

Prospectus dated 15 June 2015



EE Finance PLC

(incorporated as a public limited company in England and Wales under the Companies Act 2006 with registered number 7844526)

Guaranteed by EE Limited

(incorporated as a private limited company in England and Wales under the Companies Act 1985 with registered number 02382161)

£3,000,000,000 Euro Medium Term Note Programme

On 11 January 2012, EE Finance PLC (formerly Everything Everywhere Finance PLC) (the “**Issuer**”) entered into a £3,000,000,000 Euro Medium Term Note Programme (the “**Programme**”).

Under the terms of the Programme, the Issuer (subject to compliance with all relevant laws, regulations and directives) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer. The Notes will be issued with the benefit of an unconditional and irrevocable guarantee from EE Limited (formerly Everything Everywhere Limited) (the “**Guarantor**”). 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 Dealer Agreement subject to increase as described herein). Payments in respect of the Notes will be made without withholding or deduction for or on account of taxes of the jurisdiction of incorporation of the Issuer to the extent described in the section headed “*Terms and Conditions of the Notes—Condition 8 Taxation*”. If any such withholding or deduction is required by law, the Issuer or the Guarantor (as the case may be) will pay additional amounts, subject to the exceptions described in the section headed “*Terms and Conditions of the Notes — Condition 8 Taxation*”.

In certain circumstances another entity may be substituted for or acquire the rights and obligations of the Issuer under the Notes.

The Notes may be issued on a continuing basis to one or more of the Dealers specified in the section headed “*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 Prospectus 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.

Application has been made to the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (the “**UK Listing Authority**”) for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list maintained by 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 (the “**Market**”). References in this Prospectus to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and certain other information which is applicable to such Tranche will be set out in a final terms document (“**Final Terms**”) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Issuer may agree with any Dealer and HSBC Corporate Trustee Company (UK) Limited (the “**Trustee**”) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List only) a supplementary prospectus, if appropriate, will be published on the website of the London Stock Exchange through a regulatory information service which will describe the effect of the agreement reached in relation to such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of such risks, see “Risk Factors” below.

The Guarantor has a long term debt rating of “Baa2” from Moody’s Investors Service España, S.A. (“**Moody’s**”) and “BBB” from Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”). The Programme has been given a provisional rating of “(P)Baa2” by Moody’s and a rating of “BBB” by Standard & Poor’s. The Programme is not rated by Fitch Ratings Ltd (“**Fitch**”), although certain Series of Notes to be issued under the Programme may be rated by Fitch. Each of Moody’s, Fitch and Standard & Poor’s is established in the European Union and has received registration under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the “**CRA Regulation**”). The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms and such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security 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.

The Notes will initially be represented by a temporary Global Note, without interest coupons, which will be deposited with a Common Safekeeper on behalf of Euroclear, and Clearstream, Luxembourg. On the Exchange Date, interests in the temporary Global Note may be exchanged for interests in a permanent Global Note. Permanent Global Notes will be exchangeable for Definitive Notes in certain limited circumstances – see “*Summary of Provisions Relating to the Notes While in Global Form*”.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. federal income tax law requirements. The Notes may not be offered or sold or, in the case of Bearer Notes, delivered in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Arranger

Barclays

Dealers

Barclays
J.P. Morgan Cazenove
MUFG

The Royal Bank of Scotland

HSBC
Lloyds Bank
Morgan Stanley

IMPORTANT INFORMATION

This Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent that such amendments have been implemented in a member state of the European Economic Area which has implemented Directive 2003/71/EC (each, a “**Relevant Member State**”)) (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer, the Guarantor and the Guarantor and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the Guarantor and the Group.

