

OFFERING CIRCULAR



easyJet plc

(incorporated with limited liability in England and Wales)

guaranteed by

easyJet Airline Company Limited

(incorporated with limited liability in England and Wales)

£3,000,000,000

Euro Medium Term Note Programme

Under this £3,000,000,000 Euro Medium Term Note Programme (the **Programme**), easyJet plc (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be guaranteed by easyJet Airline Company Limited (the **Original Guarantor**) and each (if any) other entity appointed as an additional guarantor (each an **Additional Guarantor** and, together with the Original Guarantor, but not including any such entity that has ceased to be a guarantor in accordance with the Conditions and the Trust Deed, the **Guarantors**) (See "*Risk Factors – Risks related to Notes generally – Each Guarantee may be terminated*" below.)

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) as amended.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, where listed, will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor(s) and the relevant Dealer.

The Issuer has been rated Baa1 (stable) by Moody's Deutschland GmbH (**Moody's**) and BBB+ (stable) by S&P Global Ratings, acting through S&P Global Ratings Europe Limited, UK Branch (**S&P**). The Original Guarantor has been rated BBB+ (stable) by S&P. The Programme has been rated (P)Baa1 by Moody's and BBB+ by S&P. Each of Moody's and S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

Dealers

Barclays

BofA Merrill Lynch

**Société Générale
Corporate & Investment Banking**

The date of this Offering Circular is 5 February 2019.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Offering Circular, **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Each of the Issuer and the Original Guarantor accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Original Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither the Dealers, the Trustee (as defined below) nor any other party, save for the Issuer and the Original Guarantor, have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme.

No person is or has been authorised by the Issuer, the Guarantors or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantors, any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Original Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR or EURIBOR, as specified in the relevant Final Terms. As at the date of this Offering Circular, ICE Benchmark Administration Limited (as administrator of LIBOR) is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the European Money Markets Institute (as administrator of EURIBOR) is not currently required to obtain authorisation or registration.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the **SFA**) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantors, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantors, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Belgium), Japan and Singapore, see "*Subscription and Sale*".

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions,

Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

In this Offering Circular, all references to:

- **U.S. dollars, U.S.\$ and \$** refer to United States dollars;
- **Sterling and £** refer to pounds sterling;
- **euro and €** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- “includes”, “including” or “such as” shall mean “includes without limitation”, “including without limitation” or “such as but not limited to”.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, if appropriate, a supplement to the Offering Circular or a new Offering Circular will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the **Prospectus Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	easyJet plc
Issuer Legal Entity Identifier (LEI):	2138001S47XKWIB7TH90
Guarantors:	easyJet Airline Company Limited (the Original Guarantor) and each (if any) other entity appointed as an additional guarantor (each an Additional Guarantor and, together with the Original Guarantor, but not including any such entity that has ceased to be a guarantor in accordance with the Conditions and the Trust Deed, the Guarantors) (see " <i>Guarantees</i> " below).
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantors' ability to fulfil their obligations under the Guarantees. These are set out under " <i>Risk Factors</i> " below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Euro Medium Term Note Programme
Arranger:	Société Générale
Dealers:	Société Générale Barclays Bank PLC Merrill Lynch International and any other Dealers appointed in accordance with the Programme Agreement, which appointment may be for a specific issue or on an ongoing basis. The Issuer may also, from time to time, terminate the appointment of any Dealer under the Programme.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Trustee: Citicorp Trustee Company Limited

Issuing and Principal Paying Agent: Citibank, N.A., London Branch

Programme Size: Up to £3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantors may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Maturities: The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price: Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: The Notes will be issued in bearer form as described in "*Form of the Notes*".

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of the reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, at least the equivalent of such amount in such currency).

Taxation:

All payments in respect of the Notes will be made without

deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross Acceleration: The terms of the Notes will contain a cross acceleration provision as further described in Condition 9.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

Guarantees: The Notes will be unconditionally and (subject to the provisions of Condition 2.3) irrevocably guaranteed, on a joint and several basis, by the Guarantors. The obligations of each Guarantor under the relevant Guarantee will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of such Guarantor from time to time outstanding.

In accordance with the Trust Deed and Condition 2.3, a Guarantor will cease to be a Guarantor and the relevant Guarantee will be terminated on the date (each, a **Guarantee End Date**) specified in a certificate of a Senior Financial Officer of the Issuer (in a form satisfactory to the Trustee) which is sent to the Trustee (such date to be no more than seven days after the date on which the certificate is delivered to the Trustee) (i) requiring that such Guarantor be released; and (ii) certifying to the Trustee as of the date specified in such certificate that:

- (a) no Event of Default shall have occurred and be continuing;
- (b) no amount shall be due and payable under the relevant Guarantee;
- (c) (I) the relevant Guarantor will not be a party to, or an obligor under, the Facilities Agreement (as defined in Condition 14.2), and (II) the Issuer (or a Subsidiary of the Issuer which is guaranteed by the Issuer) will be the principal obligor under the Facilities Agreement; and
- (d) (I) the Issuer has provided details of the proposed

Guarantor release to each of the Rating Agencies (as defined in Condition 6.5) then rating the Notes, and (II) each of the Rating Agencies then rating the Notes has either (A) confirmed in writing that it has determined that it would not downgrade or withdraw the credit rating assigned by it to the Notes as a result of the release of the relevant Guarantor, or (B) not indicated to the Issuer, within 30 days of the Issuer providing details of the proposed Guarantor release to such Rating Agency, that it would downgrade or withdraw (or is considering downgrading or withdrawing) the credit rating assigned by it to the Notes as a result of the release of the relevant Guarantor.

- Rating: The Issuer has been rated Baa1 (stable) by Moody's and BBB+ (stable) by S&P. The Original Guarantor has been rated BBB+ (stable) by S&P. The Programme has been rated (P)Baa1 by Moody's and BBB+ by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
- Listing: Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange.
- Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series.
- The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
- Governing Law: The Notes and the Trust Deed (including each Guarantee) and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed (including each Guarantee) will be governed by, and shall be construed in accordance with, English law.
- Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and Belgium), Japan, Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
- United States Selling Restrictions: Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer and the Guarantors may become insolvent or otherwise be unable to make all payments due in respect of the Notes or the Guarantees. There is a wide range of factors which individually or together could result in the Issuer and the Guarantors becoming unable to make all payments due in respect of the Notes or the Guarantees. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantors may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantors' control. The Issuer and the Original Guarantor have identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes or the Guarantees.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" and the "Description of the Issuer and the Original Guarantor" shall have the same meanings in this section unless the contrary intention appears.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME AND/OR THE GUARANTORS' ABILITY TO FULFIL THEIR OBLIGATIONS UNDER THE GUARANTEES

Major safety incidents

Aircraft crashes or other safety incidents involving the Issuer and its subsidiaries (together, **easyJet**) or another airline, as well as potentially leading to loss of life, could impact passenger confidence and have an adverse effect on the airline industry in general and (to the extent easyJet was involved) easyJet's reputation in particular, leading to reduced demand for easyJet's services. Such events could have a material adverse effect on easyJet's business, financial performance and profits. In addition, if easyJet's aircraft are involved in crashes or other safety incidents, there may be other associated losses. Costs associated with the repair or replacement of damaged or lost aircraft, resulting in temporary or permanent loss from service of such damaged or lost aircraft and claims by affected passengers, owners and third parties may occur. Failure to prevent or respond promptly and effectively to such an incident could have a material adverse effect on easyJet's business, results of operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Major security-related threats or attacks

A major security-related threat or attack, or failure to react immediately and effectively to such an event, could impact passenger confidence and (to the extent easyJet is involved) have an adverse effect on easyJet's reputation, leading to reduced demand for easyJet's services which could in turn lead to a loss of revenues and have a material adverse effect on easyJet's business, results of operations, financial condition and prospects. In addition, if easyJet's aircraft are involved in a security-related attack, there may be other associated losses and costs of repair or replacement of damaged or lost aircraft. Additional adverse consequences of such events, and the threat of such events, could include a complete or partial closure of European airspace for certain periods, reduced demand for air travel, limitations on the availability of insurance coverage, increased costs associated with security precautions and flight restrictions over war zones. Major security-related threats or attacks have the potential to adversely affect easyJet's business

regardless of the location or target of such threat or attack or whether easyJet was involved. All of these adverse consequences, should such an incident occur, could have a material adverse effect on easyJet's results of operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Competitive market conditions

easyJet operates in competitive market places against both legacy carriers and other airlines. easyJet's key competitive advantages are its network (including a high number of slots at primary airports), cost base, brand, digital innovation and an efficient and robust capital structure. Failure to retain these advantages could have a material adverse effect on easyJet's market share, results of operations, financial condition and prospects.

easyJet is also at risk of excess capacity in the market, resulting from a decrease in demand for air travel or competitors increasing capacity and causing an oversupply in the marketplace, particularly as a result of low fuel prices, which could have a material adverse effect on easyJet's revenues and profitability, results of operations, financial condition and prospects.

In addition, the airline industry competes with other modes of transport including train travel. easyJet's operations are concentrated across Europe where there is a significant and reliable rail network. If alternative modes of transport provide a more cost-effective means of travel or there is a change in preference amongst airline travellers against using airlines this could have a material adverse effect on easyJet's financial condition and results of operations. Any failure to retain its competitive advantage or respond quickly to changes in its competitive environment could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Risks associated with industry consolidation

Industry consolidation could affect the competitive environment of easyJet in a number of different markets. easyJet's ability to retain its competitive advantage is dependent upon it remaining a key player in the relevant markets in which it operates. Consolidation by other key players in the sector could cause a loss of market position and erosion of revenue and could have a material adverse effect on easyJet's financial condition and prospects and therefore affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Loss of access to key IT systems, premises or facilities

easyJet is dependent on a number of key IT systems and processes. easyJet's key operational and commercial IT systems include internet bookings, online check in, flight planning and flight operations. A loss of such systems or access to premises and facilities, including the easyJet website and Operations Control Centre, could lead to significant disruption. Any such disruption or loss of access to key IT systems, premises or facilities could have a material adverse effect on easyJet's results of operations and financial condition and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Cyber security breaches

easyJet faces both external cyber threats and internal risks to its data and systems. easyJet's data and systems may be vulnerable to theft, loss, damage and interruption due to unauthorised access, security breaches, cyber-attacks, computer viruses, power loss, or other disruptive events. A security breach could have a negative impact on customer confidence in easyJet's systems and negatively impact easyJet's reputation. Should a security breach occur this could have a material adverse effect on easyJet's results of operations and financial condition and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Dependency on third party service providers

easyJet has entered into agreements with third party service providers for services covering a significant proportion of its operation and cost base, including ground handling, aircraft maintenance, its call centres, catering and its fuel supply. Failure to adequately manage performance of such service providers and failure by such service providers to perform their obligations under these agreements could adversely affect easyJet's reputation and its operational and financial performance. Loss of such third party contracts or the inability to renew or negotiate favourable replacement contracts could have a material adverse effect on easyJet's results of operations and financial condition. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Negative customer experiences

Reliability, including on time performance, is a key element of easyJet's customer experience. Unreliable operational performance and inability to react to customer expectations as a result of routine and ongoing disruption would negatively impact customer satisfaction and easyJet's financial condition, as a result of reduced demand and payment of compensation (see "*Risk Factor - Requirement to compensate passengers for certain flight delays and cancellations*" below). This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Climate change

Climate change has the potential to affect easyJet's operations and broader business in a number of ways. In particular, if climate change results in more volatile weather, such as a greater frequency and intensity of storms, this could disrupt easyJet's operations by reducing handling capacity at airports and ground transport access. Any increase in delayed or cancelled flights would increase disruption costs and reduce revenue, as well as having an adverse effect on easyJet's reputation, which may have an adverse effect on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively. Changes in wind patterns and jet stream disruption as a result of climate change are also recognised as having the potential to increase en route turbulence which could negatively affect easyJet's customer satisfaction and retention. Customer attitudes to environmental and climate issues may also change and this may lead to a reduced demand for air travel or reputational consequences for less environmentally conscious airlines.

Exposure to risks associated with the limitation of greenhouse gas emissions and related trading schemes or allowances and any changes to environmental legislation

Under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, certain contracting states entered into obligations to control and reduce the emission of greenhouse gases.

To comply with its obligations under public international law, the European Union (the **EU**) introduced the Emissions Trading Scheme (the **ETS**) in 2003 to limit greenhouse gas emissions and the trading allowances which apply to certain industrial installations. The airline industry was incorporated into the ETS in 2009 and the first carbon credit surrender took place in 2012. In October 2016 the International Civil Aviation Organisation agreed a Carbon Offsetting and Reduction Scheme for International Aviation (**CORSIA**) to target carbon neutral growth for the airline sector, which is due to commence in 2021. CORSIA will rely on offsets from other industries to compensate for emission growth in the airline sector. The number of offsets required to be purchased, and any increase in such number, could have an adverse impact upon demand for air travel and/or reduce the profit margin per ticket.

Further regulations on greenhouse gas emissions may be enacted in one or more of the countries in which easyJet operates. In addition, if the cost of carbon permits significantly increases in the future, or the cost of more efficient technologies significantly increases, easyJet may face a material financial risk. All of these factors may limit easyJet's operational flexibility, increase costs and therefore could have a material adverse

effect on its financial condition and results of operations and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Significant network disruption

A number of possible events, or factors that occur for a prolonged period, may cause significant and widespread, sustained disruption to easyJet's network; such as forces of nature including natural disasters, severe weather conditions, volcanic ash or other acts of God, terrorism, air traffic management restrictions, union activity and strike action, and epidemics and pandemics. If an event or circumstance were to weaken the demand for air travel, materially affect airline operations or require significant compensation to be paid, this could have a disproportionate effect on easyJet's results for the relevant financial year. The occurrence and timing of such events, together with the reaction of aviation authorities to such events, cannot be predicted or controlled by easyJet and could result in the disruption of easyJet's operations and could have a material adverse effect on easyJet's results of operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Closure of or disruption at key airports and/or runways

easyJet operates from a number of key airports across Europe. The complete or partial closure or temporary unavailability of any of the key airports or runways from which easyJet operates, for instance due to fire, flooding, excessive snow, a major air crash at the site, union activity and strike action, a terrorist or similar security incident, or any of the example network disruption causes listed above, would result in the disruption of easyJet's operations and could have a material adverse effect on easyJet's results of operations, financial condition and prospects and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Dependency on Airbus and CFM International as suppliers

easyJet operates a single fleet of Airbus aircraft and is dependent on Airbus and CFM International as its sole suppliers for aircraft and aircraft engines, respectively. The Airbus 320 family (which includes the A319 and A321) and Boeing 737 family are the two primary fleets used for short-haul travel in the European airline industry. Whilst there are significant cost and efficiency advantages of easyJet maintaining a single fleet, technical or mechanical issues that relate specifically to Airbus aircraft or CFM International engines could ground easyJet's full fleet, or part of its fleet. easyJet has a significant number of outstanding orders with Airbus and CFM International and therefore relying on these sole suppliers could lead to a delay or complete failure of delivery of new aircraft which could impact easyJet's fleet plans. This could result in significant disruption to easyJet's operations as well as passengers forming a negative perception of easyJet thereby reducing demand. Such disruption to operations and/or reduction in demand could have a material adverse effect on easyJet's results of operations, financial condition and prospects and in turn on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to future value of second-hand aircraft

easyJet owns a significant proportion of its fleet of A319 and A320 aircraft which, at the appropriate time, it seeks to sell in the second-hand aircraft market. If second-hand prices drop or if easyJet faces delays in making these sales, this could have a material adverse effect on easyJet's operations and financial condition and in turn on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Failure to deliver business benefits and cost savings from projects supporting the business strategy

easyJet continues to undertake a number of initiatives to support its strategy. If one or more of these initiatives fails to deliver the anticipated business benefits and costs savings planned, this could have a material adverse effect on easyJet's competitive advantage which may affect easyJet's results from

operations. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to fuel price fluctuations

Fuel costs constitute a substantial proportion of easyJet's total operating expenses. Jet fuel has been, and is expected to remain, subject to significant price volatility. Prices for jet fuel are influenced by a number of political and economic factors, war or the threat of war, refining capacity and sudden disruptions in supply. Substantial increases in jet fuel prices would significantly impact fuel costs. Please also see "*Hedging arrangements*" in the section entitled "*Description of the Issuer and the Original Guarantor*" below.

