager or adviser as a fund to which Clause 12.2(d)(i) applies, in each case on the basis the Party disclosing such information procures that such receiving person keeps such information confidential on the same terms which apply to the Disclosing Party under this Agreement;
- (e) which is required to be made to a Tax Authority in connection with the Tax affairs of a Party or any of its Affiliates, provided, that, to the extent

reasonably practicable, advance written notice of such disclosure shall be provided to the other Parties;

- (f) which is required to enable any person to enforce its rights under this Agreement including to defend itself against any claim thereunder or under any other Transaction Document or for the purpose of any judicial proceedings;
- (g) in the case of the Purchaser, to any potential third party debt financier, being an internationally recognised bank or other financial institution, in connection with the consummation of the transactions contemplated by this Agreement; or
- (h) to the extent that the information has been made public by, or with the consent of, the Disclosing Party or is in or comes into the public domain otherwise than as a result of a breach of any undertaking or duty of confidentiality by any Party.

12.3 The restrictions contained in this Clause 12 shall continue to apply after Completion, save that the Purchaser shall not be bound by any obligation of confidentiality under this Clause 12, any confidentiality agreement entered into by the Purchaser or any member of the Purchaser's Group in connection with the transactions contemplated by this Agreement or otherwise following Completion in respect of information relating to the Group.

12.4 For the avoidance of doubt, but without prejudice to any obligations under this Clause 11, the Purchaser acknowledges that Affiliates of each of the Sellers are investment advisers which advise their respective clients with respect to investments in entities engaged in industries or businesses similar to those conducted by the Group and that certain confidential information obtained by the Sellers or their Affiliates prior to the Completion Date may influence such investment advisers' views on such other investments, in each case subject to the terms and conditions set forth herein.

### **13. Announcements**

13.1 Subject to Clause 7.15 and Clause 13.2, no Party may, before or after Completion, make or issue a public announcement, communication or circular (each, an "announcement") concerning the existence of, or the transactions referred to in, this Agreement unless it has first obtained the written consent of the Sellers' Representative (in the case of a proposed announcement by the Purchaser) or the Purchaser (in the case of a proposed announcement by a Seller or the Sellers' Representative), which shall not be unreasonably withheld, conditioned or delayed.

13.2 Clause 13.1 shall not apply to a public announcement, communication or circular required by applicable law, by a rule of a listing authority or stock exchange to which any Party (or the Purchaser's Group) is subject or submits, or by a Governmental Authority or other authority with relevant powers to which any party is subject or submits, whether or not the requirement has the force of law, provided that the public announcement, communication or circular shall, if permitted by law and so far as is practicable, be made or issued after consultation with, in the case of one to be made or issued by the Purchaser, the Sellers' Representative or, in the case of one to be made or issued by the Sellers, the Purchaser and after taking into account the reasonable requirements and other comments of the Sellers' Representative or the Purchaser (as applicable) as to its timing, content and manner of despatch.

13.3 The restrictions contained in Clause 13.1 and Clause 13.2 shall continue to apply after the termination of this Agreement.

#### **14. Guarantee by the Guarantor**

14.1 In consideration of the entry by each Seller into this Agreement, the Guarantor unconditionally and irrevocably:

- (a) guarantees to the Sellers the payment when due of all amounts payable by the Purchaser under or pursuant to this Agreement;
- (b) undertakes to ensure that the Purchaser will perform when due all of its payment obligations, undertakings, warranties and indemnities under or pursuant to this Agreement and the other Transaction Documents;
- (c) agrees that if and each time that the Purchaser fails to make any payment when it is due under or pursuant to this Agreement or any other Transaction Document, the Guarantor shall forthwith upon demand (without requiring any Seller first to take steps against the Purchaser or any other person) pay that amount to the Sellers as if it were the principal obligor in respect of that amount (subject to all applicable defences of the Purchaser in connection therewith); and
- (d) agrees as principal debtor and primary obligor to indemnify each Seller against all Losses sustained by it flowing from any non-payment or other failure by the Purchaser to comply with its obligations under or pursuant to this Agreement or any other Transaction Document.

- 14.2 The Guarantor's obligations under this Clause 14 shall not be affected, impaired, reduced or released by any matter or thing which but for this provision might operate to affect or prejudice those obligations, including:
- (a) any time or indulgence granted to, or composition with, the Purchaser or any other person;
  - (b) the taking, variation, renewal or release of, or neglect to perfect or enforce this Agreement, any other Transaction Document or any right, guarantee, remedy or security from or against, the Purchaser or any other person;
  - (c) any variation or change to the terms of this Agreement or any other Transaction Document;
  - (d) any insolvency or similar proceedings; or
  - (e) any illegality, unenforceability or invalidity of any obligation of the Purchaser, so that this Agreement shall be construed as if there were no such illegality, unenforceability or invalidity.
- 14.3 Subject to Clause 14.8, until all amounts which may be or become payable by the Purchaser under this Agreement and the other Transaction Documents have been irrevocably paid in full the Guarantor shall not as a result of this Agreement or any payment or performance under this Agreement be subrogated to any right or security of any Seller or claim or prove in competition with any Seller against the Purchaser or any other person or claim any right of contribution, set-off or indemnity.
- 14.4 The Guarantor will not take or hold any security from the Purchaser in respect of this Agreement and any such security which is held in breach of this provision will be held by the Guarantor in trust for the Sellers.
- 14.5 The Guarantor must reimburse the Sellers for all legal and other costs (including irrecoverable VAT) incurred by the Sellers in connection with the enforcement of the Guarantor's obligations under this Clause 14.
- 14.6 Subject to Clause 14.8, the Guarantor's guarantee is to be a continuing guarantee and accordingly is to remain in force until all the guaranteed obligations shall have been performed or satisfied. This guarantee is in addition to and without prejudice to and not in substitution for any rights or security which the Seller may now or hereafter have or hold for the performance and observance of the guaranteed obligations.

- 14.7 As a separate and independent stipulation the Guarantor agrees that any of the guaranteed obligations (including any moneys payable) which may not be enforceable against or recoverable from the Purchaser by reason of any legal limitation, disability or incapacity on or of the Purchaser or the dissolution, amalgamation, reconstruction or reorganisation of the Purchaser or any other fact or circumstance (other than any limitation imposed by this Agreement) shall nevertheless be enforceable against and recoverable from the Guarantor as though the same had been incurred by the Guarantor and the Guarantor were the sole or principal obligor in respect thereof and shall be performed or paid by the Guarantor on demand.
- 14.8 Notwithstanding anything to the contrary herein, the Guarantor's obligations under this Clause 14 shall terminate and be of no further force or effect from and after the earlier of the termination of this Agreement in accordance with its terms and Completion, provided that to the extent that any payment shall be due by the Purchaser to any Seller pursuant to or under this Agreement, the Guarantor's obligations under this Clause 14 shall continue in full force and effect in respect of such payment obligation of the Purchaser until the date on which such payment has been made in full in accordance with the applicable terms of this Agreement and in full satisfaction of the Purchaser's obligations in relation thereto, at which point the Guarantor's obligations under this Clause 14 shall terminate and be of no further force or effect.