The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus and the Final Terms relating to any Tranche of Notes. To the best of the knowledge and belief of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Relevant third party information has been extracted from sources as specified in this Prospectus. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Dealers or the Trustee has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made (to the fullest extent permitted by law) and no responsibility or liability is accepted by any of the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. No Dealer or the Trustee accepts any liability whether arising in tort or contract or otherwise (save as referred to above) in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the Programme.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Prospectus 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 or the Guarantor, any of the Dealers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Guarantor, any of the Dealers or the Trustee that any recipient of this Prospectus 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 and business condition and affairs, and its own appraisal of the credit worthiness of each of the Issuer and the Guarantor. Neither this Prospectus 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, any of the Dealers or the Trustee to any person to

subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained herein concerning the Issuer or the 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 during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The distribution of this Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantor, the Dealers and the Trustee represents that this Prospectus 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 assumes any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantor, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. No Notes may be offered or sold, directly or indirectly, and neither this Prospectus 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 Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United Kingdom, the United States, the European Economic Area and Japan (see "*Subscription and Sale*").

The minimum specified denomination of each Note shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

U.S. INFORMATION

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. FEDERAL INCOME TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

BEARER 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

UNITED STATES PERSONS, 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 THE REGULATIONS PROMULGATED THEREUNDER.

NEITHER THE NOTES NOR THE GUARANTEE HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Prospectus or incorporated by reference or any applicable supplementary prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such Notes may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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 (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) 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.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or any person acting on behalf of any Stabilising 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, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. 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 is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

PRESENTATION OF INFORMATION

All references in this document to “U.S. dollars” and “U.S.\$” refer to the currency of the United States of America, to “Sterling”, “pence” and “£” refer to the currency of the United Kingdom and to “euro” and “€” are 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.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been approved by the UK Listing Authority or filed with it or notified to it, shall be deemed to be incorporated in, and to form part of, this Prospectus:

1. the consolidated audited IFRS financial statements of the Group (including the audited financial statements of the Guarantor) for the period 1 January 2014 to 31 December 2014 prepared in accordance with International Accounting Standards, as adopted by Regulation (EC) No 1606/2002 (“**IFRS**”) and the auditor’s report thereon and the notes thereto (on page 13 to page 80);
2. the consolidated audited IFRS financial statements of the Group (including the audited financial statements of the Guarantor) for the period 1 January 2013 to 31 December 2013 prepared in accordance with IFRS and the auditor’s reports thereon and the notes thereto (on page 12 to page 94);
3. the audited IFRS financial statements of the Issuer for the period 1 January 2014 to 31 December 2014 and the auditor’s report thereon and the notes thereto (on page 7 to page 21);
4. the audited IFRS financial statements of the Issuer for the period 1 January 2013 to 31 December 2013 and the auditor’s report thereon and the notes thereto (on page 8 to page 24);
5. the Terms and Conditions of the Notes contained in the previous Prospectus dated 11 January 2012 relating to the Programme (on page 44 to page 67) as amended by the Final Terms contained in the Drawdown Prospectus relating to the Programme dated 3 February 2012 (on page 6 to page 16);
6. the Terms and Conditions of the Notes contained in the previous Prospectus dated 11 January 2012 relating to the Programme (on page 44 to page 67) as amended by the Final Terms contained in the Drawdown Prospectus relating to the Programme dated 26 March 2012 (on page 6 to page 16); and
7. the Terms and Conditions of the Notes contained in the previous Prospectus relating to the Programme dated 11 January 2012 (on page 44 to page 67) as amended by the Final Terms contained in the Drawdown Prospectus relating to the Programme dated 1 August 2012 (on page 6 to page 17).

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

The parts of the above-mentioned documents which are not incorporated by reference into this Prospectus are either not relevant for investors or are covered elsewhere in this Prospectus.

Copies of all documents incorporated by reference in this Prospectus are available for viewing on 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.

SUPPLEMENTAL PROSPECTUS

Following publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive.

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

Any statement made in any such supplement or in a document incorporated therein by reference shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any such statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

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Overview of the Programme

The following is a brief overview only and should be read in conjunction with the rest of this Prospectus, including "Risk Factors", for a discussion of certain factors to be considered in connection with an investment in the Notes and, in relation to any Notes, in conjunction with the relevant Final Terms, and, to the extent applicable, the "Terms and Conditions of the Instruments" set out herein.

Words and expressions defined in "Summary of Provisions Relating to the Notes While in Global Form", "Terms and Conditions of the Notes" or elsewhere in this Prospectus shall have the same meanings in this summary.