If easyJet is exposed to sustained significant price volatility and/or increases in prices for jet fuel, there can be no assurance that it will be able to offset such volatility and increases by passing these costs on to customers and/or cost reductions and/or through fuel hedging arrangements. In addition, easyJet cannot predict the movement of either short-term or long-term jet fuel prices. Any such price volatility and/or increases in prices for jet fuel could have a material adverse effect on easyJet's results of operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Liquidity risk

Liquidity risk is the possibility of being unable to meet all present and future financial obligations as they become due. While easyJet believes it has processes in place designed to deliver sufficient cash resources and the availability of funding as needed, there can be no assurance that such processes will be effective. Any business disruption as a result of not being able to meet all present and future financial obligations as they become due could have a material adverse effect on easyJet's results of operations and financial condition. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exchange rate risk

easyJet reports its financial results in Sterling and therefore easyJet's principal exposure to currency exchange rates arise from fluctuations in the U.S. dollar, euro and Swiss franc rates with respect to Sterling which impact its operating, financing and investing activities. As easyJet reports its financial results in Sterling, the results for each period are affected by fluctuations in exchange rates. Sustained adverse changes in exchange rates against Sterling could have a material adverse effect on easyJet's business, operations, financial condition and results of operations. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Whilst easyJet manages foreign currency risk through hedging activity which aims to reduce the impact of exchange rate volatility on the results and cash flows of easyJet there can be no assurance that such foreign currency risk management will be effective. If such foreign currency risk management is not effective, this could have a material adverse effect on easyJet's results of operations and financial condition. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to non-performance of counterparties

easyJet is exposed to the credit risk of non-performance by its counterparties in respect of receivable financial assets, which include cash and money market deposits, derivative financial instruments, and trade and other receivables. easyJet is also exposed to the credit risk of non-performance by, amongst others, its insurance and hedge counterparties. Failure of any of its counterparties could have a material adverse effect on easyJet's financial condition and results of operations. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Market conditions could change the cost of finance

easyJet is exposed to movements on interest rates on interest bearing monetary items. easyJet's adjusted net debt (after making an adjustment for aircraft operating leases by capitalising at seven times annual interest expense) stood at £738 million at 30 September 2018 and £413 million at 30 September 2017. As such, easyJet is exposed to increases in interest rates and such increases could have a material adverse effect on easyJet's results of operations and financial condition. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

easyJet's ability to finance its operations and satisfy its fleet commitments, together with future fleet requirements is reliant on a number of factors including those outside of its control. In some cases, easyJet may need to refinance and such refinancing may be more expensive than current rates, or may be unavailable depending on easyJet's current profile, the economic climate at the time and other factors outside of its control. Should easyJet be unable to obtain satisfactory financing in respect of its current commitments, or in respect of future financing needs, this could have a material adverse effect on easyJet's results of operations and financial condition and in turn on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Attraction and retention of talent

easyJet's current and future success depends upon the efforts, abilities and knowledge of its personnel, including the management team, and other key financial, commercial and operating personnel. Competition for highly qualified personnel within the aviation industry is intense and, if an adequate replacement cannot be found within a suitable time period, the loss of any of the key management personnel of easyJet could lead to an adverse effect on its business and could have a material adverse effect on easyJet's results of operations and financial condition. Failure to attract and retain key talent in the context of the highly competitive aviation recruitment market could adversely affect easyJet's ability to deliver its strategic objectives and could have a material adverse effect on easyJet's results of operations and financial condition. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Industrial action

easyJet and its suppliers have a significant number of employees who are members of trade unions and also have key third party service providers whose employees are members of trade unions. easyJet and its suppliers regularly negotiate with a number of the unionised groups including pilots, cabin crew, ramp staff and engineering staff. Whilst collective bargaining and other agreements with these unions takes place regularly, a breakdown in the bargaining process could lead to strikes such as the increased strikes that have taken place in French Air Traffic Control or other industrial action being taken by easyJet employees, or by the employees of key third party service providers, which could impact on easyJet's ability to maintain its flight schedules. There can be no assurance that easyJet will not experience strikes or other industrial action. Any drawn out dispute including the prospect of strikes or other industrial action, even if it does not ultimately result in strikes or other industrial action taking place, could have a material adverse effect on easyJet's reputation and cause consumers to book with easyJet's competitors. Any such strike or other industrial action, or any threat of a strike or other industrial action, could have a material adverse effect on easyJet's results of operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Shifts in macroeconomic conditions

easyJet's business can be affected by macroeconomic conditions outside of its control, including weakening consumer confidence, inflationary pressure or economic instability. During such times consumers may choose not to fly. easyJet has no control over the impact of macroeconomic conditions and there can be no assurance that any such issue will not have a material adverse effect on easyJet's results of operations,

financial condition and prospects and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Political and economic uncertainty around the United Kingdom leaving the European Union

On 23 June 2016, the United Kingdom (the **UK**) electorate voted to leave the EU. The formal process of implementing the decision began in March 2017 when the UK triggered Article 50 of the Treaty of Lisbon but there is still significant uncertainty around the process of withdrawal, the timing of such withdrawal and the outcome of negotiations between the UK and the EU. No EU member state has ever triggered Article 50 and as such there is no precedent for its operation.

There are multiple EU Directives and Regulations which determine how easyJet currently operates. These range from specific aviation directives and regulations (for example, the regulation on the harmonisation of technical requirements and administrative procedures in the field of civil aviation (Council Regulation (EEC) No 3922/91, referred to as **EU-OPS**), the requirement to hold an air operator's certificate (an **AOC**) and compliance with the rules and regulations of the European Aviation Safety Agency (**EASA**)) through to more general business directives and regulations (for example, including relating to social security, competition and pricing). The impact of any failure to implement a withdrawal agreement between the EU and the UK which retains the current regulatory framework for easyJet, and the longer term impact of the UK leaving the EU, are both uncertain.

As such, no assurance can be given as to the impact of the UK leaving the EU on easyJet, including the effect on the UK's inclusion in the EU's Single Aviation Market initiative of the European Commission. The outcome of the UK government's negotiations on the future relationship with the EU could impact existing operations, safety approvals, pilot licencing arrangements, easyJet's ownership model, easyJet's tax profile, the fees and charges easyJet is required to pay, the engineering and maintenance supply chain, and the composition of easyJet's crew establishment, among other things. Although highly unlikely, a breakdown in negotiations and the absence of no deal contingencies, could result in a halt to flying between the EU and the UK. Any of the above consequences of the UK leaving the EU could have a material adverse effect on easyJet's financial condition and results of operations, as well as a negative impact on consumer confidence. This could therefore have a material adverse effect on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to extensive and changing legislative and regulatory oversight

The airline industry is subject to extensive and changing legislative and regulatory requirements at Austrian, Swiss, UK and European level. Changes to legislative and regulatory requirements occur frequently and may in addition occur as a result of the UK leaving the EU (see "*Political and economic uncertainty around the United Kingdom leaving the European Union*" above). Additional laws, regulations and taxes have been proposed from time to time that, if implemented, could significantly increase the cost of airline operations or reduce revenues. easyJet is also exposed to legislative and regulatory oversight in all countries where it sells its product via local language websites. This is likely to increase as easyJet grows geographically and its number of local language websites increases. New regulations could have a negative impact on easyJet's costs and business model. For example, more safety and/or security requirements could impact easyJet's ability to manage quick turnarounds and therefore may compromise aircraft utilisation or may impose additional costs. easyJet cannot anticipate all changes that may be made in the future including changes made in response to the UK leaving the EU, nor the possible adverse impact of such changes, including on its operations, financial condition or prospects. Its ability to keep well informed of, adapt to and comply with any changes is key to maintaining its operational and financial performance. Any such new legislation or regulations could have a material adverse effect on easyJet's results of operations, financial condition and prospects and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to changes to regional, national or international law or regulations

easyJet is subject not only to English laws and regulations but also to the laws and regulations of the EU and other nations in which it operates outside the EU, together with international organisations and international, bilateral and multilateral treaties. The scope of such laws and regulations includes (among other things) infrastructure issues relating to slot capacity and route flying rights, environmental and security requirements, safety, licensing, competition, customer protection and tax. Additional laws, regulations, taxes and airport rates and charges may be proposed from time to time that could significantly increase the cost of easyJet's airline operations or reduce its revenues. Furthermore, while easyJet can neither fully anticipate all changes that may be made in the future nor the possible adverse impact of such changes, its ability to comply with such regulations is key to maintaining its operational and financial performance. Any such reduction in revenues could have a material adverse effect on easyJet's financial condition and results of operations and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Compliance with Data Protection Legislation

easyJet processes the personal data of over 80 million people each year and is subject to significant obligations in respect of Data Protection Legislation. In the event easyJet is unable to meet such obligations, it may be subject to regulatory action or civil claims. The General Data Protection Regulation (2016/679/EU), which has applied to easyJet since May 2018 permits national supervisory authorities to levy administrative penalties of up to 4 per cent. of companies' global annual turnover in cases of significant non-compliance. Additionally, easyJet may be subject to claims for material and non-material damage from groups of affected customers and employees. The cost of regulatory or legal action, and any reputational damage suffered as a result of such action, could have a material adverse effect on easyJet's financial condition and results of operations and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Requirement to compensate passengers for certain flight delays and cancellations

Under European legislation (EU Regulation (EC) No. 261/2004 (**EU 261**)), airlines including easyJet are required to compensate passengers for certain flight delays and cancellations, among other things. In particular, the legislation provides for compensation in a cash amount equal to €250, €400 or €600 per passenger, depending on the length of the flight, with short-haul flights typically subject to compensation in an amount equal to €250 per passenger where this is due. In addition, passengers may also be entitled to assistance, including meals, drinks and telephone calls, as well as hotel accommodation, depending on the length of the delay. In certain circumstances, easyJet must offer the option of a refund of the cost of the unused ticket. There can be no assurance that it will be able to manage all circumstances which may give rise to such delays and/or cancellations. In such circumstances, easyJet may be required to make compensatory payments to affected passengers and may also suffer reputational damage. Although easyJet maintains and regularly assesses its provision for EU 261 compensation payable in respect of flight delays and cancellations, any such claims could have a material adverse effect on easyJet's results of operations, financial condition and prospects and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Compliance with contractual obligations

A failure by easyJet to comply with its contractual obligations or to pay its indebtedness and fixed costs, could result in a variety of material adverse consequences, including acceleration of indebtedness, the exercise of remedies by its creditors, lessors or other co-contracting parties, or termination of the relevant contract, and such defaults could trigger additional cross defaults under other indebtedness or agreements. In such situations, easyJet may not be able to repay the accelerated indebtedness or fulfil its obligations under certain contracts, make required aircraft lease payments or otherwise cover its fixed costs. Once default has occurred, the lenders under such financing arrangements could enforce upon all or substantially all of the

assets of easyJet which secure its obligations in accordance with the terms of the agreement. Such failure to pay or resulting enforcement action could have a material adverse effect on the financial condition and prospects of easyJet and could therefore affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Licensed company name or branding

easyJet does not own its company name or branding, but instead licenses them from easyGroup Ltd, a wholly-owned subsidiary of easyGroup Holdings Limited, which is controlled by Sir Stelios Haji-Ioannou, easyJet's founder. The licence agreement imposes certain minimum service levels that easyJet must meet in order to retain the right to use the name and the brand.

Under the terms of the licence agreement signed in October 2010, the brand licence was granted for 50 years subject to a minimum term commitment by easyJet to the brand for 10 years (with earlier termination by easyJet other than as a result of a breach by easyGroup Holdings Limited triggering a balancing royalty payment to ensure royalties are paid in respect of the full 10 year term). The licence agreement provides easyJet with worldwide rights to use the brand on a basis which protects easyJet's current commercial activities. Under the terms of the licence, easyJet is granted rights to use the brand for business activities, including commercial air travel and ancillary services, such as car hire and hotel arrangements through "easyJet Holidays", as well as other activities.