## **15. Sellers' Representative**

- 15.1 Subject to Clause 15.2, each Seller hereby appoints CIPEF ETW (Jersey) Limited as its representative (the "Sellers' Representative"). The Sellers' Representative shall have full authority to execute and deliver the Escrow Agreement and other Transaction Documents, to give and receive notices and communications, to receive payments under or pursuant to this Agreement and the other Transaction Documents and to disburse such payments to the Sellers, to authorise release of funds from the Relevant Claim Escrow Account in satisfaction of Relevant Claims by the Purchaser, to authorise release of funds from the Interim Amount Escrow Account, to object to release of funds from either the Relevant Claim Escrow Account or the Interim Amount Escrow Account to the Purchaser, to agree to, negotiate, enter into settlements and compromises of, and comply with orders of arbitrators or courts with respect to such Relevant Claims or matters under the other Transaction Documents, and to take all actions necessary or appropriate in the judgment of the Sellers' Representative for the accomplishment of the foregoing; provided that (a) the relevant Seller's prior written consent to any such action to be taken by the Sellers' Representative shall be required in relation to a Relevant Claim against the relevant Seller only and (b) the Sellers' Representative may not proportionately disadvantage a Seller (based on the *pro rata* portion of the Consideration received by the Sellers) without such Seller's prior written consent.

- 15.2 Any person serving as Sellers' Representative hereunder may resign at any time upon giving at least thirty days' written notice to the Parties. Upon such resignation and with the written approval of the Purchaser (not to be unreasonably withheld, delayed or conditioned; provided that such approval shall not be required from the Purchaser if the successor entity is a wholly-owned subsidiary of CIPEF ETW (Jersey) Limited), the Sellers shall appoint a successor to such person within such thirty day period and shall promptly notify the Purchaser of such appointment. Such representation may be changed by the Sellers from time to time upon not less than thirty days' prior written notice to the Purchaser and subject to the written approval of the Purchaser (not to be unreasonably withheld, delayed or conditioned); provided, however, that no person serving as Sellers' Representative may be removed unless holders of a majority interest in the Relevant Claim Escrow Amount agree to such removal and to the identity of the substituted representative. Any vacancy in the position of Sellers' Representative may be filled by approval of the holders of a majority interest in the Relevant Claim Escrow Amount. No bond shall be required of the Sellers' Representative, and the Sellers' Representative shall not receive compensation for its services.
- 15.3 Notices or communications to or from the Sellers' Representative shall constitute notice to or from each of the Sellers. The Sellers' Representative shall pass (and for the purposes of this Agreement shall be deemed to have passed) any notices received pursuant to this Agreement on behalf of a Seller to such Seller without undue delay.
- 15.4 Signature of this Agreement by the Sellers' Representative constitutes its acceptance of its appointment as Sellers' Representative. Signature of this Agreement by the Sellers constitutes (a) their acknowledgement that the Sellers' Representative is so authorised to act on their behalf to the extent set forth and as contemplated by this Agreement, and (b) their undertaking, at the Purchaser's request, to ratify any step taken or commitment made by the Sellers' Representative on the relevant Seller's behalf, but only to the extent that the Sellers' Representative is authorized to take such step or make such commitment pursuant to this Agreement in accordance with this Agreement or the Escrow Agreement or any other Transaction Document.
- 15.5 Each Seller agrees that the Sellers' Representative shall not be liable to any Seller for any act or omission in connection with the performance by it of any of its duties, functions or role as Sellers' Representative pursuant to this Agreement (or, for the avoidance of doubt, the Escrow Agreement or any other Transaction Document), except in the case of wilful default, fraud or gross negligence. Each Seller agrees not to bring any action or claim against the Sellers' Representative in connection with the Sellers' Representative's appointment as Sellers' Representative and/or in relation to any action which the Sellers' Representative has taken or omitted to take in the past or may in the future take or omit to take in its capacity as the Sellers' Representative, except in the case of wilful default, fraud or gross negligence. The Sellers shall, based on their Relevant Proportions, severally indemnify the Sellers' Representative and hold the Sellers' Representative harmless against any Loss incurred without wilful default, fraud or gross negligence on the part of the person serving as Sellers'

Representative and arising out of or in connection with the acceptance or administration of the Sellers' Representative's duties hereunder, including the reasonable fees and expenses of any outside legal counsel retained by the Sellers' Representative.

- 15.6 The Purchaser may rely upon any decision, act, consent or instruction of the Sellers' Representative on behalf of the Sellers in connection with this Agreement, the Escrow Agreement or any other Transaction Document as being the decision, act, consent or instruction of each Seller. In furtherance of the foregoing, the Purchaser may rely exclusively, without independent verification or investigation, upon all decisions, communications or writings made, given or executed by the Sellers' Representative or actions omitted to be taken by the Sellers' Representative in connection with this Agreement, a Transaction Document and the transactions contemplated hereby and thereby. Any notice or communication delivered by the Purchaser to the Sellers' Representative shall be deemed to have been delivered to all Sellers. Notwithstanding anything to the contrary herein, each Seller acknowledges and agrees that the Purchaser shall be entitled to rely upon the allocation by the Sellers' Representative of any amounts payable pursuant to this Agreement among the Sellers, and, subject to actual payment of any such amounts by the Purchaser to the Sellers' Representative, the Purchaser shall not have any liability to any Seller or any other person with respect to any claim that the amounts paid by the Sellers' Representative to the Sellers are incomplete or inaccurate. Any payment by the Purchaser to the Sellers' Representative under this Agreement or any other Transaction Document will be considered a payment by the Purchaser to the applicable Sellers.

**16. Sellers' Liability**

The obligations and covenants and undertakings of the Sellers under the Transaction Documents shall be several and not joint or joint and several obligations and covenants and undertakings, and each Seller shall only be responsible for fulfilling its own obligations under the Transaction Documents and shall not be liable or responsible for any act or omission of any other Seller or the failure of any other Seller to fulfil its respective obligations.

**17. Variation and Waiver**

- 17.1 No variation or amendment of this Agreement shall be valid unless it is in writing and signed by or on behalf of each Party.
- 17.2 Any failure by any Party to exercise, or any delay by it in exercising, any right, power or remedy provided for in this Agreement or by law shall not affect or constitute a waiver of such right, power or remedy.



17.3 Any single or partial exercise of any right, power or remedy provided for in this Agreement or by law shall not preclude any other or further exercise of it or any other right, power or remedy.

**18. Further Assurance**

The Parties shall at their own cost and expense, and shall procure that their respective Affiliates shall at their own cost and expense, do, execute and perform all such further deeds, documents, assurances, acts and things as may be reasonably required to give effect to the terms of this Agreement and to secure for each of the Sellers or the Purchaser (as the case may be) the full benefit of the rights, powers and remedies conferred upon them in this Agreement.

**19. Assignment**

Without the written consent of the Sellers' Representative, the Purchaser may not, and without the written consent of the Purchaser, no Seller may, assign or transfer this Agreement or any of its rights or obligations under this Agreement, save that each Party may assign the benefit of, or any of its rights under, this Agreement to any of its Affiliates provided that:

- (a) the assignee shall procure that any such person to whom it assigns any of its rights under this Agreement shall assign such rights back to the assignor immediately prior to it ceasing to be an Affiliate of such Party; and
- (b) in the event of such assignment the liability of any Party shall not be greater than that Party's liability would have been to the other Parties had the assignment not taken place.