Issuer: EE Finance PLC

Guarantor: EE Limited

Description of the Issuer and the Guarantor: The Issuer was incorporated as a public limited company in England and Wales on 11 November 2011 under the Companies Act 2006 with registration number 7844526. The registered office of the Issuer is at Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9BW and its telephone number is 01707 315000.

The Guarantor was incorporated as a private limited company in England and Wales on 10 May 1989 under the Companies Act 1985 with registration number 02382161. The registered office of the Guarantor is at Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9BW and its telephone number is 01707 315000.

Business of the Issuer and the Guarantor: The Guarantor, which operates exclusively in the UK, is the UK's largest mobile communications provider with around 27 million customers and mobile subscriber market share of approximately 32 per cent. as at September 2014, according to Enders. The Guarantor offers mobile services (consisting of voice, messaging and data services) and fixed broadband services to retail and wholesale customers as well as to businesses through multiple telecommunications technologies and across the UK's largest mobile network.

The Issuer acts as a financing vehicle for the Group and has no other operations or subsidiaries.

Description of the Programme: Euro Medium Term Note Programme

Arranger: Barclays Bank PLC

Dealers: Barclays Bank PLC

HSBC Bank plc

J.P. Morgan Securities plc

Lloyds Bank plc

Mitsubishi UFJ Securities International plc

Morgan Stanley & Co. International plc

The Royal Bank of Scotland plc

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers in accordance with the Dealer Agreement.

Trustee:	HSBC Corporate Trustee Company (UK) Limited
Issuing and Paying Agent, Registrar and Transfer Agent:	HSBC Bank plc
Certain Restrictions:	Unless otherwise permitted by then current laws and regulations, Notes which have 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 FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (or its equivalent in other currencies).
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer.
Initial Programme Size:	Up to £3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer may change the amount of the Programme in accordance with the terms of the Dealer Agreement.
Use of Proceeds:	The Issuer intends to use the net proceeds from each issue of Notes for general corporate purposes, including the refinancing of current indebtedness. If in respect of any particular issue of Notes there is a particular use of the proceeds, this will be stated in the applicable Final Terms.
Maturities:	Subject to any applicable laws, any maturity as specified in the applicable Final Terms.
Issue Price:	Notes may be issued at any price, as specified in the relevant Final Terms.
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue on the Notes at a fixed or floating rate and may vary during the lifetime of the relevant Series of Notes.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined separately for each Series as follows: <ul style="list-style-type: none"> i. on the same basis at the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions or the 2006 ISDA Definitions (in each case, 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

- ii. by reference to LIBOR or EURIBOR.

The margin (if any) relating to such floating rate will be specified in the applicable Final Terms for each Series of Floating Rate Notes.

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 (either in whole or in part) 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.

Unless otherwise permitted by then current laws and regulations, Notes which have a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain Restrictions*".

Denomination of Notes:

Notes will be issued in such denominations as may be specified in the relevant Final Terms (subject to compliance with all applicable legal and/or regulatory and/or central bank requirements), save that:

- i. the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and
- ii. unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies as at the date of issue of the Notes).

Taxation:

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes or under the Guarantee shall be made without withholding or deduction for or on account of taxes of the jurisdiction of incorporation of the Issuer or the Guarantor to the extent described under "*Terms and Conditions of the Notes – Condition 8 Taxation*."

If any such withholding or deduction is required by law, the Issuer or the Guarantor, as the case may be, will pay additional amounts, subject to the exceptions described in "*Terms and Conditions of the Notes – Condition 8 Taxation*."

In certain circumstances another entity may be substituted for or

acquire the rights and obligations of the Issuer or the Guarantor under the Notes or the Guarantee. In such case, payments in respect of the Notes or under the Guarantee will be made without withholding or deduction for or on account of taxes of the jurisdiction of incorporation of such entity unless the withholding or deduction is required by law, in which case the substituted entity will pay additional amounts, subject to certain exceptions.

Negative Pledge:

The Notes will contain a negative pledge in the form described in the section headed "*Terms and Conditions of the Notes*".