Any adverse impact on the brand, the termination of the brand licence or the post-termination use of the brand by a competing airline, could have a material adverse effect on easyJet's financial condition, results of operations and prospects and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Major shareholder influence

The Haji-Ioannou family concert party shareholding, consisting of easyGroup Holdings Limited (a holding vehicle for Sir Stelios Haji-Ioannou and Clelia Haji-Ioannou) and Polys Haji-Ioannou (through his holding vehicle Polys Holding Limited), was (as disclosed to the Issuer in accordance with the FCA's Disclosure and Transparency Rule 5) 33.73 per cent. of the Issuer's ordinary shares as at 30 September 2018. As a result, together easyGroup Holdings Limited and Polys Holding Limited are controlling shareholders, for the purposes of the FCA Listing Rules, and have the ability to influence easyJet's business in relation to actions that require shareholder approval. easyGroup Holdings Limited and Polys Holding Limited could attempt to do this in connection with business initiatives requiring shareholder approval that they disagree with. Shareholder activism by easyJet's shareholders could disrupt the attention of management to the business and could adversely impact the reputation of easyJet. Any such disruption to business or impact on easyJet's reputation as a result of shareholder activism could have a material adverse effect on easyJet's results of operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Requirement to maintain majority share ownership and control by European Economic Area member states or their nationals

It is a requirement of EU law that an EU member state may only licence an air carrier to operate airline services if the majority of its share capital is owned, and the carrier is effectively controlled by, member states of the European Economic Area or their nationals (including ownership by Switzerland and/or Swiss nationals). The Issuer's articles of association contain provisions to allow it to take action if necessary to ensure it continues to satisfy these EU ownership and control requirements. However, if easyJet fails to comply with this EU law requirement, easyJet may temporarily or permanently lose the ability to operate airline services in the EU which could have a material adverse effect on easyJet's operations, financial condition and prospects. This in turn could affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Insufficient insurance cover

easyJet believes that it has insurance in place consistent with its competitors. However, insurance policies are typically subject to a number of conditions and exclusions and must be renewed from time to time. In addition, similar insurance may be difficult to obtain subsequent to the occurrence of a safety incident. Any disaster or major disruption involving easyJet or its aircraft could result in potential claims from injured passengers, third parties, crew or others. There may also be temporary or permanent loss of the aircraft from service, as well as repair and replacement costs. In addition, easyJet may suffer from reputational damage if one or more of its aircraft is involved in a disaster, major disruption or is the subject of an insurance claim. There can be no assurance that the amount or type of insurance cover currently held by easyJet will be sufficient or adequate to cover all potential losses. If easyJet's insurance policies exclude certain events or specific claims or if the amounts insured under such policies are insufficient, easyJet may suffer significant costs. In addition, if the cost of insurance increases substantially, for example due to a terrorist incident, there may be a negative impact on easyJet's profits.

Any such disaster, major disruption or insurance claim, or the inability of easyJet to renew or obtain adequate insurance could have a material adverse effect on easyJet's results of operations, financial condition and prospects. This in turn could impact the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to increases in airport, transit and landing fees, along with changes in aviation security policies and air traffic security costs

Airlines are exposed to increases in airport, transit and landing fees, along with changes in air security policies and air traffic security costs. Airport, transit and landing fees and security charges or initiatives represent a significant operating cost to easyJet and have an impact on its operations.

There can be no assurance that such costs will not increase or that easyJet will not incur new costs in the UK, or elsewhere in Europe and the jurisdictions in which it operates. If easyJet is not able to pass any increases in charges, fees or other costs on to its customers, these increases could have a material adverse effect on easyJet's financial condition and results of operations. This in turn could impact the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Exposure to governmental policy changes and decisions affecting aviation capacity and market entry

Certain markets in which easyJet operates are subject to government regulation aimed at controlling capacity and restricting market entry. Relaxation or tightening of such controls and restrictions could impact easyJet's ability to compete with other airlines and therefore have a negative impact on easyJet's margins. If there is a negative impact on easyJet's margins or an increase in easyJet's costs, this in turn could have a material adverse effect on easyJet's financial condition and results of operations and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Non-compliance with internal corporate governance requirements

easyJet has a number of company-wide policies, including an anti-bribery and corruption policy based on applicable laws, as well as a gifts and hospitality policy and an online register to record all gifts and hospitality that are accepted by employees. There can be no assurance that violations of easyJet's internal corporate governance requirements will not occur. In the event violations do occur, they could have material adverse effects on easyJet's reputation and result in fines, which could in turn have a material adverse effect on easyJet's business, financial condition and results of operations and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

Reliance upon, and exposure to, national and international infrastructure development

easyJet is dependent on, and may be affected by, infrastructure decisions or changes in infrastructure policy by governments, regulators or other entities, which are often outside easyJet's control including, for example, a decision to allow additional runway capacity at an airport or the construction of a new airport. This in turn could have a material adverse effect on easyJet's financial condition and results of operations and therefore on the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees, respectively.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which involve particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any subsequent conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks

Interest rates and indices which are deemed to be benchmarks (including, amongst others, LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and applied from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

These reforms (including the Benchmarks Regulation) could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements imposed thereunder. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR or any other benchmark will continue to be supported going forwards. This may cause LIBOR, EURIBOR or any other such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The potential elimination of LIBOR, EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes referencing such benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms and other similar regulatory reform in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated and to form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be admitted to the Official List and to trading on the London Stock Exchange's Regulated Market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

In the event that the Issuer has or will become obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any relevant tax jurisdiction, or any of the Guarantors would be unable for reasons outside of its control to procure payment by the Issuer and in making payment itself such Guarantor would be required to pay such additional amounts, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfers, payments and communications with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or, as the case may be, common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes held through it. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or, as the case may be, common

safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg and its participants to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such or (iii) agree to the substitution of (a) any holding company of the Issuer, any other company being a Subsidiary (as defined in the Conditions) of the Issuer (including, for the avoidance of doubt, any of the Guarantors), or any Successor in Business (as defined in the Trust Deed) of the Issuer as principal debtor under the Notes in place of the Issuer and/or (b) any Successor in Business of any of the Guarantors as guarantor of the Notes in place of that Guarantor, in the circumstances described in the Trust Deed and the conditions of the Notes, provided that in the case of (i), (ii) and (iii), that the Trustee is of the opinion that to do so would not be materially prejudicial to the interests of Noteholders.

The conditions of the Notes and the Trust Deed also provide that the Trustee shall, without the consent of the Noteholders, agree to the substitution of the Issuer in place of a Guarantor so that the substituted entity shall no longer be an obligor in respect of the Notes, subject to the relevant Guarantor no longer being party to the Facilities Agreement (as defined in Condition 14.2) and to certain other conditions being complied with as further described in the Trust Deed and the conditions of the Notes. Noteholders should note that, in this particular circumstance, the substitution right is mandatory and thus such a substitution will not be subject to any material prejudice determination by the Trustee with respect to the interests of the Noteholders and therefore could potentially be materially prejudicial to the interests of Noteholders.

The value of the Notes and the Guarantees could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the ability of the Issuer and the Guarantors to make payments under the Notes issued under the Programme or to comply with their respective obligations under the transaction documents to which they are a party. This may consequentially affect the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral

multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantees in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantors to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer, the Guarantors or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantors or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

Each Guarantor may be released.

In accordance with the Conditions and the Trust Deed, each Guarantor may be released and cease to be a Guarantor (and the relevant Guarantee terminated) subject to certain conditions (including certification by the Issuer that, after having provided details of the proposed Guarantor release to each of the Rating Agencies then rating the Notes, each Rating Agency has either (a) confirmed in writing that it has determined that it would not downgrade or withdraw the credit rating assigned by it to the Notes or (b) not indicated to the Issuer, within 30 days of the Issuer providing details of the proposed Guarantor release to such Rating Agency, that it would downgrade or withdraw (or is considering downgrading or withdrawing) the credit rating assigned by it to the Notes, in each case as a result of such release, and that the relevant Guarantor will not be a party to, or an obligor under, the Facilities Agreement and the Issuer (or a Subsidiary of the Issuer which is guaranteed by the Issuer) will be the principal obligor under the Facilities Agreement) (See "*Terms and Conditions—Release of a Guarantor*").

Once a Guarantor has been released it will have no further obligation in respect of any amount due under any Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Financial Conduct Authority shall be incorporated in, and form part of, this Offering Circular:

- (a) the audited consolidated annual financial statements (including the auditors' report thereon and the notes thereto) of the Issuer for the financial year ended 30 September 2018 (as set out on pages 111 to 149 of the Issuer's annual report for the financial year ended 30 September 2018);
- (b) the audited consolidated annual financial statements (including the auditors' report thereon and the notes thereto) of the Issuer for the financial year ended 30 September 2017 (as set out on pages 89 to 130 of the Issuer's annual report for the financial year ended 30 September 2017);
- (c) the audited non-consolidated annual financial statements (including the auditors' report thereon and the notes thereto) of the Original Guarantor for the financial year ended 30 September 2018 (as set out on pages 9 to 44 of the Original Guarantor's annual report for the financial year ended 30 September 2018);
- (d) the audited non-consolidated annual financial statements (including the auditors' report thereon and the notes thereto) of the Original Guarantor for the financial year ended 30 September 2017 (as set out on pages 6 to 39 of the Original Guarantor's annual report for the financial year ended 30 September 2017); and
- (e) the Terms and Conditions of the Notes set out on pages 38 to 70 of the Issuer's Offering Circular dated 7 January 2016.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg. In addition, copies of the documents will be available free of charge at the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The Issuer and the Guarantors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described

therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by an Authorised Officer (as defined in Condition 6) of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any of the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer and the Guarantors may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]¹

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II][Directive 2014/65/EU (as amended, **MiFID II**)]; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]²

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the SFA) - [*Insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*].]³

[Date]

easyJet plc

Legal entity identifier (LEI): 2138001S47XKWIB7TH90

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Originally guaranteed by easyJet Airline Company Limited

[and [●]]

under the £3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

¹ Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

² Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

³ Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 5 February 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Original Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date] [and the supplement[s] to it dated [date]] which are incorporated by reference in the Offering Circular dated 5 February 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 5 February 2019 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer, the Original Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

- | | | | |
|----|-----|--|--|
| 1. | (a) | Issuer: | easyJet plc |
| | (b) | Guarantor[s]: | easyJet Airline Company Limited
[] |
| 2. | (a) | Series Number: | [] |
| | (b) | Tranche Number: | [] |
| | (c) | Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [25] below, which is expected to occur on or about [date]][Not Applicable] |
| 3. | | Specified Currency or Currencies: | [] |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Series: | [] |
| | (b) | Tranche: | [] |
| 5. | | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) | Specified Denominations: | [] |

- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
8. Maturity Date: *Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [*specify month and year*]*
9. Interest Basis: [[] per cent. Fixed Rate]
 [[[] month [LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]
 [Zero coupon]
 (see paragraph [14]/[15]/[16]below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Investor Put]
 [Change of Control Put]
 [Issuer Call]
 [Issuer Residual Call]
 [Make-Whole Redemption by the Issuer]
 [Issuer Maturity Call]
 [Not Applicable]
 [(see paragraph [17]/[18]/[19]/[20]/[21]/[22] below)]
13. (a) Status of the Notes: Senior
- (b) Status of the Guarantees: Senior
- (c) [Date [Board] approval for issuance of Notes and Guarantees obtained: [] [and []], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity

Date

- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]

15. Floating Rate Note Provisions [Applicable/Not Applicable]

- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination:
- Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (g) ISDA Determination:

- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []

- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
30E/360 (ISDA)]

16. Zero Coupon Note Provisions [Applicable/Not Applicable]

- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [[] per Calculation Amount]
- (c) Redeemable in part: [Applicable]/[Not Applicable – the Notes are not redeemable in part only]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption []

Amount:

18. Issuer Residual Call: [Applicable/Not Applicable]
- Residual Call Early Redemption Amount: [] per Calculation Amount
19. Make-Whole Redemption by the Issuer: [Applicable/Not Applicable]
- (a) Make-Whole Redemption Margin: [[] basis points/Not Applicable]
- (b) Reference Bond: [CA Selected Bond/[]]
- (c) Quotation Time: [[5.00 p.m. [Brussels/London/[]]] time/Not Applicable]
- (d) Reference Rate Determination Date: The [] Business Day preceding the relevant Make-Whole Redemption Date
- (e) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
20. Issuer Maturity Call: [Applicable/Not Applicable]
21. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
22. Change of Control Put: [Applicable/Not Applicable]
- Change of Control Redemption Amount: [] per Calculation Amount
23. Final Redemption Amount: [] per Calculation Amount
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005⁴]
- [New Global Note: [Yes][No]]
26. Additional Financial Centre(s): [Not Applicable/*give details*]
27. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION]

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer and [each of] the [Original] Guarantor[s] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

⁴ Include for Notes that are to be offered in Belgium.

Signed on behalf of easyJet plc:

By:

Duly authorised

Signed on behalf of easyJet Airline Company Limited:

By:

Duly authorised

[Signed on behalf of [●]:

By:

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and admitted to the Official List of the UK Listing Authority with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and admitted to the Official List of the UK Listing Authority with effect from [].]

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[[Each of][] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantors and their affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

4. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

- (i) ISIN: []
- (ii) Common Code: []
- (iii) CFI: [[]/Not Applicable]
- (iv) FISN: [[]/Not Applicable]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")

- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

- (vi) Delivery: Delivery [against/free of] payment

- (vii) Names and addresses of additional Paying Agent(s) (if any): []

- (viii) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of [Subscription] Agreement: []
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (vii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

8. USE OF PROCEEDS

Use of Proceeds: []

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by easyJet plc (the **Issuer**) constituted by a first supplemental trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 10 February 2017 made between the Issuer, easyJet Airline Company Limited (the **Original Guarantor**) and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 February 2017 and made between the Issuer, the Original Guarantor, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of

Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed (including each Guarantee (as defined below)) and the Agency Agreement are available for inspection during normal business hours at the principal office for the time being of the Trustee being at 10 February 2017 at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed (including each Guarantee), the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Guarantors, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be

treated by the Issuer, the Guarantors, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE NOTES AND THE GUARANTEES

2.1 Status of the Notes

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

2.2 Status of the Guarantees

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and (subject to the provisions of Condition 2.3) irrevocably guaranteed, on a joint and several basis, by each Guarantor in the Trust Deed. The obligations of each Guarantor under the relevant Guarantee (as defined below) are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of such Guarantor from time to time outstanding.

2.3 Release of a Guarantor

In accordance with the Trust Deed, a Guarantor will cease to be a Guarantor and the relevant Guarantee will be terminated on the relevant Guarantee End Date.

Once a Guarantee has been terminated, the relevant Guarantor will be released from all of its obligations under such Guarantee and the Trust Deed and will have no further obligation in respect of any amount due under any Notes.

Each Guarantor shall be deemed to be aware of, and be bound by, the provisions of the Trust Deed and this Condition 2.3, and any such release. Each Guarantor remaining after any such release shall continue to be bound by the terms of its Guarantee, notwithstanding any such release of another Guarantor.

2.4 Additional Guarantors

The Issuer may from time to time and in accordance with the terms of the Trust Deed appoint or procure to be appointed, with effect from the relevant New Guarantee Date, any other entity (the

relevant entity) as an Additional Guarantor. In order to appoint an entity as an Additional Guarantor, the Issuer and the relevant entity shall (a) execute and deliver to the Trustee a supplemental deed substantially in the form scheduled to the Trust Deed or such other form satisfactory to the Trustee (acting reasonably), whereby the relevant entity provides a guarantee in respect of the Notes in favour of the Trustee and the Noteholders on substantially the same terms (subject to any laws applicable to any such new Guarantee or Additional Guarantor) as each other Guarantee (in the reasonable opinion of the Trustee) and agrees to be bound as a Guarantor under the Trust Deed, as more fully set out in the Trust Deed, and (b) comply with certain other conditions set out in the Trust Deed.