**20. Costs and Expenses**

Except as otherwise provided in this Agreement or in any Transaction Document, the Sellers shall bear their own, and the Purchaser shall bear its own, costs and expenses arising out of or in connection with the negotiation, preparation, execution and implementation of this Agreement and the transactions contemplated by it and all other Transaction Documents. The Sellers, on the one hand, and the Purchaser, on the other hand, shall each bear fifty percent (50%) of the costs, fees and expenses of the Escrow Agent.

**21. Interest**

If any Party fails to pay a sum due from it under this Agreement on the due date for such payment, that Party shall pay interest at the Agreed Rate (accrued daily and

compounded monthly) on the overdue sum from the due date of payment until the date on which its obligations to pay the sum are discharged.

## **22. Entire Agreement**

22.1 This Agreement and the other Transaction Documents constitute the entire agreement between the Parties. They supersede any previous agreements relating to the transactions contemplated by this Agreement and the subject matter of the Transaction Documents and set out the complete legal relationship of the Parties arising from or connected with that subject matter.

22.2 Nothing in this Clause 22 shall have the effect of limiting any liability arising from fraud.

22.3 Each Party acknowledges that in entering into the Transaction Documents it does not rely on, and shall have no rights or remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Transaction Documents.

## **23. Invalidity**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability under the laws of any other jurisdiction of that or any other provision of this Agreement.

## **24. Rights of Third Parties**

Except as expressly provided in Clause 11, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

**25. Notices**

25.1 Any notice or other communication given under or in connection with this Agreement shall be in writing, in the English language and may be served by delivering it personally or sending it by internationally recognized courier, or email to the address and for the attention of the relevant Party set out in Clause 25.3 (or as otherwise notified by that Party under this Agreement).

25.2 Any such notice shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery;
- (b) if sent by internationally recognized courier, four Business Days after posting it; and
- (c) in the case of email, upon receipt by the sender of a read receipt (or other appropriate evidence) that the email has been received by the addressee.

25.3 The addresses of the Parties for the purpose of this Clause are:

**if to the Sellers, to the Sellers' Representative:**

Address: c/o Capital Group Private Markets Inc  
6455 Irvine Center Drive  
Irvine, CA 92618  
USA

For the attention of: Private Equity Accounting & Administration  
(C-3A)

Email: [ciipe\\_accounting@capgroup.com](mailto:ciipe_accounting@capgroup.com)

with a copy (which shall not constitute notice) to:

Address: 12 Castle Street  
St Helier  
Jersey JE2 3RT  
Channel Islands

For the attention of: Alastair Worthy  
Email: [alastair.worthy@capita.je](mailto:alastair.worthy@capita.je)

Address: Debevoise & Plimpton LLP  
65 Gresham Street

London EC2V 7NQ  
United Kingdom

For the attention of: E. Raman Bet-Mansour  
Email: rbetmansour@debevoise.com

**Purchaser:**

Address: c/o American Tower International, Inc.  
116 Huntington Avenue  
Boston, MA 02116  
United States of America

For the attention of: Ruth Dowling  
SVP General Counsel, LatAm & EMEA  
Email: ruth.dowling@americantower.com

Email: ruth.dowling@americantower.com

with a copy (which shall not constitute notice) to:

Address: Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
United States of America

For the attention of: Bruce A. Gutenplan  
Email: bgutenplan@paulweiss.com

Address: Slaughter and May  
One Bunhill Row  
London, EC1Y 8YY

For the attention of: Richard Smith  
Email: richard.smith@slaughterandmay.com

**Guarantor:**

Address: American Tower International, Inc.  
116 Huntington Avenue, Boston, MA 02116  
United States of America

For the attention of: Ruth Dowling  
SVP General Counsel, LatAm & EMEA  
Email: ruth.dowling@americantower.com

with a copy (which shall not constitute notice) to:

Address: Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064  
United States of America

For the attention of: Bruce A. Gutenplan  
Email: bgutenplan@paulweiss.com

Address: Slaughter and May  
One Bunhill Row  
London, EC1Y 8YY

For the attention of: Richard Smith  
Email: richard.smith@slaughterandmay.com

or such other address as may be notified in writing from time to time by the relevant Party to the other Parties.

- 25.4 In proving service of a notice or other communication, it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant Party set out in this Clause (or as otherwise notified by that Party under this Agreement) and delivered either to that address or into the custody of an internationally recognized courier as a mail or airmail letter, or that the notice was transmitted by email to the email address of the relevant Party set out in this Clause (or as otherwise notified by that Party under this Agreement).

## 26. Counterparts

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original and all of which together shall constitute one and the same Agreement.

## 27. Governing Law, Jurisdiction and Service of Process

- 27.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

- 27.2 Any and all claims or disputes arising under or relating to this Agreement or the transactions contemplated hereby shall be finally resolved by arbitration conducted under the International Chamber of Commerce (the “ICC”) Rules of Arbitration (the “Rules”) as in force at the date such arbitration is begun. The seat and place of any arbitration shall be London, United Kingdom and the English language shall be used throughout the arbitration proceedings. The number of arbitrators shall be three, one to be nominated by each of the Sellers’ Representative (on behalf of the Sellers) and the Purchaser, and the third, who shall serve as chairman, shall be nominated by the

two party-nominated arbitrators within 15 Business Days following their appointment by the ICC. Should either the Sellers' Representative or the Purchaser fail timely to nominate an arbitrator, such arbitrator shall also be appointed by the ICC. Any award shall be final and binding on the Parties and may be confirmed in, and judgment upon the award entered by, any court having jurisdiction.

- 27.3 Without prejudice to Clause 27.2, the Parties agree that the English courts shall have jurisdiction (to which the Parties hereby irrevocably submit) to grant interim, injunctive and ancillary relief in support of any arbitral proceedings (whether or not actually commenced) under Clause 27.2.
- 27.4 Each Party waives any objection to the English courts on grounds that they are an inconvenient or inappropriate forum to settle any dispute.
- 27.5 The Purchaser and the Guarantor irrevocably authorize and appoint Trusec Limited of 2 Lambs Passage, London EC1Y 8BB as its agent in England for service of process. A copy will be delivered to the Purchaser and the Guarantor at the address or email address in Clause 25.3, provided that this requirement does not affect the validity of the appointment of the Purchaser's and the Guarantor's agent for service of process or the validity of service on that agent. The Sellers irrevocably authorise and appoint Eaton Towers Group plc of 6th Floor, 65 Gresham Street, London, EC2V 7NQ as its agent in England for service of process. A copy will be delivered to the Sellers at the address or email address in Clause 25.3, provided that this requirement does not affect the validity of the appointment of the Sellers' agent for service of process or the validity of service on that agent.

*[Remainder of this page left intentionally blank]*

This Agreement has been signed by the parties (or their duly authorised representatives) on the date stated at the beginning of this Agreement.