Events of Default:

The terms of the Notes will contain, amongst others, the following events of default:

- default in payment of any principal or interest due in respect of the Notes, continuing for the respective periods of time specified in Condition 10(a);
- non-performance or non-compliance by the Issuer or the Guarantor of any of its other obligations under the Notes or the Trust Deed continuing for the period of time, and in the circumstances, specified in Condition 10(b);
- a cross-default provision in respect of indebtedness for borrowed money of the Issuer as further described in Condition 10(c); and
- certain other events, including the insolvency or winding up of the Issuer, the Guarantor, or any Material Subsidiary of the Guarantor.

Status of the Notes and the Guarantee:

The Notes and Coupons will constitute direct, unconditional and (subject to "*Terms and Conditions of the Notes – Condition 4 Negative Pledge*") unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The Guarantee will constitute a direct, unconditional and (subject to "*Terms and Conditions of the Notes – Condition 4 Negative Pledge*") unsecured obligation of the Guarantor.

The payment obligations of the Issuer under the Notes and the Coupons and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to "*Terms and Conditions of the Notes – Condition 4 Negative Pledge*" at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

Listing and Admission to Trading:

Application has been made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Market. Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as agreed between the Issuer and the relevant Dealer(s).

Governing Law:	The Notes, Trust Deed and Agency Agreement and all non-contractual obligations arising out of or in connection with the Notes will be governed by English law.
Distribution:	Notes may be distributed on a syndicated or non-syndicated basis.
Form of Notes:	<p>The Notes may be issued as Bearer Notes or Registered Notes. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.</p> <p>Each Tranche of Bearer Notes having an initial maturity of more than one year will initially be represented on issue by a temporary global note in bearer form and any other such Tranche will be represented by a permanent global note in bearer form. Global Notes may be deposited on the Issue Date (i) if the Global Notes are intended to be issued in NGN form or to be held under the NSS, as stated in the applicable Final Terms, with a Common Safekeeper on behalf of Euroclear and Clearstream, Luxembourg; and (ii) if the Global Notes are not intended to be issued in NGN form and are not held under the NSS, with a Common Depository on behalf of Euroclear or Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "<i>Summary of Provisions Relating to the Notes while in Global Form</i>".</p> <p>Each Tranche of Registered Notes will be represented by registered Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Tranche.</p> <p>Individual definitive Certificates will only be available in certain limited circumstances as described in "<i>Summary of Provisions Relating to the Notes While in Global Form</i>".</p>
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or any other clearing system as may be specified in the relevant Final Terms.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, the EEA and Japan see the section headed " <i>Subscription and Sale</i> ".
Ratings:	Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. A security 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.
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes, a copy of which, in the case of Notes to be listed on the Official List, will be delivered to the UK Listing Authority on or before the date of issue (the closing date) of such Notes. The

terms and conditions applicable to each Note will be those set out herein under "*Terms and Conditions of the Notes*" as completed by the relevant Final Terms.

Risk Factors

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme or under the Guarantee, as applicable. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to each of them or which they may not currently be able to anticipate, and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference in this Prospectus) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's and the Guarantor's abilities to fulfil their respective obligations under Notes issued under the Programme or under the Guarantee, as applicable

The Group is in the process of being acquired by BT Group plc

On 5 February 2015, DT and Orange agreed to sell EE to BT Group plc ("**BT**"), based on an enterprise value of £12.5 billion, subject to approval by the shareholders of BT (granted at the BT EGM on 30 April 2015) and by the UK Competition and Markets Authority (the "**Acquisition**"). The Acquisition is expected to complete before the end of August 2016. The change in ownership of the Guarantor (and the prospect of such change) could result in a number of new risks:

(i) The Group may fail to retain key personnel and other employees

The calibre and performance of the Group's management and other employees, taken together, is important to the success of the Group and, while plans are in place for the retention of management and other key employees, there can be no assurance that EE will not lose key personnel (or a significant number of personnel), or that the Acquisition will not result in the departure of management and/or employees from the Group, whether before or after the closing of the Acquisition. Such departures could adversely affect the Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively), which could have an adverse effect on the operating results, business and financial condition of the Group.