2.5 Notice of release or appointment

The Issuer shall cause notice of the release of any Guarantor or appointment of any Additional Guarantor to be given to the Noteholders in accordance with Condition 13 no later than 14 days after such release or appointment.

2.6 Definitions

In these Conditions:

- (a) **Additional Guarantor** means an entity which has become an Additional Guarantor in accordance with the Trust Deed as set out in Condition 2.4;
- (b) **Guarantee** means each of the guarantees provided in respect of the Notes to be given by the Guarantors pursuant to the Trust Deed, and together the **Guarantees**;
- (c) **Guarantee End Date** means, in respect of a Guarantee provided by a Guarantor, the date specified in a certificate of a Senior Financial Officer of the Issuer (in a form satisfactory to the Trustee) which is sent to the Trustee (such date to be no more than seven days after the date on which the certificate is delivered to the Trustee) (A) requiring that such Guarantor be released; and (B) certifying to the Trustee as of the date specified in such certificate that:
 - (i) no Event of Default shall have occurred and be continuing;
 - (ii) no amount shall be due and payable under the relevant Guarantee;
 - (iii) (I) the relevant Guarantor will not be a party to, or an obligor under, the Facilities Agreement (as defined in Condition 14.2), and (II) the Issuer (or a Subsidiary of the Issuer which is guaranteed by the Issuer) will be the principal obligor under the Facilities Agreement; and
 - (iv) (I) the Issuer has provided details of the proposed Guarantor release to each of the Rating Agencies (as defined in Condition 6.5) then rating the Notes, and (II) each of the Rating Agencies then rating the Notes has either (A) confirmed in writing that it has determined that it would not downgrade or withdraw the credit rating assigned by it to the Notes as a result of the release of the relevant Guarantor, or (B) not indicated to the Issuer, within 30 days of the Issuer providing details of the proposed Guarantor release to such Rating Agency, that it would downgrade or withdraw (or is considering downgrading or withdrawing) the credit rating assigned by it to the Notes as a result of the release of the relevant Guarantor;
- (d) **Guarantors** means the Original Guarantor and any Additional Guarantor, but does not include any entity which has been released from its obligations as a Guarantor in accordance with the Trust Deed as set out in Condition 2.3;

- (e) **New Guarantee Date** means, in respect of a new Guarantee to be provided by an Additional Guarantor, the date on which (i) the supplemental trust deed referred to Condition 2.4(a) has been executed and delivered by the Issuer, the relevant Additional Guarantor and the Trustee, and (ii) the other conditions set out in the Trust Deed and referred to in Condition 2.4(b) have been complied with.
- (f) **Senior Financial Officer** means any of the chief financial officer, group financial director, principal accounting officer or treasurer of the Issuer; and
- (g) **Subsidiary** means, in relation to any person (the first person) at any particular time, any other person (the second person):
 - (i) whose affairs and policies the first person, directly or indirectly, controls or has power to control, whether by ownership or share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
 - (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

3. **NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding:

- (a) the Issuer undertakes that it will not, and it will procure that none of its Subsidiaries (as defined in Condition 2.6) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**), other than a Permitted Security Interest, upon, or with respect to, any of their present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
 - (i) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
 - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (b) each Guarantor undertakes that it will not create or have outstanding any Security Interest, other than a Permitted Security Interest, upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of such Guarantor and/or any of its Subsidiaries to secure any Relevant Indebtedness, unless such Guarantor, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
 - (i) all amounts payable by it under the relevant Guarantee and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

- (a) **Permitted Security Interest** means (i) any Security Interest which directly or indirectly secures any aircraft or aircraft equipment of the Issuer, any Guarantor or any of their respective Subsidiaries; or (ii) any Security Interest existing on property at the time of the acquisition thereof by the Issuer, any Guarantor or any of their respective Subsidiaries, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property; and
- (b) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which with the consent of the issuer of the indebtedness are for the time being (or are intended to be) quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation

Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(c) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on

which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above, as the case may be, and in each case in accordance with paragraph (d) and (e) above, the Trustee shall (at the expense of the Issuer) determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantors, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantors, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal

financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantors to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantors.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Residual Call Early Redemption Amount (if any) of the Notes;
- (f) the Make-Whole Redemption Amount(s) (if any) of the Notes;
- (g) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- (h) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.6, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Trustee

and the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or any of the Guarantors would be unable for reasons outside of its control to procure payment by the Issuer and in making payment itself such Guarantor would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, any of the Guarantors taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (i) a certificate signed by an Authorised Officer of the Issuer or, as the case may be, an Authorised Officer of the relevant Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the relevant Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In these Conditions, **Authorised Officer** means any director of the Issuer or the relevant Guarantor, as applicable, or any other officer of the Issuer or the relevant Guarantor authorised to sign on behalf of the Issuer or the relevant Guarantor, as applicable.

6.3 Issuer Call Options

(a) Redemption at the option of the Issuer

This Condition 6.3(a) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons pursuant to Condition 6.2 or pursuant to the Issuer Residual Call described in Condition 6.3(b) or pursuant to a Make-Whole Redemption by the Issuer as described in Condition 6.3(c) or pursuant to the Issuer Maturity Call described in Condition 6.3(d)), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee and the Noteholders in

accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.

(b) Issuer Residual Call Option

This Condition 6.3(b) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons pursuant to Condition 6.2 or pursuant to the Issuer Call described in Condition 6.3(a) or pursuant to a Make-Whole Redemption by the Issuer as described in Condition 6.3(c) or pursuant to the Issuer Maturity Call described in Condition 6.3(d)), such option being referred to as the **Issuer Residual Call**. The applicable Final Terms contains provisions applicable to the Issuer Residual Call and must be read in conjunction with this Condition 6.3(b) for full information on the Issuer Residual Call. In particular, the applicable Final Terms will identify the Residual Call Early Redemption Amount.

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 and not more than 60 days' notice to the Trustee and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable) at the Residual Call Early Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 6.3(b), the Issuer shall deliver to the Trustee, to make available at its specified office to the Noteholders, a certificate signed by an Authorised Officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Notes originally issued. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

(c) Make-Whole Redemption by the Issuer

This Condition 6.3(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons pursuant to Condition 6.2 or pursuant to the Issuer Call described in Condition 6.3(a) or pursuant to the Issuer Residual Call described in Condition 6.3(b) or pursuant to the Issuer Maturity Call described in Condition 6.3(d)), such option

being referred to as the **Make-Whole Redemption by the Issuer**. The applicable Final Terms contains provisions applicable to the Make-Whole Redemption by the Issuer and must be read in conjunction with this Condition 6.3(c) for full information on the Make-Whole Redemption by the Issuer. In particular, the applicable Final Terms will identify the Make-Whole Redemption Margin, the Reference Bond, the Quotation Time, the Reference Rate Determination Date and, if redeemable in part, any minimum or maximum amount of Notes which can be redeemed.

If Make-Whole Redemption by the Issuer is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee and the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-Whole Redemption Date**)), redeem all or some only of the Notes then outstanding on any Make-Whole Redemption Date and at the Make-Whole Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Make-Whole Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Redeemed Notes will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the relevant Make-Whole Redemption Date and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the relevant Make-Whole Redemption Date.

In this Condition 6.3(c), **Make-Whole Redemption Amount** means: (A) the outstanding nominal amount of the relevant Note or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Reference Rate plus the Make-Whole Redemption Margin (if any) specified in the applicable Final Terms, where:

CA Selected Bond means a government security or securities (which, if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

Calculation Agent means a leading investment, merchant or commercial bank appointed by the Issuer and approved in writing by the Trustee for the purposes of calculating the relevant Make-Whole Redemption Amount, and notified to the Noteholders in accordance with Condition 13;

Reference Bond means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms, provided that if the Calculation Agent advises the Issuer that, at the time at which the relevant Make-Whole Redemption Amount is to be determined, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, such other central bank or government security as the Calculation Agent may, after consultation with the Issuer and with the advice of Reference Market Makers, determine to be appropriate;

Reference Bond Price means (i) the average of five Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest and lowest of such five Reference Market Maker Quotations (or, if there are two highest and/or two lowest quotations, excluding just one of such highest quotations and/or one of such lowest quotations, as the case may be), (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

Reference Market Maker Quotations means, with respect to each Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Final Terms on the Reference Rate Determination Date specified in the applicable Final Terms;

Reference Market Makers means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Issuer; and

Reference Rate means, with respect to any Make-Whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Rate will be calculated on the Reference Rate Determination Date specified in the applicable Final Terms.

(d) Issuer Maturity Call Option

This Condition 6.3(d) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons pursuant to Condition 6.2 or pursuant to the Issuer Call described in Condition 6.3(a) or pursuant to the Issuer Residual Call described in Condition 6.3(b) or pursuant to a Make-Whole Redemption by the Issuer as described in Condition 6.3(c)), such option being referred to as the **Issuer Maturity Call**.

If Issuer Maturity Call is specified as being applicable in the applicable Final Terms, the Issuer may at its option, having given:

- (i) not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before giving the notice referred to in (i) above, notice to the Trustee and Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all the Notes then outstanding, but not some only, on any Business Day during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (and excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued (but unpaid) to (but excluding) the date fixed for redemption.

6.4 Redemption at the option of the Noteholders (Investor Put) (other than upon a Change of Control)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 30 nor more than 60 days' notice, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 9, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4.

6.5 Redemption as a result of a Change of Control of the Issuer (Change of Control Put)

If Change of Control Put is specified as being applicable in the applicable Final Terms, upon the occurrence of a Change of Control Put Event (as defined below) while this Note remains outstanding, the holder of this Note will have the option (the **Change of Control Put Option**) to require the Issuer to redeem or, at the Issuer's option, to purchase (or procure the purchase of) this Note on the Change of Control Redemption Date (as defined below).

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, give notice (a **Change of Control Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the Change of Control Put Period (as defined below), a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Exercise Notice**) and in which the holder must specify a bank

account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Change of Control Put Exercise Notice, be held to its order or under its control. All unmatured Coupons and Talons (if any) relating to such Note shall be dealt with as per the provisions of Condition 5.2.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Change of Control Put Option the holder of this Note must, within the Change of Control Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

The Issuer shall redeem or, at the Issuer's option, purchase (or procure the purchase of) the Notes in respect of which the Change of Control Put Option has been validly exercised at their Change of Control Redemption Amount together (if appropriate) with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the date of redemption in accordance with the provisions of this Condition 6.5 on the Change of Control Redemption Date (as defined below).

Any Change of Control Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable, once given, shall be irrevocable except where prior to the Change of Control Redemption Date an Event of Default shall have occurred and the Trustee shall have accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Exercise Notice or such other notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 9.

The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

For the purposes of this Condition 6.5:

- (a) a **Change of Control** occurs if any person or group, acting in concert, gains Control of the Issuer;
- (b) **Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which any Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);
- (c) a **Change of Control Put Event** will be deemed to occur if a Change of Control occurs and either on the Relevant Announcement Date the Notes have:
 - (i) been assigned at the invitation of the Issuer:
 - (A) an investment grade rating by any Rating Agency and, within the Change of Control Period, that credit rating is either downgraded to a non-investment grade rating or such Rating Agency ceases to assign a credit rating to the

Notes and, in each case, does not subsequently upgrade its credit rating assigned to the Notes to an investment grade rating or re-assign an investment grade rating to the Notes by the end of the Change of Control Period (provided that a Change of Control Put Event shall not occur pursuant to this Condition 6.5(c)(i)(A) if (x) the Notes are assigned, at the invitation of the Issuer, an investment grade credit rating by at least one Rating Agency by the end of the Change of Control Period, and (y) no more than one such Rating Agency so downgrades its investment grade rating of the Notes to a non-investment grade rating or ceases to assign an investment grade rating to the Notes); or

- (B) a non-investment grade rating by any Rating Agency and, within the Change of Control Period, that credit rating is either downgraded by one or more categories (by way of example, BB+ to BB being one rating category) or such Rating Agency ceases to assign a credit rating to the Notes and, in each case, does not subsequently upgrade its credit rating assigned to the Notes to, or re-assign a credit rating to the Notes of, the category assigned to the Notes on the Relevant Announcement Date or better by the end of the Change of Control Period,

provided that if on the Relevant Announcement Date the Notes have been assigned at the invitation of the Issuer a credit rating from more than one Rating Agency, at least one of which is an investment grade rating, then paragraph (A) only will apply; or

- (ii) not been assigned a credit rating by any Rating Agency at the invitation of the Issuer and a Negative Rating Event also occurs within the Change of Control Period,

and, in making any decision to downgrade or cease to assign a credit rating pursuant to paragraphs (i)(A) and (B) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

- (d) **Change of Control Put Period** means the period of 30 days following the date on which a Change of Control Notice is given;
- (e) **Change of Control Redemption Date** means the fifth Business Day following the expiry of the Change of Control Put Period;
- (f) **Control** means (i) any direct or indirect legal or beneficial ownership of, or any direct or indirect legal or beneficial entitlement to, in the aggregate, more than 50 per cent. of the ordinary shares of the Issuer, the right to directly or indirectly appoint a majority of the directors of the Issuer, or any other ability to control the affairs of the Issuer, or (ii) in the event of a tender offer for shares of the Issuer, circumstances where (A) the shares already in the control of the offeror and the shares with respect to which the offer has been accepted carry in aggregate more than 50 per cent. of the voting rights in the Issuer, and (B) at the same time the offer has become unconditional;
- (g) an **investment grade rating** shall mean, in relation to S&P, a rating of BBB- or above, in relation to Moody's, a rating of Baa3 or above, in relation to Fitch, a rating of BBB- or above (*provided that*, if the rating designations employed by a Rating Agency are changed from those referred to above, the Issuer shall determine, with the agreement of the Trustee

(not to be unreasonably withheld or delayed), the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 6.5 shall be read accordingly) and, in the case of any other Rating Agency, a comparable rating from that Rating Agency;

- (h) a **Negative Rating Event** shall be deemed to have occurred at any time if at such time there is no credit rating assigned to the Notes by any Rating Agency at the invitation of the Issuer and (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a credit rating of the Notes or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a credit rating that is an investment grade rating by the end of the Change of Control Period;
- (i) a **non-investment grade** rating shall mean, in relation to S&P, a rating of BB+ or below, in relation to Moody's, a rating of Ba1 or below, in relation to Fitch, a rating of BB+ or below (*provided that*, if the rating designations employed by a Rating Agency are changed from those referred to above, the Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 6.5 shall be read accordingly) and, in the case of any other Rating Agency, a comparable rating from that Rating Agency;
- (j) **Rating Agency** means Standard & Poor's Credit Market Services Europe Limited (**S&P**), Fitch Ratings Ltd. (**Fitch**) or Moody's Investors Service Ltd. (**Moody's**), or any of their respective successors, or any other rating agency of international standing specified from time to time by the Issuer and agreed to in writing by the Trustee;
- (k) **Relevant Announcement Date** means the date that is the earlier of (i) the date of the first public announcement of the relevant Change of Control, and (ii) the date of the earliest Relevant Potential Change of Control Announcement (if any); and
- (l) **Relevant Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

6.6 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.7 Purchases

The Issuer, any of the Guarantors or any Subsidiary of the Issuer or any of the Guarantors may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Guarantor, surrendered to any Paying Agent for cancellation.