Executed by ) /s/ Karl Bekusch  
CIPEF ETW (JERSEY) LIMITED )  
in the presence of:

/s/ Abby McLaughlin  
Name: Abby McLaughlin

Address: 12, Castle Street St. Helier, Jersey

Occupation: Administrator

Executed by ) /s/ Sateeta Jeewoolall  
ADP I HOLDING 1 )  
in the presence of: Sateeta Jeewoolall  
Director

/s/ Priyamuada Seebaluck  
Name: Priyamuada Seebaluck

Address: IFS Court, Bank Street,  
TwentyEight, Cybercity Ebene 72201,  
Mauritius

Occupation: For Sannt Mauritius, Secretary

Executed by ) /s/ Trudi Clark  
ADP II HOLDING 4 L.P. )  
in the presence of: Trudi Clark

/s/ Eva Hamilton  
Name: Eva Hamilton

Address: Cio Ground Floor, Cambridge  
house, Le Truchot, St Peter Port, Guernsey,  
GYI IWD

Occupation: Fund Administrator

Executed by ) /s/ Craig Dreyer

Ethos Capital VI (GP) (Jersey) Ltd, on behalf )

of:  
ETHOS FUND VI (JERSEY), L.P.

in the presence of:

/s/ AN Chuphi

Name: AN Chuphi

Address: 35 Fricker Rd, Illovo, JHB

Occupation: Officer

[Signature Page to SPA]



Executed by ) /s/ Craig Dreyer  
Ethos Capital VI GP SA (Pty) Ltd on behalf )  
of: )

THE ETHOS FUND VI EN-  
COMMANDITE PARTNERSHIP SA  
in the presence of:

/s/ AN Chuphi  
Name: AN Chuphi

Address: 35 Fricker Rd, Illovo, JHB

Occupation: Officer

[Signature Page to SPA]

Executed by  
the trustees for the time being of ETHOS  
FUND VI CO-INVESTMENT TRUST  
in the presence of:

) /s/ Craig Dreyer

)

)

/s/ AN Chuphi

Name: AN Chuphi

Address: 35 Fricker Rd, Illovo, JHB

Occupation: Officer

[Signature Page to SPA]

Executed by ) /s/ Anthony Donofrio  
Hamilton Lane Co-Investment ) Anthony Donofrio, Authorized  
GP III LLC, the General Partner of Person  
HAMILTON LANE CO-INVESTMENT )  
FUND III HOLDINGS-2, LP )  
in the presence of: )

/s/ Megan C. Keating  
Name: Megan C. Keating

Address: 1 Presidential Boulevard, 4th Floor  
Bala Cynwyd, PA 19004

Occupation: Legal Assistant

Executed by ) /s/ Ian C. Lane  
HARBOURVEST PARTNERS 2013 )  
DIRECT FUND L.P. )  
by: HarbourVest 2013 Direct Associates L.P.  
Its General Partner  
by: HarbourVest 2013 Direct Associates LLC  
Its General Partner  
by: HarbourVest Partners, LLC  
Its Managing Member

Name: Ian C. Lane  
Title: Managing Director  
in the presence of:

/s/ Tikerren Quinn  
Name: Tikerren Quinn

Address: 1 Financial Center, Boston, MA  
02111

Occupation: Portfolio Associate

Executed by ) /s/ Ian C. Lane  
HARBOURVEST GLOBAL ANNUAL )  
PRIVATE EQUITY FUND L.P. )  
by: HarbourVest Global Associates L.P.  
Its General Partner  
by: HarbourVest Global Associates LLC  
Its General Partner  
by: HarbourVest Partners, LLC  
Its Managing Member

Name: Ian C. Lane  
Title: Managing Director  
in the presence of:

/s/ Tikeren Quinn  
Name: Tikeren Quinn

Address: 1 Financial Center, Boston, MA  
02111

Occupation: Portfolio Associate

Executed by ) /s/ Ian C. Lane  
HIPEP VII PARTNERSHIP FUND L.P. )  
by: HIPEP VII Associates L.P. )  
Its General Partner  
by: HIPEP VII Associates LLC  
Its General Partner  
by: HarbourVest Partners, LLC  
Its Managing Member

Name: Ian C. Lane  
Title: Managing Director  
in the presence of:

/s/ Tikeren Quinn  
Name: Tikeren Quinn

Address: 1 Financial Center, Boston, MA  
02111

Occupation: Portfolio Associate

Executed by ) /s/ Ian C. Lane  
HIPEP VII (AIF) PARTNERSHIP FUND )  
L.P. )  
by: HarbourVest Partners (Ireland) Limited  
Its Alternative Investment Fund Manager  
by: HarbourVest Partners L.P.  
Its Duly Appointed Investment Manager  
by: HarbourVest Partners, LLC  
Its General Partner

Name: Ian C. Lane  
Title: Managing Director  
in the presence of:

/s/ Tikeren Quinn  
Name: Tikeren Quinn

Address: 1 Financial Center, Boston, MA  
02111

Occupation: Portfolio Associate

Executed by ) /s/ Ian C. Lane  
HIPEP VII EMERGING MARKETS )  
FUND L.P. )  
by: HIPEP VII Associates L.P.  
Its General Partner  
by: HIPEP VII Associates LLC  
Its General Partner  
by: HarbourVest Partners, LLC  
Its Managing Member

Name: Ian C. Lane  
Title: Managing Director  
in the presence of:

/s/ Tikeren Quinn  
Name: Tikeren Quinn

Address: 1 Financial Center, Boston, MA  
02111

Occupation: Portfolio Associate

Executed by ) /s/ Ian C. Lane  
SUNVEST LLC )  
by: HarbourVest 2013 Direct Associates L.P.  
Its General Partner  
by: HarbourVest 2013 Direct Associates LLC  
Its General Partner  
by: HarbourVest Partners, LLC  
Its Managing Member

Name: Ian C. Lane  
Title: Managing Director  
in the presence of:

/s/ Tikerenn Quinn

Name: Tikerenn Quinn

Address: 1 Financial Center, Boston, MA  
02111

Occupation: Portfolio Associate

Executed by ) /s/ Pallavi Raje  
STANDARD CHARTERED )  
PRIVATE EQUITY (MAURITIUS) III ) Pallavi Raje  
LIMITED )  
in the presence of:

/s/ Mindy Yap

Name: Mindy Yap

Address: 6 Battery Road, #29-04, Singapore  
049909

Occupation: Banker

Executed by ) /s/ Karl Bekusch  
CIPEF ETW (JERSEY) LIMITED, as )  
Sellers' Representative  
in the presence of:

/s/ Abby McLaughlin  
Name: Abby McLaughlin

Address: 12, Castle Street St Helier, Jersey

Occupation: Administrator

[Signature Page to SPA]

Executed by AMERICAN TOWER  
INTERNATIONAL, INC.  
in the presence of:

) /s/ Ruth Dowling  
Ruth Dowling

/s/ Cristal Rivera  
Name: Cristal Rivera

Address: 116 Huntington Avenue Boston  
MA 02116

Occupation: Paralegal

Executed by ATC HESTON B.V.  
in the presence of:

) /s/ Ruth Dowling  
Ruth Dowling

/s/ Cristal Rivera  
Name: Cristal Rivera

Address: 116 Huntington Avenue Boston  
MA 02116

Occupation: Paralegal



## Schedule 4

### Sellers' Warranties

#### 1. Incorporation, Capacity and Authority

##### 1.1 Incorporation and capacity of Sellers

Each Seller is validly existing under the laws of its jurisdiction of organization and has the requisite power and authority to enter into and perform, and has taken all necessary corporate or other equivalent action to authorise the execution and performance of, its obligations under each of the Transaction Documents to which it is or will be a party.