(ii) The Acquisition may result in a loss of customers

As a result of the Acquisition, some of the Group's customers or strategic partners may terminate or reduce their business relationships with the Group, whether before or after the closing of the Acquisition. Such customers may not wish to see an increase in the proportion of services sourced from a single company. Potential customers of EE may delay entering into, or decide not to enter into, a business relationship with EE until the Acquisition has completed, on account of any perceived

uncertainty over the Acquisition. If EE's relationships with their respective customers are negatively impacted by the Acquisition, the Group's business, financial condition and operating results may be adversely affected.

(iii) The Acquisition may disrupt the Group's ongoing business

The process of integrating and preparing to integrate the Group with BT could potentially lead to the interruption of operations of the business or a loss of clients and/or key personnel, either or both of which could have an adverse effect on the business, financial condition and results of operations of the Group. Any delays or difficulties encountered in connection with the integration of the businesses could also lead to reputational damage to the Group. The Group's management team will be required to devote significant attention and resources to integrating and preparing to integrate business practices and operations. There is a risk that the challenges associated with managing the integration of the BT and EE businesses will result in management distraction and that consequently, the underlying business will not perform in line with expectations.

(iv) Third parties may terminate or alter existing contracts with the Group as a result of the Acquisition

The Group has contracts with suppliers, distributors, clients, licensors, licensees, lessees, lessors, lenders, insurers, landlords and other business partners and counterparties, some of which contain "change of control" or similar clauses that allow the counterparty to terminate or change the terms of their contract upon or prior to completion of the Acquisition, or may otherwise allow the counterparty to exert leverage to renegotiate the terms of the existing contract upon or prior to completion of the Acquisition. BT and the Group will seek to obtain consents from certain of these counterparties as to the continuance of the contract after the change of control, and may renegotiate terms with others. There can be no assurance that the Group will be able to contract on the same terms as those prior to completion of the Acquisition. If third party consents cannot be obtained, or terms that are renegotiated are unfavourable when compared with the current contracts, there may be an adverse effect on the operating results, business and financial condition of the Group.

(v) The Group's regulatory obligations may change

As a result of the Acquisition, the Group's regulatory obligations may change, which could adversely affect the Group's business. In particular, merger clearance of the Acquisition may result in the Group being subjected to additional regulatory obligations. BT is also subject to a number of regulatory obligations to which the Group is not currently subject, but which could be extended to cover the Group following the Acquisition.

(vi) The Group's financial and dividend policies may change

As a result of the Acquisition, the Group's financial and dividend policies may change. In particular, the Guarantor's financial policy includes maintaining, in the medium term, a leverage ratio below 1.75-2.0 times Net Debt to EBITDA (based on the Group's consolidated accounts). The Guarantor's general dividend distribution policy is to pay to its shareholders 90 per cent. of cash flow. Should these policies change, there may be an adverse effect on the financial condition of the Group.

Adverse macroeconomic conditions could impact the Group's results of operations

The Group's business is influenced by general economic conditions in the UK and elsewhere. The UK economy continues to be impacted by the global downturn but is showing signs of recovery with improvements in consumer confidence, inflation, credit conditions and the housing market. GDP grew by 2.6 per cent. in 2014 year on year and the Office for Budget Responsibility, in its Economic and Fiscal Outlook published in December 2014, states that it is expecting GDP to grow by 2.4 per cent. in 2015. There is continued exchange rate and financial market volatility and pressure on private consumption, owing to ongoing weaknesses in wage growth and risks arising from high levels of UK national debt, all of which present risks for the economic environment.

A major risk to economic forecasts is the continued weakness within certain Eurozone countries which in turn has an adverse effect on the UK economy and on business and consumer confidence in the UK and, as a result, the level of demand by the Group's individual customers for its products and services and the willingness of the Group's business customers to invest in the Group's products and services may weaken. In difficult economic conditions, consumers may seek to reduce discretionary spending by reducing their use of the Group's products and services, including data services, or by switching to lower-cost alternatives offered by the Group's competitors. Similarly, under these conditions, the business customers that the Group serves may delay purchasing decisions, delay full implementation of service offerings or reduce their use of the Group's services. This could, in turn, negatively impact on the Group's revenue development, including in the future growth areas on which it plans to focus, and jeopardise the attainment of the Group's growth targets, such as those relating to data services in mobile telecommunications, or those relating to fixed broadband products and services.