6.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.7 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer or a Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as shall be necessary in

order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in a Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5).

As used herein:

- (i) **Tax Jurisdiction** means the United Kingdom or, in relation to a payment by an Additional Guarantor and if different, the jurisdiction in which such Additional Guarantor is incorporated or resident for tax purposes, or (in either case) any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

For the avoidance of doubt, no additional amounts will be required to be paid on account of any deduction or withholding required pursuant to any agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

9. EVENTS OF DEFAULT AND ENFORCEMENT

9.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (e) (other than the

winding up or dissolution of the Issuer or any of the Guarantors), (f) to (i) inclusive and (k) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer or any of the Guarantors fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service by the Trustee on the Issuer or the relevant Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, any of the Guarantors or any Material Subsidiary becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, any of the Guarantors or any Material Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer, any of the Guarantors or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; or (iv) default is made by the Issuer, any of the Guarantors or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person on the due date for payment as extended by any originally applicable grace period; provided that no event described in this subparagraph 9.1(c) shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or
- (d) one or more judgment(s) or order(s) (which is not being disputed in good faith by appropriate proceedings) for the payment of any amount is rendered against the Issuer, any of the Guarantors or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, any of the Guarantors or any Material Subsidiary, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (f) if (i) the Issuer, any of the Guarantors or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business, save in each case for the purposes of (A) any solvent reorganisation (I) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or (II) in the case of a Guarantor, where all or substantially all of the undertaking and assets of the relevant Guarantor are transferred to or otherwise vested in the Issuer or one or more other Guarantor(s) or an entity which upon such transfer or vesting simultaneously accedes as an Additional Guarantor pursuant to Condition 2.4 above,

or (III) in the case of a Material Subsidiary, where all or substantially all of the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer, one or more Guarantor(s) or another of the Issuer's Subsidiaries or (B) in the case of any Material Subsidiary, any transfer or disposal where all or substantially all of the undertaking and assets of such Material Subsidiary are transferred to a third party for full consideration on an arms' length basis or (ii) the Issuer, any of the Guarantors or any Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of section 123(2) of the Insolvency Act 1986, or is adjudicated or found bankrupt or insolvent; or

- (g) if (A) proceedings are initiated against the Issuer, any of the Guarantors or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, any of the Guarantors or any Material Subsidiary or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (h) if the Issuer, any of the Guarantors or any Material Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);
- (i) if any Guarantor that was, as at the date of its Guarantee, a Subsidiary of the Issuer ceases to be a Subsidiary of the Issuer;
- (j) if any Guarantee (other than a Guarantee that is released pursuant to Condition 2.3 above) ceases to be, or is claimed by the Issuer or any of the Guarantors not to be, in full force and effect; or
- (k) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (c) to (h) above.

9.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or any of the Guarantors as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or any other actions under or pursuant to the Trust Deed, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any of the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

9.3 Definitions

For the purposes of the Conditions:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debenture stock, loan stock or other securities.

Material Subsidiary means at any time a Subsidiary of the Issuer:

- (a) whose total revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated total revenues, or, as the case may be, consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that:
 - (i) if the then latest audited consolidated accounts of the Issuer and its Subsidiaries show negative assets at the end of the relevant financial period then there shall be substituted for the words "net assets" the words "total assets" for the purposes of this definition;
 - (ii) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary

being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate total revenues equal to) not less than 10 per cent. of the consolidated total revenues, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate total revenues equal to) not less than 10 per cent. of the consolidated total revenues, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

A report by an Authorised Officer of the Issuer that in its opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction(s) in which the Issuer and/or any Guarantor is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve in writing.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. SUBSTITUTION

14.1 The Trustee may (at the expense of the Issuer), without the consent of the Noteholders or the Couponholders, agree with the Issuer and the Guarantors to:

- (a) the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed, of (i) any holding company of the Issuer, (ii) any other company being a Subsidiary of the Issuer (including, for the avoidance of doubt, any Guarantor which is a Subsidiary of the Issuer) or (iii) any Successor in Business (as defined in the Trust Deed) of the Issuer; and/or
- (b) the substitution in place of a Guarantor (or of any previous substitute under this Condition) as a guarantor under the Trust Deed of any Successor in Business (as defined in the Trust Deed) of such Guarantor,

in each case, subject to:

- (i) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders; and
- (ii) certain other conditions set out in the Trust Deed being complied with.

14.2 The Trustee shall, without the consent of the Noteholders or Couponholders, agree with the Issuer and the Guarantors to the substitution of the Issuer (or any previous substitute for the Issuer under Condition 14.1(a)) in place of a Guarantor (or of any previous substitute for the relevant Guarantor under Condition 14.1(b)) so that the substituted entity shall no longer be an obligor in respect of the Notes, provided that:

- (x) an Authorised Officer of the Issuer has certified in writing to the Trustee that (I) the relevant Guarantor is no longer a party to, or an obligor under, the U.S.\$500,000,000 Secured Revolving Credit Facility Agreement dated 10 February 2015 or any replacement or substitute loan(s) or financing agreement(s) (the **Facilities Agreement**) and (II) the Issuer (or a Subsidiary of the Issuer which is guaranteed by the Issuer) is the principal obligor under the Facilities Agreement or the primary working capital and standby bank facilities for the Issuer and its Subsidiaries;
- (y) each of the Rating Agencies (as defined in Condition 6.5) then rating the Notes has confirmed in writing to the Trustee that it has determined that it would not downgrade or withdraw the credit rating assigned by it to the Notes as a result of such substitution; and
- (z) certain other conditions set out in the Trust Deed are complied with.

Upon any such substitution of a Guarantor by the Issuer, all provisions relating to such Guarantor and the relevant Guarantee (including, without limitation, paragraphs (i) and (j) of Condition 9.1) in these Conditions and the Trust Deed shall (without prejudice to any provisions relating to any other Guarantor and the other Guarantees) cease to have effect and these Conditions and the Trust Deed shall be construed accordingly. A certification by an Authorised Officer of the Issuer under paragraph (x) above may be relied upon by the Trustee without further enquiry or evidence and the Trustee shall suffer no liability whatsoever for so relying on, and acting in accordance with, such certification.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, any of the Guarantors or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the

consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantors, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE GUARANTORS

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantors and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantors and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing Law

The Trust Deed (including each Guarantee), the Agency Agreement, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed (including each Guarantee), the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law.

19.2 Jurisdiction

(a) Subject to Condition 19.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any

non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer, the Guarantors and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

- (b) For the purposes of this Condition 19.2, the Issuer and the Guarantors each waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, unless otherwise specified in the applicable Final Terms.

ALTERNATIVE PERFORMANCE MEASURES

The Issuer considers that the following metrics referenced in or in connection with this Offering Circular constitute Alternative Performance Measures (APMs) as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures:

APM	Definition of APM	Reconciliation ¹	Rationale for inclusion
Adjusted net debt	Adjusting net cash for aircraft operating leases.	Net cash less annual operating lease costs multiplied by seven.	Gives an indication of what net debt could be if you brought aircraft operating leases onto balance sheet.
Capex	Net cash used by investing activities excluding money market deposits (capex).	Net cash used by investing activities excluding the relevant net decrease or increase in money market deposits. ²	Allows measure of capital expenditure.
Cash from operations	Cash from operations refers to the amount of net cash generated from operating activities, excluding ordinary and special dividends paid (cash from operations).	Net Cash generated from operating activities less any ordinary dividends paid and special dividends paid.	Measure of cash generation from underlying operations.
Cash from operations less capex	Cash from operations less capex.	Cash from operations less capex.	Measure of the ability of the underlying operation to cover investment capital expenditure.
Total Liquidity (including RCF and business interruption insurance policy)	Total Liquidity is the sum of cash and cash equivalents, money market deposits and the Revolving Credit Facilities (RCFs) and the Business Interruption Insurance Policy (BIIP) from 1 December 2017.	Cash and cash equivalents plus money market deposits plus undrawn RCFs (balances held in currencies other than GBP are translated at the spot rates prevailing at the respective balance sheet dates).	Measure of liquidity available to cover short term shock events.
Minimum liquidity requirement	EasyJet's minimum liquidity requirement is to maintain a Total Liquidity balance of equal	Number of seats in the fleet (including dry leases) multiplied by	easyJet policy on minimum liquidity held for short term shock

¹ Reconciliations are made to easyJet's audited non-consolidated annual financial statements (including the auditors' report thereon and the notes thereto) for the financial years ended 30 September 2018 and 30 September 2017, as incorporated by reference.

² Net decreases or increases in money market deposits is included under the heading "Cash flows from investing activities" in the audited non-consolidated financial statements for the financial years ended 30 September 2018, 30 September 2017 and 30 September 2016. In financial statements for financial years prior to 2016, net decreases or increases in money market deposits are included under the heading "Cash flows from financing activities".

to or greater than £2.6 million per 100 seats (including dry leases). £2.6 million divided by 100. events.

Unrestricted cash

The sum of cash and cash equivalents and money market deposits.

Cash and cash equivalents plus money market deposits. Measure of total cash readily available.

DESCRIPTION OF THE ISSUER AND THE ORIGINAL GUARANTOR

BACKGROUND

easyJet plc (the **Issuer**) is domiciled in the United Kingdom (the **UK**) and trades commercially as “easyJet”. It was incorporated and registered in England and Wales on 24 March 2000 under the UK Companies Act 1985 as a private company limited by shares with the name easyJet Limited and registered number 03959649. By resolution dated 12 October 2000, the Issuer resolved to register as a public limited company, which became effective from 16 October 2000. The Issuer’s registered office is at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, UK and its telephone number is 01582 525 019.

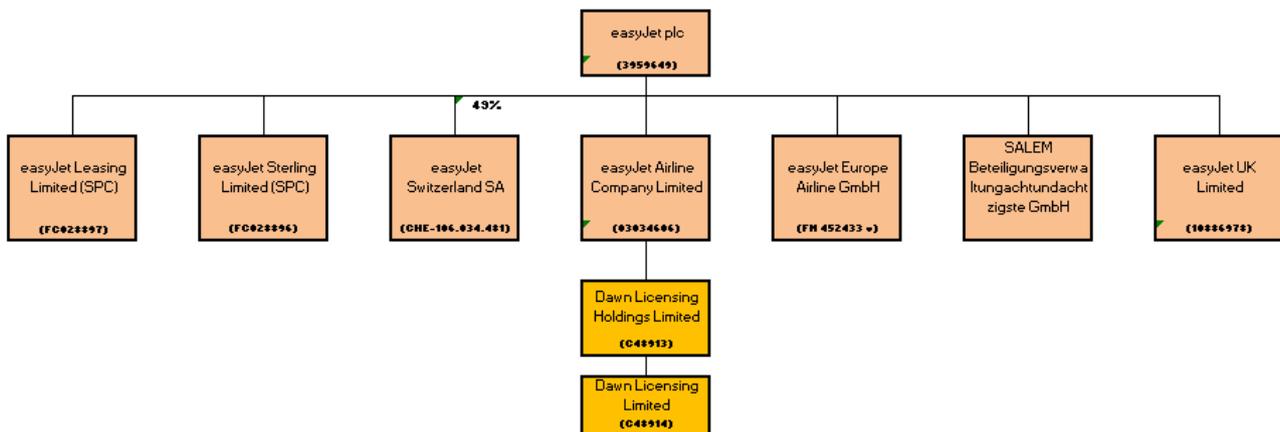
easyJet Airline Company Limited (the **Original Guarantor**) is also domiciled in the UK. It was incorporated and registered in England and Wales on 17 March 1995 under the UK Companies Act 1985 as a private company limited by shares under registered number 03034606. Its registered office is at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, UK and its telephone number is 01582 525 019.

Unless the context otherwise requires, the Issuer and its subsidiaries are referred to herein as **easyJet**.

Structure of easyJet

The Issuer is the holding company of easyJet and the group of easyJet companies. The Original Guarantor is an operating entity within easyJet and is wholly owned by the Issuer. easyJet Europe Airline GmbH (**easyJet Europe**) has been incorporated to enable easyJet to continue to operate flights both within Europe and domestically within European countries in the event that the UK leaves the EU and is wholly owned by the Issuer. In addition, easyJet UK Limited (**easyJet UK**) was incorporated on 27 July 2017 as a wholly owned subsidiary of the Issuer. easyJet UK, easyJet Europe and easyJet Switzerland SA (**easyJet Switzerland**) are all airline operating entities.

The following chart shows the easyJet structure as at the date of this Offering Circular.



(*) The Issuer has a 49 per cent. interest in easyJet Switzerland with an option to acquire the remaining 51 per cent. easyJet Switzerland is consolidated as a subsidiary on the basis that the Issuer exercises a dominant influence over the undertaking. Holders of the remaining 51 per cent. of the shares have no entitlement to any dividends from that holding and the Issuer has an option to acquire those shares for a predetermined minimal consideration. All other subsidiaries shown in the above chart are wholly owned by the Issuer.

(spc) Special Purpose Companies incorporated in the Cayman Islands.

For more information on applicable nationality requirements, see “*Regulatory Environment*” below.

STRATEGY

easyJet’s strategy involves building on its competitive advantages of what it believes comprise a strong network, strong market positions, an efficient low-cost model, customer loyalty and a strong balance sheet.

In order to deliver on its strategy, easyJet has reviewed and refreshed its strategic framework which is now called **Our Plan**. Our Plan includes the following five priorities, as described further below:

1. Network – number one or number two in primary airports;
2. Winning customers’ loyalty;
3. Value by efficiency;
4. The right people; and
5. Innovating with data.