##### 1.2 Valid obligations

This Agreement and each of the other Transaction Documents to which each Seller is or will be a party constitute (or will, when executed, constitute) the legal, valid and binding obligations of such Seller, in accordance with its terms.

##### 1.3 Filings and consents

Other than as contemplated by this Agreement:

- (a) no notices, reports or filings are required to be made by any Seller with any Governmental Authority in connection with the transactions contemplated by this Agreement; and
- (b) no consents, approvals, registrations, authorisations or permits are required to be obtained by any Seller from any Governmental Authority in connection with the execution and performance by it of this Agreement.

##### 1.4 No conflict

The execution and delivery by each Seller of this Agreement and of each of the other Transaction Documents to which it is or will be a party and the performance of the obligations of it under this Agreement (including the sale by such Seller to the Purchaser of its Shares) and the other Transaction Documents do not and will not:

- (a) conflict with or constitute a default under (or entitle any party to declare a breach or default or exercise any other remedy under) any provision of:
  - (i) any agreement or instrument to which it is a party;
  - (ii) its constitutional documents; or
  - (iii) any law, lien, lease, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which it is bound; nor

- (b) result in the creation or imposition of an Encumbrance on any of its Shares.

## 1.5 Solvency

- (a) No order has been made and no resolution has been passed for the winding-up of such Seller and no petition has been presented for that purpose.
- (b) No administration order has been made and no petition has been presented for such an order in respect of such Seller.
- (c) Such Seller is neither insolvent (within the meaning of the Insolvency Act 1986) nor unable to pay its debts and it has not stopped paying its debts as they fall due.
- (d) No business rescue practitioner, liquidator (provisional or otherwise) or receiver has been appointed (nor any resolution passed, meeting convened or petition presented for any such appointment) in respect of the whole or any part of the assets or undertaking of such Seller and, so far as such Seller is aware, no person has threatened any such action.
- (e) No voluntary arrangement, compromise, moratorium or similar arrangement with creditors has been proposed, agreed, sanctioned or, so far as such Seller is aware, threatened in respect of such Seller.

## 2. Ownership of Shares

- (a) There is no Encumbrance on, over or affecting any of the Sellers' Shares or any agreement or commitment to give or create any Encumbrance and no person has made any claim to that effect. Such Shares are fully paid up, non-assessable and were validly issued.
- (b) Each Seller is entitled to transfer or procure the transfer of the full legal and beneficial ownership in its Sellers' Shares to the Purchaser on the terms and subject to the conditions set out in this Agreement.
- (c) With respect to each Seller, no person has the right (whether exercisable now or in the future and whether contingent or not) to call on such Seller for the allotment, conversion, issue, registration, sale or transfer or repayment of any shares or any other securities of the Company under any option, agreement or other arrangement (including conversion rights or rights of pre-emption).
- (d) With respect to each Seller, such Seller has the right to exercise all voting and other rights over its Shares.
- (e) The Shares have not been and are not listed or traded on any stock exchange or regulated market.

### 3. The Company and the Group Companies

- (a) The particulars of each Group Company set out in Schedule 1 are true and correct, save for any changes made pursuant to and in accordance with this Agreement.
- (b) The copies of the articles of association of the Company provided in the Data Room are up to date, true and correct.
- (c) The Company is duly organized and validly existing under the laws of Jersey and the share register of the Company is not kept or maintained in the United Kingdom.
- (d) The Company is and always has been resident for Tax purposes solely in Jersey and does not have a permanent establishment in any other jurisdiction.
- (e) The Company has the corporate power and authority to carry on its business as conducted on the date of this Agreement.
- (f) No order has been made and no resolution has been passed for the winding-up of any Group Company (except Eaton Towers South Africa (M) Limited, Eaton Towers (Lilongwe) Limited and Goodison One Hundred Twenty Limited) and no petition has been presented or meeting convened for that purpose.
- (g) No administration order has been made and no petition has been presented for such an order in respect of any Group Company.
- (h) The Company is not and, so far as such Seller is aware, no other Group Company is, insolvent (within in the meaning of the Insolvency Act 1986) or unable to pay its debts and no Group Company has stopped paying its debts as they fall due (except in each case for Eaton Towers South Africa (M) Limited, Eaton Towers (Lilongwe) Limited and Goodison One Hundred Twenty Limited).
- (i) No business rescue practitioner, liquidator (provisional or otherwise) or receiver has been appointed (nor any resolution passed, meeting convened or petition presented for any such appointment) in respect of the whole or any part of the assets or undertaking of any Group Company and no person has, so far as each Seller is aware, threatened any such action.
- (j) No voluntary arrangement, compromise, moratorium or similar arrangement with creditors has been proposed, agreed, sanctioned or, so far as such Seller is aware, threatened in respect of any Group Company.
- (k) The Sellers' Shares and the Other Shares constitute the whole of the issued and allotted share capital of the Company and other than in respect of the Sellers' Shares and the Other Shares, there will be no authorized or outstanding options, securities, warrants, financial instruments, agreements or commitments of any nature whatsoever pursuant to which the Company is

required to issue, deliver or sell, or cause to be issued, delivered or sold, any authorized or outstanding shares of the share capital, or any securities convertible into, exchangeable for or otherwise giving access to the share capital or voting rights of the Company.

- (l) Except as indicated in Schedule 1, the Company has not issued or authorised the issuance of, or entered into any agreement or arrangement that grants any person any right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, conversion, issue, registration, sale or transfer or repayment of, any shares or any other securities of the Company under any option, agreement or other arrangement (including conversion rights or rights of pre-emption).
- (m) The Company was formed solely for the purpose of investing in its direct Subsidiary and managing other Group Companies and has not engaged in any business activities or conducted any operations other than in connection with (i) the issuance of Shares and its ownership of its direct subsidiaries, and (ii) the transaction contemplated by this Agreement, and does not have any liabilities whatsoever, other than as Disclosed in the Locked Box Accounts or expenses incurred in relation to the maintenance of its formation and continued existence in the ordinary course or the transactions contemplated by this Agreement and other Transaction Documents.
- (n) There are no agreements to which a Group Company is party with such Seller or any member, manager, officer, director, employee or Affiliate of such Seller (other than any Group Company), including those pursuant to which (i) any such person has borrowed money, or (ii) any such person has any interest in any property, asset or right used by any Group Company, except for the Affiliate Agreements and Existing Facilities.

## Schedule 5

### Limitations on Liability

#### 1. Limitations on quantum

1.1 The maximum aggregate liability of each Seller for:

- (a) any Relevant Claim for breach of a Sellers' Warranty shall be limited to an amount equal to such Seller's Relevant Proportion of the Relevant Claim Escrow Amount;
- (b) any Relevant Claim for breach of the Sellers' obligations under Clause 7, Clause 9.8(d), Clause 9.9 or Clause 9.10 shall be limited to an amount equal to such Seller's Pro Rata Percentage of the Consideration;
- (c) any Relevant Claim for Leakage shall be limited as set forth in Clause 4.4;
- (d) any Relevant Claim under Clause 9.8(a) or 9.8(b) shall be limited to an amount equal to such Seller's Relevant Proportion of the Relevant Claim Escrow Amount plus such Seller's Relevant Proportion of US\$5 million; and
- (e) any Relevant Claim under Clause 9.8(c) shall be limited to an amount equal to such Seller's Relevant Proportion of the total aggregate payments that the participants in the MIPs are entitled to receive under the MIPs (including pursuant to the MIP Cash Plan) in connection with the transactions contemplated by this Agreement and the Transaction Documents and the settlement and termination of the MIPs.

provided that, for the avoidance of doubt, in no circumstances shall the maximum aggregate liability of a Seller in respect of all Relevant Claims exceed such Seller's Pro Rata Percentage of the Consideration.