In addition, adverse economic conditions may lead to an increased number of the Group's consumer and business customers that are unable to pay for existing or additional services. The occurrence of such events could have a material adverse effect on the Group's business and operations.

Regulatory decisions and changes in the regulatory environment could adversely affect the Group's business

The Group must comply with an extensive range of requirements that regulate and supervise the licensing, construction and operation of its telecommunications networks and services in the UK. Decisions by regulators regarding the granting, amendment or renewal of licences to the Group or to third parties, changes to the general conditions of entitlement or to significant market power and access conditions could adversely affect the Group's business and operations.

In June 2012, the European Commission adopted a Regulation amending the existing international roaming regulations with significantly lower price ceilings, an inclusion of a retail data tariff ceiling and structural measures to foster increased competition. The first structural measure pursuant to the Regulation came into force on 1 July 2012 and required network operators to provide wholesale access to roaming services. A second structural measure in respect of the unbundling of domestic services and international roaming services came into force on 1 July 2014. This expansion of the existing regulation may have a negative effect on the Group's international roaming revenues. In addition, further EU regulation on roaming charges has been proposed in draft form. It is, at present, unclear whether such regulation will be implemented; however, it may have an adverse effect on the Group's international roaming revenues if it is implemented. In the UK, the government published a "Telecommunications Consumer Action" plan in December 2013, which was an agreement between

government and the principal telecommunication operators about co-operation with each other and with the independent regulator and competition authority for the UK communications industries (“Ofcom”) in the key areas that impact on consumers’ bills. To the extent that roaming charges are further capped, reduced or prohibited in the future, this could have a material adverse effect on the business and results of operations of the Issuer.

With regard to call termination charges, in common with other UK operators, the Group has been found by Ofcom to have a dominant position in the wholesale market for the termination of calls to UK mobile numbers allocated for the Group’s use by Ofcom. As such, Ofcom has imposed various conditions, including a ceiling on the amount the Group is able to charge other operators when calls from their customers terminate on its networks. Such regulated charges have been reduced over a number of years, as Ofcom has sought to ensure that such charges are cost-related. Following various appeals against Ofcom’s decision, there has been a further reduction in charges that the Group is permitted to charge other operators, which have resulted in the Group implementing changes to the way in which it markets mobile services. If further reductions in the amount of these charges are required by Ofcom in the future, this may impact disproportionately on pre-pay customers and, as such, could have an adverse effect on the Group’s ability to retain customers or to attract new customers, and it may have an adverse effect on the Group’s margins.

Ofcom has also recently concluded a review of the mobile termination rate charge controls which will apply from 1 April 2015 to 31 March 2018, introducing a new glide path of forecast nominal prices, from 0.845 pence per minute in 2014/15 to 0.507 pence per minute by 1 April 2017, which could adversely impact the Group’s business and operations.

On 12 December 2013, Ofcom published its decision requiring clearer pricing for calls made to non-geographic numbers (i.e. for all numbers starting with 08, 09 and 118). In particular, calls to 080 numbers are to be free from mobile telephones as well as landlines. The measures will come into effect on 1 July 2015, and Ofcom is currently engaging with industry providers to oversee preparations for their implementation. As a provider of such services, the combined impact of these proposals may have an adverse effect on the Group’s business and results of operations.

On 13 December 2013, the UK implemented the European Consumer Rights Directive through the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 and published guidelines for compliance. The Regulations and guidelines provide that, amongst other things, with respect to contracts concluded on or after 13 June 2014, UK traders which provide query and complaints helpline services to consumers to whom they have sold or provided goods or services must offer the option for the consumer to telephone on a “basic rate” number. There is a risk that the use of “chargeable non-geographic numbers” by the Group will decline as a result of such developments, which may have an adverse effect on the Group’s business and results of operations.

Increases in spectrum pricing

The Group monitors any developments from the European Commission, the UK Government and Ofcom in relation to the allocation of mobile spectrum in the UK.