1. Network – number one or number two in primary airports

easyJet believes it has established itself in key airports, serving valuable catchment areas that represent Europe’s top markets by gross domestic product (**GDP**), focusing on both leisure and business travel. easyJet’s model is to operate out of primary airports and its route frequencies deliver choice and flexibility for its customers while increasing returns for easyJet. easyJet believes its competitive advantage is reinforced by its overall portfolio of peak time slots at airports where either total slot availability or availability at customer-friendly times is constrained. easyJet regularly reviews its route network in order to maximise returns and exploit opportunities where it perceives there is demand for profitable routes.

easyJet believes that its network allows it to maintain high levels of asset utilisation, extract significant value from its assets and secure strong, long-term, sustainable and profitable positions in key airports. easyJet constantly strives to balance its network by allocating aircraft to areas of the network which drive the highest returns depending on the time of day or year.

By operating number one and number two positions in airports, easyJet is able to offer a better all-round experience to customers and higher, sustainable returns for investors. During the financial year ended 30 September 2018, 89 per cent. of easyJet’s capacity touched a slot constrained airport¹ and easyJet held number one or two positions at 51 airports, based on short-haul capacity.

For more information on easyJet’s network, see “*Network*” below.

2. Winning its customers’ loyalty

easyJet prides itself on making travel easy, enjoyable and affordable for customers, whether it is for business or leisure. Through investing in the brand, service, innovation and strong operational performance, easyJet aims to retain and grow customer numbers and increase spend per passenger by continuously evolving its offering to ensure it is offering fair value and relevant choices for a better travel experience.

¹ Based on Level 2 and level 3 airports as updated by the International Air Transport Association (IATA) on the 26 October 2018 and defined within IATA Worldwide Slot Guidance.

Holidays

easyJet sees a significant opportunity to improve its holiday offering, based on its existing network of destinations and frequencies, efficient low cost operations, unique customer base and the strength of its brand.

Business

easyJet also intends to extend its business offer by: increasing the efficiency of its business bookings process, offering new business fares, enhancing the business traveller experience and regularly reviewing its schedules on certain routes.

Loyalty

easyJet continues to develop its loyalty offering with plans to grow the total value per passenger through a customer-centric loyalty programme that enhances the end-to-end travel experience, driving loyalty through personalised benefits.

Operational performance

easyJet continues to challenge itself to deliver good operational performance during a challenging time for the industry. During the financial year ended 30 September 2018, easyJet's performance was affected by a number of external factors, including significant third-party industrial action, air traffic control restrictions and adverse weather conditions across Europe. On-time performance was 75 per cent. across the network in the financial year ended 30 September 2018, a decrease of one per cent. from the financial year ended 30 September 2017. However, easyJet's focus on operational resilience and friendly helpful service helped sustain customer satisfaction with Customer Satisfaction scores at 71.2 per cent. for the financial year ended 30 September 2018 (an increase of 0.2 per cent. compared to 2017), despite increased disruption during the year.

3. Value by efficiency

easyJet is committed to maintaining its structural cost advantage in the markets where it operates. Through its cost efficiency programme, easyJet continues to drive both short-term efficiencies and longer term structural cost saving across all areas of the business, leveraging its increasing scale.

To drive increased cost performance, easyJet continues to invest in a number of initiatives:

- Driving economies of scale from long-term deals with airports and ground handling operators;
- Driving further efficiencies from its contracts for maintenance and the provision of spare parts;
- Investing in crew productivity and scheduling;
- Increasing the proportion of higher gauge aircraft in the fleet and efficient fleet management;
- Efficiently managing its overhead cost base and IT systems;
- Optimising its commercial and logistical fuel supply arrangements; and
- Investing in operational resilience, to more effectively manage disruption and its impact on customers.

4. The right people

easyJet cares about its people and believes that its people set it apart from other airlines. easyJet believes that its customer-facing employees are the very best in the industry and contribute significantly to the positive experience that its passengers enjoy, leading to increased loyalty and repeat business.

easyJet continues to recruit to support its growth and believes retention remains strong. easyJet has several initiatives in place to continue to improve diversity and drive efficiency. Creating an inclusive and energising environment which attracts the right people is a key part of easyJet's strategy.

5. Innovating with data

easyJet continues to innovate its digital platform to maintain its advantage, improve its customers' experience, drive revenue, reduce cost and improve operational reliability. This innovation is being delivered across the business, focusing on revenue, cost and operations, and customer facing capability:

- *Revenue*: leveraging existing data-based initiatives, focusing on enhancing the revenue management system and harnessing customer related information;
- *Cost and operations*: improving utilisation and productivity, fuel efficiency and resilience, enabling predictive maintenance and reducing waste and minimising disruption; and
- *Customer*: driving existing demand and personalisation initiatives.

For more information on easyJet's revenue management system and digital strategy, see "Sales and distribution" below.

Disciplined use of capital

easyJet maintains a strong balance sheet and therefore believes it derives a competitive advantage through access to comparatively low cost funding, as well as operational flexibility.

easyJet believes it has a capital structure framework that helps it to withstand certain short-term external shocks, such as a fleet grounding or a closure of airspace.

easyJet maintains a strong liquidity position. As at 30 September 2018, easyJet held liquidity of £3.9 million per 100 seats (an increase from £3.6 million in 2017).

The table below sets out easyJet's liquidity position:

	FY16 H1	FY16 H2	FY17 H1	FY17 H2	FY18 H1	FY18 H2
Unrestricted cash (£ millions)	1,057	969	1,308	1,328	1,624	1,373
Minimum liquidity requirement (£ millions)	1,066	1,114	1,163	1,229	1,325	1,411
Total liquidity (£ millions)	1,404	1,355	1,707	1,701	2,130	2,156

easyJet believes it has built flexibility into its fleet planning arrangements such that it can increase or decrease capacity deployed in its network, in response to the opportunities available and prevailing economic

conditions. easyJet's total fleet as at 30 September 2018 consisted of 315 aircraft comprising 132 A319s, 168 A320s, 13 A320neos and two A321neos.

For more information on easyJet's fleet, see "*Fleet*" below.

BUSINESS

Overview

easyJet's business comprises the provision of low-cost point-to-point short-haul airline services in Europe.

easyJet's business model and strategy has continued to deliver strong growth in revenue, profits and returns. In particular:

- For the year ended 30 September 2018, easyJet had total revenue of £5,898 million (an increase of 16.86 per cent. from the year ended 30 September 2017), revenue per seat of £61.94 (an increase of 6.37 per cent. from the year ended 30 September 2017), profit before tax of £445 million (an increase of 15.58 per cent. from 2017), and profit before tax per seat of £4.68 (an increase of 5.17 per cent. from the year ended 30 September 2017). For the year ended 30 September 2017, easyJet had total revenue of £5,047 million, revenue per seat of £58.23, profit before tax of £385 million, and profit before tax per seat of £4.45.²
- Load factor increased by 0.3 per cent. to 92.9 per cent. in the year ended 30 September 2018 (compared to 92.6 per cent. in the year ended 30 September 2017).
- easyJet believes its aircraft utilisation (based on the average number of block hours per day per aircraft operated) is high and in the year ending 30 September 2018 it maintained 11.1 hours per day (an increase of 1.4 per cent. from 10.9 hours per day in the year ending 30 September 2017).
- An ability to drive yield and revenue is supported by its proprietary revenue management system. For more information on easyJet's revenue management system, see "*Sales and distribution*" below.

As at 30 September 2018, easyJet had generated cash from operations of £1,123 million compared to a capex spend of £906 million. The table below sets out easyJet's operating cash flow generation in more detail:

	FY2014	FY2015	FY2016	FY2017	FY2018
Cash from operations (£ millions)	702	789	606	877	1,123
Capex (£ millions)	(445)	(532)	(586)	(515)	(906)
Cash from operations less capex (£ millions)	257	257	20	362	217

External environment

easyJet continues to operate in the European short-haul aviation market, where there has been strong demand throughout the year. easyJet's focus is primarily in western and northern Europe, where it believes its potential customer base has a high propensity to spend.

² These figures exclude operations at Berlin Tegel airport. For figures including operations at Berlin Tegel airport, see the audited consolidated annual financial statements of the Issuer for the financial year ended 30 September 2018, as incorporated by reference in this Offering Circular.

The European short-haul aviation market can be divided into legacy carriers and low-cost carriers. Legacy carriers include, for example, Air France-KLM, International Airlines Group and Lufthansa (often referred to as “flag” carriers) which operate both short and long-haul networks. Whilst the overall short-haul market has grown over the last ten years, the low-cost carriers have taken significant market share from legacy carriers as the legacy carriers have cut capacity across their short-haul networks. At the same time legacy carriers are transferring capacity from their flag carriers to low-cost subsidiaries such as Vueling, Eurowings and Transavia.

Network

As at 30 September 2018, easyJet operated on 979 routes serving 156 airports.³

easyJet focuses on building number one and two network positions by market share, and has developed a network that extends across Europe made up of a valuable portfolio of slots at predominantly primary airports, built up over several years. easyJet has established itself in valuable catchment areas that represent Europe’s top markets by GDP, focusing on both leisure and business travel. Based on strong demand and easyJet’s customer proposition, easyJet intends to continue to invest in growing and refining its network. easyJet regularly reviews its route network in order to maximise returns and exploit demand opportunities in the market, and believes its average route frequencies deliver choice and flexibility for its customers. easyJet believes its competitive advantage is reinforced by its overall portfolio of peak time slots at airports where either total slot availability or availability at customer-friendly times is constrained.

Air Berlin acquisition

On 15 December 2017, easyJet completed the acquisition of part of Air Berlin’s operations at Berlin Tegel Airport. easyJet’s flying programme at Tegel started on 5 January 2018, operating an adopted schedule with a fleet of mainly wet leased aircraft. easyJet believes that overall progress and integration has been in line with expectations.

easyJet believes that its implementation of Tegel operations has demonstrated its strong operational depth and the ability to drive substantial change at pace, with 3.9 million passengers flown on Tegel routes by 30 September 2018. Business travellers now account for over 50 per cent. of passengers on easyJet’s German domestic routes which is consistent with its plans to extend its business offer.

Fuel

easyJet has jet fuel supply contracts in place at its network bases and other locations. easyJet’s total fuel cost for the year ending 30 September 2018 was £1,184 million compared to £1,062 million for the year ending 30 September 2017.

International prices for jet fuel are denominated in US dollars, and therefore easyJet’s fuel costs are subject to both price fluctuations and exchange rate risk. easyJet manages this risk through its hedging policies and practices. Please see “*Hedging arrangements*” below for further information with respect to this.

Hedging arrangements

easyJet has a consistently applied hedging approach which it believes allows it to remain highly competitive across the European airline industry. easyJet operates under a clear set of treasury policies agreed by the board of directors of the Issuer (the **Board**). The aim of easyJet’s hedging policy is to reduce short-term cash flow volatility.

³ Including the acquisition of Air Berlin and operations at Berlin Tegel Airport.

Foreign currency risk management

easyJet reports its financial results in Sterling. The principal exposure to currency exchange rates arises from fluctuations in the US dollar, euro and Swiss franc exchange rates with respect to Sterling which can significantly impact easyJet's results, cash flows or financial position. The aim of foreign currency risk management is to reduce the impact of these fluctuations.

Significant exposure in the cash flow is managed through the use of foreign currency forward exchange contracts where, in line with Board approved policy, between 65 per cent. and 85 per cent. of the next 12 months' forecast surplus or requirement is hedged on a rolling basis, and between 45 per cent. and 65 per cent. of the following 12 months' forecast surplus or requirement is hedged on a rolling basis. Significant currency exposure relating to the acquisition cost or sale proceeds of aircraft is also managed through the use of foreign currency forward exchange contracts where up to 90 per cent. of contractually committed forecast requirement is hedged. In exceptional market conditions, the Board may accelerate or limit the implementation of the hedging policy.

Fuel price risk management

easyJet is exposed to fuel price risk. The objective of the fuel price risk management policy is to provide protection against sudden and significant changes in jet fuel prices, thus mitigating volatility in cash flow in the short term. In line with Board approved policy, between 65 per cent. and 85 per cent. of the next 12 months' forecast requirement is hedged on a rolling basis, and between 45 per cent. and 65 per cent. of the following 12 months' forecast requirement is hedged on a rolling basis. In exceptional market conditions, the Board may accelerate or limit the implementation of the hedging policy.

Details of hedging arrangements as at 30 September 2018 are set out below:

Percentage of anticipated requirement hedged	Fuel requirement	US Dollar requirement	Euro surplus	Swiss Franc surplus
Six months to 31 March 2019 Average rate	69% US\$567/metric tonne	70% US\$1.31	69% €1.14	68% CHF1.24
Full year ending 30 September 2019 Average rate	65% US\$571/metric tonne	66% US\$1.33	68% €1.13	66% CHF1.25
Full year ending 30 September 2020 Average rate	45% US\$654/metric tonne	46% US\$1.38	47% €1.10	47% CHF1.27

Sales and distribution

easyJet sells seats via its own website www.easyjet.com and its "easyJet Worldwide" platform, its mobile application, call centres, global distribution systems (**GDSs**) and application programme interfaces (**APIs**). GDSs and APIs are platforms that allow third parties direct access to easyJet's bookings systems and are predominantly used for business customers.

easyJet has a bespoke proprietary revenue management system (**RMS**) which is demand-based and is therefore designed to drive and optimise contribution from each flight. The continuous dynamic price-setting of the RMS is designed to optimise yield, as well as allowing for yield management of allocated seating and bags. It also assigns sales profile curves to each individual flight and assists with conversion of website traffic into bookings for easyJet.

easyJet seeks to drive innovation through its digital strategy, for example features such as ‘Look and Book’ tailored to the Instagram generation on the easyJet app to drive positive app reviews, live disruption notifications with the ability to change flights, saved personal data such as payment details, the use of e-tickets, targeted and personalised marketing emails to customers on its distribution lists, which are referred to as “inspire me” emails, development of a flight tracker and the introduction of self-boarding gates. The development of its digital strategy enables easyJet to review extensive current and historic data with respect to its customers’ travel and purchase habits and experiences in order to provide personalised and tailored communications to its customers.

easyJet’s innovative customer loyalty scheme, Flight Club, continues to offer high-frequency, loyal passengers a range of benefits such as free name changes on tickets, free booking changes and price guarantees, rather than the traditional earnings based programme used by most other carriers. Alongside Flight Club, easyJet Plus, easyJet’s paid membership programme, allows customers to access additional privileges for an annual fee.

Additionally, easyJet has ancillary revenues from a range of other related products, such as the ability to choose allocated seating for an additional fee, new initiatives in easyJet’s baggage strategy, “easyJet Holidays” which provides a range of holiday products, commissions earned from services sold on behalf of partners (i.e. travel insurance, hotels and rental cars) and inflight and other revenues such as the sale of inflight food and beverages. For the year ended 30 September 2018, easyJet’s ancillary revenue performance was £1,210 million, an increase of 22.72 per cent. compared to the year ended 30 September 2017.