1.2 Each Seller shall only be liable for its Relevant Proportion of a Relevant Claim (subject always to the maximum limit on liability of that Seller set out in paragraph 1.1 of this Schedule 5 and, for the avoidance of doubt, claims for Leakage which shall be governed by Clause 4) and no Seller shall be liable for the Relevant Proportion of any other Seller pursuant to any Relevant Claim.

1.3 With respect to any Relevant Claim for breach of a Sellers' Warranty, the Purchaser's sole recourse against the Sellers in respect of such Relevant Claim shall be against the funds held in the Relevant Claim Escrow Account from time to time, in each case pursuant to this Agreement and the Escrow Agreement (subject always to the maximum limit on liability of each Seller set out in paragraph 1.1 of this Schedule 5).

- 1.4 With respect to any Relevant Claim (including any claim for Leakage under Clause 4), the Purchaser's initial recourse against the Sellers in respect of such claim shall first be against the funds held in the Relevant Claim Escrow Account from time to time, in each case pursuant to this Agreement and the Escrow Agreement, until such time that the amount held to the credit of the Relevant Claim Escrow Account is zero at which point the Purchaser shall have recourse for all Relevant Claims other than for a breach of a Sellers' Warranty directly against the Sellers (subject to the other provisions of this Schedule 5 and, for the avoidance of doubt, subject always to the maximum limit on liability of each Seller in respect of such claims set out in paragraph 1.1 of this Schedule 5 and, for the avoidance of doubt, claims for Leakage which shall be governed by Clause 4).
- 1.5 With respect to any Relevant Claim for breach of the Sellers' obligations under Clause 7, if the amount held to the credit of the Relevant Claim Escrow Account is zero, no Seller shall be liable in respect of such Relevant Claim unless and until the aggregate amount that would be recoverable from the Sellers in respect of such Relevant Claim under Clause 7, when aggregated with any other amount or amounts recoverable in respect of other such Relevant Claims under Clause 7, exceeds US\$3 million.

## **2. Time limits for bringing Relevant Claims**

- 2.1 If the Purchaser becomes aware of a matter or circumstance which could reasonably be expected to give rise to a Relevant Claim (other than a claim for Leakage, which shall be governed by Clause 4), the Purchaser shall give written notice to the Sellers' Representative specifying that matter or circumstance in reasonable detail (including, where possible to do so, the Purchaser's estimate, on a without prejudice basis, of the amount of such Relevant Claim) as soon as reasonably practicable and in any event within 30 days after it becomes aware of that matter or circumstance; provided that any failure to provide such notice shall not avoid or prejudice the ability of the Purchaser to bring a Relevant Claim.
- 2.2 The Sellers shall not be liable for a Relevant Claim (other than a claim for Leakage, which shall be governed by Clause 4) unless the Purchaser has notified the Sellers' Representative of the Relevant Claim stating in reasonable detail the nature of the Relevant Claim and, so far as reasonably practicable, an estimate of the amount claimed, on or before the Cut-Off Date; provided that with respect to any Relevant Claim under Clause 9.8, the "Cut-Off Date" with respect thereto shall be deemed to be the second anniversary of the Completion Date (for the avoidance of doubt, this proviso shall not affect the meaning of "Cut-Off Date" for purposes of paragraph 21 of this Schedule 5) and the Purchaser must notify the Sellers' Representative of such Relevant Claim stating in reasonable detail the nature of such Relevant Claim and, so far as reasonably practicable, an estimate of the amount claimed, on or before such date.

### **3. Notice of Relevant Claims**

Subject to paragraph 8 below, a Relevant Claim notified in accordance with paragraph 2 above shall be unenforceable against the Sellers on the expiry of six months starting on the day of notification of the Relevant Claim unless proceedings in respect of the Relevant Claim have been properly issued and validly served on the relevant Seller or Sellers within that period.

### **4. No duplication of recovery**

4.1 The Purchaser shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnification more than once in respect of any one Loss, regardless of whether more than one Relevant Claim arises in respect of it, and for this purpose recovery by the Purchaser or any Group Company shall be deemed to be a recovery by each of them.

4.2 In the event that the Purchaser is entitled to claim under the Warranty Deed or under this Agreement in respect of the same Loss, the Purchaser may claim under either or both but payments under the Warranty Deed shall *pro tanto* satisfy and discharge any claim which is capable of being made under the Sellers' Warranties in respect of the same liability and *vice versa*.

4.3 In assessing any damages or other amounts recoverable for a Relevant Claim there shall be taken into account any corresponding savings by, or net benefit to, the Purchaser or any Group Company in accordance with English common law principles applicable to the assessment of damages, in each case without duplication of any savings or net benefit and except to the extent excluded hereunder.

### **5. Prior recovery**

Without prejudice to the Purchaser's duty to mitigate any Loss, Losses incurred by the Purchaser or any Group Company (as the case may be) in respect of a Relevant Claim shall account for and be reduced and/or extinguished by amounts actually recovered (net of corresponding reasonably incurred expenses and other costs such as Taxes (including Taxes that would have been payable but for the use of a Relief)) by the Purchaser or the relevant Group Company in respect of such Relevant Claim (whether by payment, discount, credit, relief or otherwise) from a third party, including under any insurance policy maintained by the Purchaser or any Group Company, but shall expressly exclude any amount recovered by the Purchaser, the Company or any member of the Group under the W&I Insurance Policy unless such recoupment results in the Purchaser, the Company or relevant member of the Group recovering damages or obtaining payment, reimbursement, restitution or indemnification more than once in respect of any one Loss.

**6. Subsequent recovery**

Following payment in full by a Seller of any Relevant Claim (including by way of disbursement of funds from the Relevant Claims Escrow Account), if the Purchaser or any of the Group Companies (as the case may be) subsequently recovers from a third party (including any insurer or any Tax Authority) a sum which is referable to that Relevant Claim, then after the deduction of the Purchaser and the Group Companies' costs in obtaining such recovery and any Tax payable on such recovery (or such Tax that would have been payable but for the use of a Relief), the balance (up to the amount actually received from that Seller) shall be repaid by the Purchaser to the relevant Seller (subject to any deduction or withholding for or on account of Tax required by applicable law) within 10 Business Days of the Purchaser receiving the balance from such third party. Notwithstanding anything to the contrary in this paragraph 6 or otherwise herein, the Purchaser shall not be required to account for or pay to the Warrantors any amount recovered under the W&I Insurance Policy unless such recoupment results in the Purchaser, the Company or relevant member of the Group recovering damages or obtaining payment, reimbursement, restitution or indemnification more than once in respect of any one Loss, in which case the Purchaser shall be required to account for or pay to the Warrantors the amount of any such double recovery, in each case net of costs of recovery.