Ofcom is currently in the process of revising annual licence fees for 900MHz and 1800MHz. These bands are used for voice calls, 3G and some 4G services. The Group will be affected by any revision due to the Group’s holding of 1800MHz. The 1800 MHz band is used by the Group for voice calls and data services (2G and 4G services).

On 31 January 2015, each of the UK mobile network operators agreed to the insertion of a new 90 per cent. geographic voice coverage obligation into their respective 1800 MHz and 900 MHz licences, to be met by 31 December 2017 (see further “*Network Information*” in the “*Business Description of the Issuer and the Group*”). On 19 February 2015, Ofcom published a provisional decision and consultation on revisions to 900MHz and 1800MHz annual licence fees. Under Ofcom’s provisional decision, the Group’s annual spectrum licence fees for 1800MHz would increase significantly from the current level of £26.8 million per annum. The proposed increase would be introduced in phases starting from Summer 2015, reaching an estimated £78 million per annum by 2017. Fees will be subject to adjustments for the Consumer Price Index. Ofcom is currently consulting on whether, and if so how, to factor in the cost of meeting the new coverage obligation when setting the fees. A significant revision to the level of the Group’s annual licence fee could have a material adverse effect on the Group’s business and results of operations.

The Group faces intense competition in all areas of its business, which could lead to reduced prices for its products and services and a decrease in market share in certain service areas

Competition in the UK mobile telecommunications market is intense and is expected to increase in the future. Growing competition results from, among other things, the market entry of alternative and lower cost carriers (such as mobile virtual network operators (“**MVNO**”), technology shifts (such as Voice over Internet Protocol (“**VoIP**”)) and the ability of other providers to bundle mobile phone services with different products and content (such as broadband and pay-TV). In particular, technologies such as VoIP and so called “over the top” platforms (where services such as iMessage, Facetime, Blackberry Messenger, WhatsApp, Google and Facebook are accessible to the Group’s customers via its mobile telecommunications devices but are provided by third parties), which can be used with existing hardware and platforms, could drive voice and/or data traffic from mobile networks, which could lead to significant price and revenue reductions if the impact is greater than that which is already anticipated by the Group.

Increased competition has led to declines in the prices the Group charges for its mobile services and is expected to lead to further price declines in the future. Competition could also lead to a reduction in the rate at which the Group adds new customers, a decrease in the size of the Group’s market share and a decline in the Group’s service revenue as customers choose to receive telecommunications services or other competing services from other competing providers.

There is also a risk of consolidation activity in the telecommunications market, as both mobile and fixed network operators seek to strengthen their market positions.

In addition, as European markets have become increasingly saturated, the focus of competition has been shifting from customer acquisition to customer retention, and increasing the value generated by existing customers. The rate of deactivations (the process by which a subscriber leaves the recognised active base) by the Group’s customers is measured by the Group’s “churn” rate. For the pay monthly (“**PAYM**”) customer base, the churn rate is calculated by reference to the number of subscribers leaving the active base through voluntarily or involuntary measures, divided by the active base of PAYM customers. For the pay as you go (“**PAYG**”) customer base, churn is based on those customers that have been inactive for more than 90 days, where inactivity is defined as the customer having received fewer than 4 incoming calls and having made 1 or fewer outgoing calls during the period. There can be no assurance that the Group will not experience increases in churn rates, particularly as competition intensifies. An increase in churn rates could adversely affect profitability because the Group would experience lower revenue and additional selling costs to replace customers or recapture lost revenue.

The Group's ability to continue to compete effectively will depend upon, among other things, network quality, capacity and coverage, pricing of services and equipment, quality of customer service, development of new and enhanced products and services in response to customer demands and changing technology, reach and quality of sales and distribution channels and capital resources.

The Group may not be well placed to compete in the nascent quad play market

As described in the risk factor above entitled "*The Group is currently in the process of being acquired by BT Group plc*", BT has agreed definitive terms to acquire the Group. Completion of the Acquisition would, amongst other benefits, result in access to significant fixed line, TV and exclusive content capabilities. Should the transaction not proceed for any reason, the Group will rely on the existing EE TV offer and wholesale broadband for TV and content capabilities. Regardless of the outcome of the Acquisition, the Group may also face strong quad play competition from other mobile operators if they decide to partner with or acquire fixed line or TV providers in the UK.