Brand licence

easyJet places great importance on its brand. easyJet licenses the easyJet brand from easyGroup Ltd (**easyGroup**), a wholly owned subsidiary of easyGroup Holdings Limited, an entity in which easyJet’s founder, Sir Stelios Haji-Ioannou, holds a beneficial interest. The Haji-Ioannou family concert party shareholding (being easyGroup Holdings Limited and Polys Holding Limited) holds, in total, 33.73 per cent. of the issued share capital of the Issuer as disclosed to the Issuer in accordance with the FCA’s Disclosure and Transparency Rule 5 as at 30 September 2018.

Under the Amended Brand Licence signed in October 2010, an annual royalty of 0.25 per cent. of total annual statutory revenue (net of revenue taxes) is payable by easyJet to easyGroup. The full term of the licence agreement is 50 years subject to a minimum term commitment by easyJet to the brand for 10 years (with earlier termination by easyJet other than as a result of a breach by easyGroup Holdings Limited triggering a balancing royalty payment to ensure royalties are paid in respect of the full 10 year term).

The licence agreement provides easyJet with worldwide rights to use the brand on a basis which protects easyJet’s current commercial activities. Under the terms of the licence, easyJet is granted rights to use the brand for business activities, including commercial air travel and ancillary services, such as car hire and hotel arrangements through “easyJet Holidays”, as well as other activities. Sir Stelios Haji-Ioannou previously agreed that he would not use his own name in connection with any other airline flying in or to Europe. This agreement expired in October 2015 (as intended) and has not been renewed.

At the time the Amended Brand Licence was signed, a new brand protection protocol was also agreed, under which easyJet agreed to contribute up to £1 million per annum to meet the costs to protect the “easy” and “easyJet” brands and easyGroup agreed to contribute £100,000 per annum. Under the terms of the agreement, beyond the first £1.1 million of costs cumulatively contributed by both parties, easyJet can commit up to £5.5 million annually to meet brand protection costs, with easyGroup continuing to meet its share of costs on a 10:1 ratio. easyJet must meet 100 per cent. of any brand protection costs it wishes to incur above this limit.

FLEET

Fleet

As at 30 September 2018, easyJet's fleet comprised a total of 315 aircraft, made up of 132 Airbus 319s, 75 180-seat Airbus 320s, 93 186-seat Airbus 320s, 13 Airbus 320neos and two Airbus 321neos. easyJet's fleet is owned or financed by a combination of unsecured debt, finance and operating leases.

As at 30 September 2018, the average age of easyJet's fleet was 7.0 years.

The composition of easyJet's fleet as at 30 September 2018, updated to include future commitments including the latest Airbus transaction, is in the following table. Since the end of the 2018 financial year, five aircraft have been delivered (one A321 and four A320s):

Type of Aircraft	Owned	Finance leases	Operating leases	Total	% of fleet (%)	Changes since Sept 2017	Future deliveries ⁽¹⁾	Purchase Options	Unexercised purchase rights ⁽²⁾
A319	79	-	53	132	42	(11)	-	-	-
A320 180 seat	46	1	28	75	24	19	-	-	-
A320 186 seat	80	4	9	93	29	15	-	-	-
A320 neo	13	-	-	13	4	11	100	25	58
A321 neo	2	-	-	2	1	2	27	-	-
TOTAL	220	5	90	315		36	127	-	58

⁽¹⁾ Future committed deliveries as at 30 September 2018 through to 2023.

⁽²⁾ Purchase rights may be taken on any A320 family aircraft.

Aircraft acquisitions

As detailed in easyJet's fleet circular dated 18 June 2013, under the fleet transaction with Airbus, Airbus has granted very substantial price concessions to easyJet Airline Company Limited with regard to the new generation A320neo family aircraft (being new generation A319 aircraft, new generation A320 aircraft and new generation A321 aircraft) greater than the discounts, in percentage terms relative to the relevant list price, granted under the existing aircraft purchase agreement entered into between *inter alia* the Issuer and Airbus in 2002.

On 20 November 2018, easyJet announced that it had reached an agreement with Airbus that extends easyJet fleet plans into 2023, delivers more flexibility into the schedule and secures valuable delivery slots at a time when the Airbus order book has limited availability. In particular the agreement includes:

- The exercise of purchase rights resulting in firm orders for 17 A320neo aircraft under the existing framework agreement signed in 2013. These aircraft are subject to a very substantial discount from the list price and are expected to be funded through a combination of easyJet's internal resources, cash flow, sale and leaseback transactions and debt.

- The deferral of delivery dates of 18 A320neo aircraft by up to 24 months.
- The conversion of 25 purchase rights for A320neo aircraft into purchase options, which has the primary purpose of securing delivery slots in 2024.

This provides additional flexibility to easyJet's existing plans: by 2022 easyJet could increase its fleet size to 385 or reduce it to 316, using existing Airbus delivery arrangements and operating lease optionality.

The table below sets out easyJet's fleet flexibility as at 31 September 2018:

	2018 financial year ⁽¹⁾	2019 financial year	2020 financial year	2021 financial year	2022 financial year
Maximum fleet size if easyJet were to extend leases	315	329	359	367	385
Minimum fleet size if easyJet were to exercise all deferral options, return leases at maturity and sell owned aircraft at 16 years of age	315	329	352	338	316

⁽¹⁾ Fleet position at the end of each relevant financial year.

Aircraft financing

easyJet's operating leases include leases in respect of aircraft which bear interest at both fixed and floating rates. In addition, easyJet has a number of finance leases, which bear interest at fixed and floating rates. As at 30 September 2018, easyJet had £977 million of borrowings (30 September 2017: £971 million), of which £98 million (30 September 2017: £101 million) comprised finance lease obligations and £879 million (30 September 2017: £870 million) comprised of Eurobond indebtedness. easyJet's Eurobond indebtedness was issued in Euro and has been swapped back to Sterling and bears interest at a mix of fixed and floating rate. easyJet has a \$500 million revolving credit facility signed on 10 February 2015 and a £250 million revolving credit facility signed on 1 August 2018. As at 30 September 2018, easyJet had no drawn bank borrowings under either of its revolving credit facilities, as was the case on 30 September 2017.

REGULATORY ENVIRONMENT

The regulatory environment has a significant impact on easyJet, in particular the legislative framework set out by the EU, Austria, Switzerland and the UK.

International Regulation

The International Civil Aviation Organisation is an agency of the United Nations and was established by the 1944 Chicago Convention on International Civil Aviation (the **Convention**). The Convention established the process of coordinating and regulating international air services through bilateral air services agreements (**ASAs**) between sovereign states. ASAs are international bilateral treaties between states, with government-negotiated terms and conditions covering all aspects of commercial scheduled air services between the two countries. An exception to this is the single aviation market arrangement which applies within the EU and the multilateral agreements between the EU and third countries.

EU Regulation

easyJet is and will continue to be affected by a wide range of EU laws and regulations. These include safety, security, aircraft operations, airline ownership, airport slot allocations, ground handling, competition, airport charges, consumer protection, insurance, environmental protection, air traffic control and general data protection.

There are no longer ASAs between EU member states since April 1997, EU air carriers have been able to provide passenger services on routes between and within EU member states (and outside their home country of operations) without restrictions on capacity, frequencies and fares. The European Free Trade Association states and a number of other neighbouring countries are also parties to a multilateral agreement known as the European Common Aviation Area.

The regulatory position after the UK leaves the EU remains uncertain. However, in July 2017, easyJet announced that it had established a new airline, easyJet Europe, which is headquartered in Vienna, Austria and will enable easyJet to continue to operate flights both across Europe and domestically within European countries after the UK has left the EU (regardless of the outcome of talks on a future UK-EU aviation agreement).

EU Regulation 1008/2008 (the **2008 Regulation**) sets nationality requirements for the holding of operating licences issued by EU Member States. The 2008 Regulation requires that (i) an air carrier must be owned and continue to be owned directly or through majority ownership by European Economic Area (**EEA**) states and/or nationals of EEA states (for the purposes of the 2008 Regulation, this includes also ownership by Switzerland and/or Swiss nationals) and (ii) the air carrier must at all times be effectively controlled by such EEA member states or EEA nationals. In addition to the establishment of easyJet Europe (see “*Brexit*” below), easyJet’s articles of association contain provisions to allow it to take action if necessary to ensure it continues to satisfy the EU ownership and control requirements. These provisions permit easyJet to regulate the level of ownership by non-qualifying nationals by suspending rights to attend and vote at meetings of shareholders and/or forcing the sale of shares owned by non-qualifying nationals to qualifying nationals. As at 30 October 2018 approximately 47 per cent. of easyJet’s shares were held by qualifying nationals.

Brexit

Both the EU and the UK have said that their objective is to maintain flights between the EU and the UK, whatever the Brexit outcome. easyJet continues to work with EU institutions, EU member states and the UK government to ensure that this is achieved. easyJet has established easyJet Europe (see “*Structure of easyJet*”) and amended the articles of association of the Issuer to prepare for the UK leaving the EU.

easyJet’s Brexit planning includes preparation for the potential event of a no-deal Brexit outcome, such as transferring the licences of all relevant pilots and cabin crew, implementing EU27 based safety approvals, investing in the recruitment of EU27 nationality pilots and cabin crew, reviewing engineering and maintenance supply chains and supplier readiness and making changes to stock levels and locations to mitigate customs arrangements.

A group structure chart as at the date of this Offering Circular is above at “*Structure of easyJet*”.

Austrian Regulation

easyJet Europe has an operating licence and an Air Operator’s Certificate (**AOC**) in Austria which are subject to routine audit and review.

Austro Control GmbH (**Austro Control**) is responsible for overseeing and regulating air carriers in Austria and issues AOCs under the requirements of EU and Austrian law. The Federal Ministry for Transport, Innovation and Technology is responsible for issuing operating licences in accordance with EU and Austrian

law. An operating licence is an authorisation permitting the holder to transport passengers, mail or cargo by air. The criteria for granting an operating licence includes, *inter alia*, an air carrier's financial fitness, the adequacy of its insurance and the fitness of the persons who will manage the air carrier.

UK Regulation

easyJet UK currently has an operating licence and an AOC in the UK which are subject to routine audit and review.

The UK Civil Aviation Authority (the **CAA**) is responsible for overseeing and regulating air carriers in the UK. The CAA is responsible for licensing UK airlines through the issue of operating licences, subject to the requirements of EU and UK law. An operating licence is an authorisation permitting the holder to transport passengers, mail or cargo by air. The criteria for granting an operating licence includes, *inter alia*, an air carrier's financial fitness, the adequacy of its insurance and the fitness of the persons who will manage the air carrier.

The CAA currently issues operating licences in the UK under the provisions of the 2008 Regulation which sets nationality requirements as described above. The Civil Aviation Act 1982, provides further that a carrier must hold (and comply with the terms of) a relevant "route licence" to operate aircraft on flights involving the carriage of passengers or cargo outside the EU or to or from a point outside the EU for consideration. Such licences are granted by the CAA and can only be granted where the applicant holds a valid operating licence. easyJet holds the required "route licences" for any relevant routes.

The Air Passenger Duty Regulations 1994 and its more recent amendments also impose a duty levied on the carriage of passengers from a UK airport (subject to limited exceptions). The duty is payable by operating carriers (both those based in the UK and foreign carriers) with the amount payable being calculated by reference to the passenger's final destination and the class of travel.

Swiss Regulation

easyJet Switzerland has an operating licence and an AOC in Switzerland which are subject to routine audit and review.

The Federal Office of Civil Aviation (**FOCA**) is a part of the Federal Department of the Environment, Transport, Energy and Communications in Switzerland. The FOCA is responsible for the regulation and oversight of civil aviation in Switzerland, and is responsible for licensing Swiss airlines through the issue of operating licences. An operating licence is required for commercial flight operators in Switzerland.

There are two main applicable sources of legislation for civil aviation companies operating in Switzerland, Swiss laws and ordinances (including the Swiss Federal Civil Aviation Act and the Swiss Federal Civil Aviation Ordinance) and regulations and directives based on EU legislation. Based on the agreement between the EU and the Swiss Confederation on Air Transport which entered into force on 1 June 2002, Switzerland has adopted the relevant civil aviation regulations of the European Union, which are more fully described above. Similar to the framework in the UK, Swiss legislation requires an EU carrier to also hold and comply with a route licence.

FOCA grants operating licences in Switzerland under the provisions of the 2008 Regulation (which applies to Switzerland by virtue of the "*Agreement between the European Community and the Swiss Confederation on Air Transport*") which entered into force on 1 June 2002).

Other National Regulation

Generally, easyJet is affected by a wide range of laws and regulations in each of the jurisdictions it operates in. These include safety, security, ground handling, airport charges, consumer protection, passenger taxes, environmental protection and air traffic control.

SAFETY

easyJet's number one priority is the safety and security of its customers and its people. Comprehensive processes and structures are maintained to monitor and manage safety-related risk throughout the airline. The safety management structure is led from the top of the organisation at Issuer level.

The Chief Operating Officer of the Original Guarantor alongside the AOC Accountable Managers of easyJet Switzerland, easyJet Europe and easyJet UK are responsible for all aspects of safety delivery, including compliance obligations, under easyJet UK's AOC, the easyJet Switzerland AOC and the easyJet Europe AOC, respectively. The Chief Executive Officer of the Issuer chairs the safety board (at executive management team level) which is responsible for directing overall corporate safety policy and governance and which meets monthly to assess reports from the Safety Review Boards across the airline (which are responsible for the identification, evaluation and control of safety and compliance related risks). This review and assessment process delivers reports to the CAA, FOCA, Austro Control and the Board.

To further strengthen the safety structure and allow more in-depth review of safety matters, the Board established the Safety Committee (a committee of the Board) in January 2013. The primary function of the Safety Committee is to assess easyJet's oversight of safety and compliance systems, processes, operations and resources, which is carried out by reviewing, monitoring and providing oversight of the implementation of easyJet's annual safety plan and safety and compliance management system. The Committee also examines specific safety issues as requested by the Board and continues to ensure that safety receives the highest level of Board attention.

easyJet has established a safety and compliance management system and a fatigue risk management system (approved for use by the CAA and Austro Control) which incorporate rigorous reporting processes. Through these systems easyJet is continually working to drive safety performance improvements and reduce risks to its people, passengers and suppliers.

As part of easyJet's ongoing commitment to safety improvement, easyJet continues to develop appropriate safety standards throughout its supply chain. This includes the promotion of improved communication and engagement on safety issues, and, above all, sharing and learning from best practice.

easyJet's security team works to reduce vulnerability to security-related risks. The security team co-operates closely with government and regulatory agencies throughout its network, to ensure strict compliance with security regulations. Security risk assessments are conducted for each airport and country to which easyJet flies. High standards of vigilance are maintained regarding the current geopolitical situation within those countries to inform these assessments. easyJet implements measures to protect it from corporate and aviation security risks, including internal governance of business-sensitive and personal data, vetting people and asset protection.