**7. Relevance of limitations in circumstances of fraud, etc.**

Nothing in this Schedule 5 shall have the effect of limiting or restricting any liability of any Seller in respect of a Relevant Claim arising as a result of any (a) fraud or fraudulent misrepresentation, or (b) wilful concealment by such Seller.

**8. Contingent liability**

The Sellers shall not be liable for a Relevant Claim (other than in respect of Leakage) in respect of any liability which is contingent unless and until such contingent liability becomes an actual liability and is due and payable. However, this paragraph shall not operate to avoid a Relevant Claim made in respect of a contingent liability in accordance with paragraph 2 above and the time limit in paragraph 3 above shall be extended to 6 months from the date on which such liability ceases to be contingent.

**9. Purchaser's knowledge**

Except as otherwise expressly provided in this Schedule 5, the Sellers shall have no liability in respect of a claim for a breach of the Sellers' Warranties to the extent that the matters or circumstances giving rise to such claim have been specifically Disclosed in (i) the Disclosure Letter or (ii) otherwise in writing prior to the execution and delivery of this Agreement provided that such writing expressly provides that it constitutes a disclosure pursuant to this Agreement.



**10. Provision made in Locked Box Accounts**

The Sellers shall have no liability in respect of any claim for a Loss (other than in respect of Leakage, the indemnity under Clause 9.8 or a Relevant Claim for a breach of Clause 7.1) if and to the extent that any specific allowance, provision or reserve was accurately and specifically made in the Locked Box Accounts in respect of the matter or circumstances giving rise to such Loss.

**11. Change in law**

The Sellers shall not be liable in respect of any Relevant Claim to the extent that it would not have arisen but for or its value is increased as a result of: (a) a change in any law, legislation, rule or regulation (including any new law, legislation, rule or regulation) that comes into force or otherwise takes effect after the date of this Agreement or (b) an increase in the Tax rates or an imposition of or a change in Tax, in each case not actually in force at the date of this Agreement unless, and in each case, that change, coming into force, increase or imposition should reasonably have been anticipated as a result of an announcement made, draft legislation published, or a tribunal or court judgment handed down, related to the same prior to the date of this Agreement.

**12. Voluntary acts**

The Sellers shall not be liable in respect of any Relevant Claim to the extent that the matter or circumstance giving rise to such Relevant Claim would not have arisen but for or its value is increased as a result of:

- (a) any voluntary act, omission, transaction or arrangement of the Purchaser, or of any Group Company (or their respective directors, employees or agents) on or after Completion except where such act, transaction, omission or arrangement was:
  - (i) carried out or effected pursuant to a legally binding obligation entered into on or before the date of this Agreement; or
  - (ii) in the ordinary course of business of any Group Company as carried on at Completion; or
  - (iii) to comply with any applicable law or regulation in force on or before the date of this Agreement; or
- (b) any requirement or obligation contained in this Agreement or any other Transaction Document; or
- (c) an act or omission after the date of this Agreement at the written request or with the written consent of the Purchaser; or

- (d) a cessation, or any change in the nature or conduct, of any trade carried on by the Group at Completion, being a cessation or change occurring on or after Completion; or
- (e) any failure or omission by any Group Company to make any valid claim, election, surrender or disclaimer, to give any valid notice or consent or to do any other thing under the provisions of any enactment or regulation relating to Tax after Completion where the necessity of such making, giving or doing was specified in the Locked Box Accounts or the notes thereto; or
- (f) any change in the accounting bases, policies, practices or methods applied in preparing any accounts or valuing any assets or liabilities of the Company or any Group Company introduced or having effect after Completion (other than to the extent necessary to comply with the law or IFRS applying and in force on or prior to Completion).

### **13. Bringing of Relevant Claims**

The Purchaser undertakes to and covenants with the Sellers that:

- (a) it shall not make a Relevant Claim against any of the Sellers unless it seeks to enforce such Relevant Claim against all Sellers who are in breach of the applicable section of this Agreement;
- (b) if it makes a Relevant Claim and subsequently withdraws or is deemed to withdraw such Relevant Claim, it shall withdraw or be deemed to withdraw such Relevant Claim against all Sellers; and
- (c) if it settles a Relevant Claim against all Sellers who are in breach of a relevant section of this Agreement, it shall settle such Relevant Claim on substantially the same terms with each applicable Seller who is subject to such Relevant Claim (unless otherwise agreed in writing by the relevant Sellers).

### **14. Third Party Claims**

14.1 The provisions of this paragraph 14 shall apply in the event that any third party brings or makes (or threatens to bring or make) any claim, demand, action or proceedings against any of the Purchaser, the Company or any Group Company which the Purchaser reasonably considers likely to give rise to a Relevant Claim (a "Third Party Claim").

14.2 In the event of a Third Party Claim, the Purchaser shall:

- (a) as soon as reasonably practicable, and in any event within 15 Business Days of the date upon which the Purchaser becomes aware of the Third Party Claim give written notice of the Third Party Claim to the Sellers'

Representative, specifying in reasonable detail the nature of the Third Party Claim, provided that any failure to provide such notice shall not avoid or prejudice the ability of the Purchaser to bring a Relevant Claim;

- (b) keep the Sellers' Representative reasonably informed of the progress of, and all material developments in relation to, and reasonably consult with the Sellers' Representative with respect to, the Third Party Claim;
- (c) provide the Sellers' Representative with copies of all material information and correspondence relating to the Third Party Claim;
- (d) give (and cause each member of the Group to give) the Sellers' Representative and its professional advisers access at reasonable times (and on reasonable prior notice) to its premises and personnel, and to any relevant assets, accounts, documents or records within its control for the purposes of enabling the Sellers' Representative to assess the Third Party Claim, in each case as reasonably requested by the Sellers' Representative and subject to customary confidentiality restrictions mutually acceptable to the Purchaser and the Sellers' Representative;
- (e) if requested in writing by the Sellers' Representative and at the sole cost and expense of the Sellers as indemnifiable Losses hereunder, the Purchaser shall, and shall ensure that each of the Purchaser's Affiliates and each Group Company will take any reasonable action and/or institute any reasonable proceedings, and give any information and assistance, as the Sellers' Representative may reasonably request to avoid, dispute, resist, appeal, compromise, defend, remedy or mitigate the Third Party Claim; and
- (f) the Purchaser shall not, and shall ensure that no Group Company shall admit liability in respect of, or compromise or settle, the matter without the prior written consent of the Sellers' Representative (not to be unreasonably withheld, delayed or conditioned).

14.3 Nothing in this paragraph 14 shall require the provision by a Party or any other person of any information to the extent such provision would contravene any applicable law or regulation. If any information is provided by any person (the "Provider") to any other person (the "Recipient") pursuant to this paragraph 14:

- (a) that information shall only be used by the Recipient in connection with the Third Party Claim and Clause 11 of this Agreement shall in all other respects apply to that information; and
- (b) to the extent that information is privileged:
  - (i) no privilege shall be waived by reason of or as a result of its being provided to the Recipient; and
  - (ii) if a third party requests disclosure by the Recipient in relation to that information, the Recipient shall promptly notify the Provider and, to

**15. No set-off**

The Purchaser shall not have any right of set-off (howsoever arising) in respect of any Relevant Claim and all sums payable by the Purchaser to the Sellers under this Agreement shall be paid in full without set-off, counterclaim or other deduction in respect of any Relevant Claim unless required by law.