ENVIRONMENT

Environmental impact of the business

The nature of airline operations means that easyJet is a significant emitter of greenhouse gases, in particular carbon dioxide. Aviation is already part of the EU's Emissions Trading System, and easyJet expects to be part of the future global scheme for aviation emissions, CORSIA.

easyJet's business model supports fuel efficiency and minimising carbon emissions, through means such as investment in efficient aircraft, use of fuel efficiency measures and operating flights with a high load factor. easyJet is a short-haul operator, which has a lower carbon impact per passenger kilometre than the major European airlines whose operations include a significant amount of long-haul flights. By operating 'point-to-point' flights rather than encouraging customers to transfer, easyJet attempts to make customer journeys more efficient.

easyJet started to operate a new generation of Airbus A320 aircraft in 2017. These aircraft are 15 per cent. more fuel efficient and 50 per cent. quieter during take-off and landing than previous generation aircraft. As at 30 September 2018, 13 A320neo aircraft were in operation, with a further 87 to be delivered by August 2022.

Carbon emissions

easyJet's CO₂ emissions in the year ending 30 September 2018 were 7.6 million tonnes, compared to 7.1 million tonnes in the year ending 30 September 2017. easyJet's calculation of emissions is based on fuel burn measurement, which is verified to comply with the European Union's Emission Trading System requirements.

The increase in overall emissions has been due to the continued expansion of easyJet's operations. In the year ending 30 September 2018 easyJet's passenger numbers increased by 10.3 per cent. compared to the year ending 30 September 2017.

easyJet's carbon reduction target is based on carbon emissions per passenger kilometre. Since 2000, easyJet has reduced its carbon emissions per passenger, per kilometre by over 32.5 per cent. Its current target is a 10 per cent. reduction from its 2016 financial year performance by 2022, which would be a 38 per cent. improvement from 2000.

In the year ending 30 September 2018 easyJet's carbon emissions per passenger kilometre were 78.46 grams, down from 78.62 grams per passenger kilometre in the year ending 30 September 2017.

EU Emissions Trading

Under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, certain contracting states entered into obligations to control and reduce the emission of greenhouse gases.

To comply with its obligations under public international law, the EU introduced the **ETS** in 2003 to limit greenhouse gas emissions and the trading allowances which apply to certain industrial installations. The airline industry was incorporated into the ETS in 2009 and the first carbon credit surrender took place in 2012. In October 2016 the International Civil Aviation Organisation agreed CORSIA to target carbon neutral growth for the airline sector, which is due to commence in 2021. CORSIA will rely on offsets from other industries to compensate for emission growth in the airline sector.

easyJet was among the first supporters of the aviation industry's entry into the ETS, which it views as an important step to ensuring that the aviation industry is helping to tackle climate change. easyJet continues to support efforts to ensure that all aviation is brought into a scheme to tackle emissions globally.

INSURANCE

easyJet has insurance coverage which it believes is consistent with industry standard. Broadly, easyJet's insurance coverage includes:

- Hull (all risks) and liabilities insurance (including spares);
- Property damage;

- Employer’s liability;
- Directors and officers insurance cover for all directors to provide cover against their reasonable actions on behalf of easyJet;
- Public and product liability insurance; and
- Business interruption insurance to cover specific large short-term shock events.

Council Regulation (EC) No. 2027/97, as amended by Council Regulation (EC) No. 889/2002, governs air carrier liability. This legislation provides for unlimited liability of an air carrier in the event of death or bodily injuries suffered by passengers, implementing the Warsaw Convention of 1929 for the Unification of Certain Rules Relating to Transportation by Air, as amended by the Montreal Convention of 1999. easyJet’s liability insurance has been designed to meet the appropriate requirements of the legislation.

STAFF AND LABOUR RELATIONS

As at 30 September 2018, the average monthly number of people employed by easyJet was 13,104 employees compared to 11,655 employees at 30 September 2017.

easyJet and its suppliers have a significant number of employees who are members of trade unions and industrial action taken by easyJet employees, or by the employees of key third party service providers, could impact on easyJet’s ability to maintain its flight schedules. As easyJet operates across Europe, there are multiple unions of which crew are members. Each of these countries have localised employment terms and conditions which mitigates the risk of large-scale internal industrial action occurring at the same time. easyJet has processes in place to adapt to disruptions as a result of industrial action.

easyJet recognises the importance of actively engaging with the trade unions and other representative bodies across its operations to promote the success of the business. As at 30 September 2018, easyJet was engaged with 20 trade unions and 11 representative bodies across eight countries, undertaking dialogue and negotiation, both informal and formal, on a regular basis. easyJet also actively supports employee representatives by allowing them paid time for relevant union or representative duties.

DIRECTORS AND MAJOR SHAREHOLDERS

Directors of the Issuer

The following table sets forth certain information concerning the Board as at the date of this Offering Circular.

Name	Position	Principal activities outside the Issuer
Adèle Anderson ⁴	Independent Non-Executive Director	<p>Intu Properties plc – Senior Independent Director, Chair of its Audit Committee and member of its Remuneration and Nomination Committees</p> <p>Spire Healthcare Group plc – Non-Executive Director, Chair of its Audit and Risk Committee and member of its Remuneration Committee</p>

⁴ Adèle Anderson will step down from the Board at the conclusion of the annual general meeting to be held on 7 February 2019.

		Wellcome Trust – Member of its Audit Committee
John Barton ⁵	Non-Executive Chairman	Luceco plc – Senior Independent Director and member of its Audit, Remuneration and Nomination Committees Matheson & Co Limited – Non-Executive Director SSP Group plc – Senior Independent Director, Chair of its Nomination and Remuneration Committees and member of its Audit Committee
Dr. Andreas Bierwirth	Independent Non-Executive Director	T-Mobile Austria GmbH – Chief Executive Officer Do&Co AG – Chairman of the Supervisory Board Telekom Deutschland GmbH – Member of the Supervisory Board
Andrew Findlay	Chief Financial Officer	Director of easyJet Airline Company Limited, easyJet Leasing Limited, easyJet Sterling Limited, easyJet Switzerland SA, easyJet Europe GmbH, easyJet UK Limited and SALEM Beteiligungsverwaltungachtundachtzigste GmbH Rightmove plc – Non-Executive Director, Chair of its Audit Committee and member of its Nomination Committee
Charles Gurassa	Non-Executive Deputy Chairman and Senior Independent Director	Channel 4 – Non-Executive Chairman and member of its Ethics and Audit Committees Merlin Entertainments plc – Senior Independent Director, Chairman of its Remuneration Committee and member of its Audit and Health and Safety Committees English Heritage – Member of the Board of Trustees and Chairman of its Remuneration and Appointments

⁵ John Barton will step down from his role at SSP Group plc on 21 February 2019.

		<p>Committees</p> <p>Migration Museum Project – Member of the Board of Trustees</p> <p>Great Rail Journeys – Chairman of the Boards of Bucharest Topco Ltd and Bucharest Bidco Limited (the holding companies for Great Rail Journeys)</p>
Andy Martin	Independent Non-Executive Director	<p>Hays plc – Non-Executive Chairman and Chairman of its Nomination Committee</p> <p>Intertek Group plc – Non-Executive Director and Chairman of its Audit Committee and member of its Remuneration Committee</p> <p>John Lewis Partnership – Non-Executive Director and Chairman of its Audit and Risk Committee</p>
Johan Lundgren	Chief Executive	Director of easyJet Airline Company Limited
Moya Greene	Independent Non-Executive Director	<p>Rio Tinto plc – Non-Executive Director and member of its Audit, Remuneration and Nomination Committees</p> <p>Tate Gallery – Member of the Board of Trustees</p>
Julie Southern	Independent Non-Executive Director	<p>Cineworld Group plc – Non-Executive Director, Chair of the Audit Committee and member of the Remuneration Committee</p> <p>Ocado plc – Non-Executive Director and member of its Audit Committee</p> <p>DFS Furniture plc – Non-Executive Director, Chair of its Audit Committee and member of its Remuneration Committee (until 31 March 2019)</p> <p>Rentokil Initial plc – Non-Executive Director and Chair of its Audit Committee</p> <p>NXP Semi-Conductors N.V. – Non-Executive Director and member of its Audit Committee</p>

Dr. Anastassia Lauterbach	Independent Non-Executive Director	Wirecard AG – Non-Executive Director The Dun & Bradstreet Corporation – Non-Executive Director Censhare AG – Chair of the Supervisory Board
Nicholas Leeder	Independent Non-Executive Director	Google Ireland Limited – Vice President (employee)

Directors of the Original Guarantor

The following table sets forth certain information concerning the directors of the Original Guarantor as at the date of this Offering Circular.

Name	Position	Principal activities outside the Original Guarantor
Andrew Findlay	Director	Director of easyJet plc, easyJet Leasing Limited, easyJet Sterling Limited, easyJet Switzerland SA, easyJet Europe GmbH, easyJet UK Limited and SALEM Beteiligungsverwaltungsgesellschaft mbH Rightmove plc – Non-Executive Director, Chair of its Audit Committee and member of its Nomination Committee
Robert Carey	Group Director of Strategy and Network	None
Johan Lundgren	Chief Executive	Director of easyJet plc
Margaret Christine Browne	Chief Operating Officer	Director of easyJet Sterling Limited, easyJet Leasing Limited, easyJet UK Limited and easyJet Europe GmbH Bovis Homes Group plc – Non-Executive Director

The business address of each member of the Board and each member of the board of directors of the Original Guarantor is Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, UK.

There are no actual or potential conflicts of interest between the duties to either the Issuer or the Original Guarantor of each of the members of either the Board or the board of directors of the Original Guarantor listed above and their private interests or other duties.

Major Shareholders of the Issuer

As at the date of this Offering Circular, there were 397,208,133 voting shares outstanding in the Issuer. Based on information available to the Issuer, the following table sets out interests in the ordinary shares of the Issuer disclosed to the Issuer in accordance with the FCA’s Disclosure and Transparency Rule 5 as at 4 February 2019 (being the latest practicable date prior to the date of this Offering Circular).

Holder	% of ordinary shares held
The Haji-Ioannou family concert party shareholding, consisting of easyGroup Holdings Limited (holding vehicle for Sir Stelios Haji-Ioannou and Clelia Haji-Ioannou) and Polys Haji-Ioannou (through his holding vehicle Polys Holding Limited)	33.73
Invesco Ltd	9.99
BlackRock, Inc.	5.36

TAXATION

UK Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's and the Original Guarantor's understanding of current United Kingdom law and published HM Revenue and Customs practice relating only to United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payment of Interest on the Notes

Payments by the Issuer

Payments of interest on the Notes by the Issuer may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed (including at the time of payment) on a "recognised stock exchange", interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Payments by a Guarantor

The United Kingdom withholding tax treatment of payments by a Guarantor under the terms of a Guarantee which have a United Kingdom source is not certain. In particular, it is not certain that any such payments made by the Guarantor would be eligible for the exemptions and reliefs described above. Accordingly, if a Guarantor makes any payments under or in respect of interest on the Notes which are regarded as having a United Kingdom source (or other amounts due under or in respect of the Notes other than the repayment of amounts subscribed for such Notes) such payments may be subject to withholding tax at 20 per cent. subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer and the Guarantors may be foreign financial institutions for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described in “*Terms and Conditions—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a **participating Member State**). However, Estonia has since ceased to participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 5 February 2019, agreed with the Issuer and the Original Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer (failing which, the Original Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and each Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined the Prospectus Directive; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering

Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act (Chapter 289) of Singapore (the SFA)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities-based derivative contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantors, the Trustee and any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The updating of the Programme has been duly authorised by resolutions of the Board of Directors of the Issuer dated 20 January 2019 and by resolutions of a sub-committee of the Board of Directors of the Issuer dated 4 February 2019 and the giving of the Guarantee has been duly authorised by resolutions of the Board of Directors of the Original Guarantor dated 15 January 2019 and by resolutions of a sub-committee of the Board of Directors of the Original Guarantor dated 4 February 2019, and resolutions of the shareholder of the Original Guarantor dated 4 February 2019.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or around 11 February 2019.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:

- (a) the Articles of Association of the Issuer;
- (b) the Articles of Association of the Original Guarantor and any other Guarantor;
- (c) the audited consolidated annual financial statements of the Issuer in respect of the financial years ended 30 September 2017 and 30 September 2018 and the audited non-consolidated financial statements of the Original Guarantor in respect of the financial years ended 30 September 2017 and 30 September 2018, in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis. The Original Guarantor currently prepares non-consolidated accounts on an annual basis;
- (d) the most recently published audited annual financial statements of the Issuer, the Original Guarantor and any other Guarantor and the most recently published unaudited interim financial statements (if any) of the Issuer, the Original Guarantor and any other Guarantor, in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited condensed consolidated interim accounts on a half-yearly basis;
- (e) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (f) a copy of this Offering Circular; and
- (g) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the Issuer and its Subsidiaries (the **Group**) since 30 September 2018 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 30 September 2018.

There has been no significant change in the financial or trading position of the Original Guarantor or the Original Guarantor and its subsidiaries since 30 September 2018 and there has been no material adverse change in the financial position or prospects of the Original Guarantor since 30 September 2018.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Original Guarantor are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Original Guarantor or the Group.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers LLP, independent registered Chartered Accountants in England and Wales, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 30 September 2018. The auditors of the Issuer have no material interest in the Issuer.

The auditors of the Original Guarantor are PricewaterhouseCoopers LLP, independent registered Chartered Accountants in England and Wales, who have audited the Original Guarantor's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 30 September 2018. The auditors of the Original Guarantor have no material interest in the Original Guarantor.

Accounting Standards

easyJet adopted IFRS 16 on 1 October 2018. The standard provides a single lessee accounting model, specifying how leases are recognised, measured, presented and disclosed. No material impact on profit before tax is expected for the next financial year. easyJet is also implementing recent amendments to accounting standards IFRS 9, which relates to financial instruments, and IFRS 15, which relates to revenue

from contracts with customers, from 1 October 2018. For more detail on the impact of IFRS 16, capitalisation of lease contracts and accounting for the maintenance of leased aircraft and the impact of IFRS

9 and IFRS 15, please see note 1(c) of the audited consolidated annual financial statements of the Issuer for the financial year ended 30 September 2018, as incorporated by reference in this Offering Circular.

Dealers transacting with the Issuer and the Guarantors

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantors and their affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or the Guarantors routinely hedge their credit exposure to the Issuer or the Guarantors consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Trustee's action

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

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