**16. Duty to mitigate**

16.1 The Purchaser shall use, and shall after Completion procure that each Group Company uses, all reasonable endeavours to mitigate any Loss which is or would reasonably be expected to be the subject of a Relevant Claim. Subject only to paragraph 16.2 of this Schedule 5, nothing in this Agreement shall prejudice any duty under common law or otherwise to mitigate any Loss which is or would reasonably be expected to be the subject of a Relevant Claim.

16.2 Any Group Company, the Company or the Purchaser shall not be required to use any Relief, to the extent that that Relief:

- (a) is shown as an asset of a Group Company in the Locked Box Accounts;
- (b) arises as a consequence of or by reference to anything occurring (or deemed to occur) after the Locked Box Date; or
- (c) is a Relief of the Purchaser or a member of any group of which it is a part for Tax purposes (other than a Group Company).

**17. Insurance**

Without prejudice to the Purchaser's duty to mitigate any Loss in respect of any Relevant Claim, if in respect of any matter which would otherwise give rise to a Relevant Claim the Purchaser or any Group Company is entitled to recover under any policy of insurance, the amount of insurance monies which the Purchaser or such Group Company actually recovers under such policy of insurance shall reduce *pro tanto* or extinguish the Loss for that Relevant Claim, in each case net of costs of recovery. Notwithstanding anything to the contrary in this paragraph 17 or otherwise herein, any recovery by the Purchaser, the Company or any Group Company under the W&I Insurance Policy shall not reduce *pro tanto* or otherwise extinguish any Loss or Relevant Claim hereunder (including any matter which would otherwise give rise to a Loss or Relevant Claim hereunder) unless such recoupment results in the Purchaser, the Company or relevant member of the Group recovering damages or obtaining payment, reimbursement, restitution or indemnification more than once in respect of any one Loss, in which case the amount so recouped twice shall reduce *pro*

*tanto* or otherwise extinguish the applicable Loss or Relevant Claim hereunder (including any matter which would otherwise give rise to such applicable Loss or Relevant Claim hereunder), in each case net of costs of recovery.

**18. Remedy of breaches**

If the matter or circumstance giving rise to a Relevant Claim is capable of remedy, the Sellers shall have no liability in respect of that Relevant Claim unless the relevant matter or circumstance is not remedied, to the reasonable satisfaction of the Purchaser and at no cost to the Purchaser or any Group Company, within 30 days after the date on which the Sellers are given written notice as contemplated by this Schedule 5 in relation to that matter or circumstance. The Purchaser shall in that 30 day period provide, and shall procure that each Group Company shall provide, at the Sellers' sole cost and expense, all reasonable assistance to the Sellers to remedy the relevant matter or circumstance.

**19. Provision of information**

Upon any Relevant Claim being made, the Purchaser shall, and shall procure, where relevant, that each Group Company shall use all reasonable endeavours to make available to the Sellers and their advisers and agents such information and assistance at such times (including access to personnel, properties, management, records, papers, documents and data) as the Sellers may reasonably request for the purposes of any submission or filing to a Tax Authority for a Tax repayment or offset as a result of any payments made by any of the Sellers as a result of a Relevant Claim.

**20. Payment of damages**

Any payment made by the Sellers in respect of a Relevant Claim shall, to the maximum extent possible, be deemed to be a reduction in the Consideration.

**21. Relevant Claim Escrow Account**

21.1 No portion of the Relevant Claim Escrow Amount shall be released unless due in accordance with the provisions of this clause and the Escrow Agreement. When any portion of the Relevant Claim Escrow Amount is payable to the Purchaser pursuant to a Relevant Claim, each of the Purchaser and the Sellers' Representative shall procure that as soon as reasonably practicable (and in any event within five (5) Business Days) a joint written instruction shall be given to the Escrow Agent (signed on behalf of the Purchaser and the Sellers' Representative in the form set out in the Escrow Agreement) to pay such portion of the Relevant Claim Escrow Amount to the Purchaser.

21.2 In the event of any dispute on or prior to the Cut-Off Date as to whether the Relevant Claim Escrow Amount (or any proportion of the Relevant Claim Escrow Amount) is

payable, the Relevant Claim Escrow Amount (or the applicable proportion of the Relevant Claim Escrow Amount) shall not be paid until either (i) such dispute is resolved by written agreement between the Purchaser and the Sellers' Representative or (ii) the Purchaser or the Sellers' Representative, as applicable, procures a final, non-appealable arbitral order or judgment of a court of competent jurisdiction directing delivery of the Relevant Claim Escrow Amount (or any proportion of the Relevant Claim Escrow Amount) to the Sellers or the Purchaser, as applicable.

- 21.3 Promptly following the Cut-Off Date (and in any event within five (5) Business Days thereafter) each of the Purchaser and the Sellers' Representative shall procure that a joint written instruction shall be given to the Escrow Agent (signed on behalf of the Purchaser and the Sellers' Representative in the form set out in the Escrow Agreement) to pay the remaining portion of the Relevant Claim Escrow Amount to the account designated by the Sellers' Representative for the benefit of the Sellers and the Other Shareholders based on their Pro Rata Percentages, except for such amounts with respect to which the Purchaser shall have made a Relevant Claim prior to the Cut-Off Date or any amounts in dispute pursuant to paragraph 21.2 of this Schedule 5. As soon as reasonably practicable (and in any event within five (5) Business Days) after (i) such Relevant Claim or dispute is resolved by written agreement between the Purchaser and the Sellers' Representative or (ii) the Purchaser or the Sellers' Representative, as applicable, procures a final, non-appealable arbitral order or judgment of a court of competent jurisdiction directing delivery of the Relevant Claim Escrow Amount (or any proportion of the Relevant Claim Escrow Amount) to the Sellers or the Purchaser, a joint written instruction shall be given to the Escrow Agent (signed on behalf of the Purchaser and the Sellers' Representative in the form set out in the Escrow Agreement) to pay the relevant portion of the Relevant Claim Escrow Amount to the Purchaser, on the one hand, and the Sellers' Representative (for the benefit of the Sellers and the Other Shareholders based on their Pro Rata Percentages), on the other hand, as applicable in each case.
- 21.4 If the Purchaser or the Sellers' Representative (on behalf of the Sellers) fails to give a written instruction in breach of this paragraph 21 of this Schedule 5, the Purchaser (in the case of a breach by the Purchaser), or the Sellers (in the case of a breach by the Sellers' Representative and in their respective Relevant Proportion), shall:
- (a) indemnify the other Party against all Losses incurred by it as a result of such breach and in taking any action or proceedings to enforce its rights to receive payment of the amount that is due; and
  - (b) to the extent the Escrow Agent becomes involved in any such action or proceedings, be responsible for and shall pay any costs or fees properly incurred by the Escrow Agent as a result.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, James D. Taiclet, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Tower Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2019

By: \_\_\_\_\_ /s/ JAMES D. TAICLET

James D. Taiclet

Chairman, President and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas A. Bartlett, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of American Tower Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2019

By: \_\_\_\_\_  
/s/ THOMAS A. BARTLETT  
Thomas A. Bartlett  
Executive Vice President and Chief Financial Officer