Delays in the development of handsets and network compatibility and components may hinder the deployment of new technologies

The Group's operations depend in part upon the successful deployment of continuously evolving telecommunications technologies. The Group uses technologies from a number of vendors and makes significant capital expenditures in connection with the deployment of such technologies. There can be no assurance that common standards and specifications will be achieved, that there will be interoperability across the Group's and other networks, that technologies will be developed according to anticipated schedules, that they will perform according to expectations or that they will achieve commercial acceptance. The introduction of software and other network components may also be delayed. The failure of vendor performance or technology performance to meet the Group's expectations or the failure of a technology to achieve commercial acceptance could result in additional capital expenditures by the Group or a reduction in profitability.

The Group may experience a decline in revenue or profitability notwithstanding its efforts to increase revenue from the introduction of new services

As part of its strategy, the Group will continue to offer new services to its existing customers and seek to increase mobile non-voice and SMS revenue (including but not limited to such services as mobile data, accessories and care products, machine to machine, mobile advertising, mobile payments and mobile content such as smartphone applications) as a percentage of total revenue. However the Group may not be able to introduce these new services commercially or may experience significant delays due to problems such as the availability of new mobile handsets, the ability of handset operating systems to support new services and applications, higher than anticipated prices of new handsets or availability of new content services. In addition, even if these services are introduced in accordance with expected time schedules, there is no assurance that revenue from such services will increase service revenue or maintain profit margins.

The Group may realise neither the expected level of demand for its products and services, nor the expected level or timing of revenues generated by those products and services, as a result of lack of market acceptance, technological change or delays from suppliers

There is a risk that the Group will not succeed in making customers sufficiently aware of existing and future value-added services or in creating customer acceptance of these services at the prices the Group would want to charge. There is also a risk that the Group will not identify trends correctly, or that

the Group will not be able to bring new services to market as quickly or price-competitively as its competitors. These risks exist with respect to both the Group's anticipated future growth drivers in the mobile telecommunications area (such as mobile data services or other advanced technologies which are supported by advanced "smartphone" products) as well as in the non-mobile telecommunications areas (such as mobile payment services based on contactless technology and fixed line communications) where there is a risk that differences in the regulatory treatment of different operators based on their choice of technology could put the Group at a competitive disadvantage.

As demand for smartphone products increases around the world, there is a risk that there could be shortages in the volume of handsets produced as a result of insufficient manufacturing capacity, the lack of availability of internal components such as processors or major supply chain disruptions. This may result in delays in the supply chain which in turn may have an adverse effect on the Group's business and operations.

Further, as a result of rapid technological progress and the trend towards technological convergence, there is a danger that new and established information and telecommunications technologies or products may not only fail to complement one another but in some cases, may even become a substitute for one another. An example of this is the risk that over the top services (being those which are provided by a third party to the end user device) develop substitutes for the Group's own products and services. Another example of this is VoIP, a technology that is already established in the business customer market and which has now reached the consumer market. The introduction of mobile handsets with VoIP functionality may adversely affect the Group's pricing structures and market share in its mobile voice telephony business. If the Group does not appropriately anticipate the demand for new technologies, and adapt its strategies, service offering and cost structures accordingly, the Group may be unable to compete effectively, which may have an adverse effect on the Group's business and operations.

Changes in assumptions underlying the carrying value of certain Group assets could result in impairment

The Group conducts a review of the carrying value of its assets annually or more frequently where the circumstances require, to assess whether those carrying values can be supported by the net present value of future cash flows derived from such assets. This review examines the continued appropriateness of the assumptions in respect of highly uncertain matters upon which the valuations supporting carrying values of certain of the Group's assets are based. This includes an assessment of discount rates and long-term growth rates, future technological developments and timing and quantum of future capital expenditure as well as several factors which may affect revenue and profitability identified within the other risk factors in this section such as intensifying competition, pricing pressures, regulatory changes and the timing for introducing new products or services. Discount rates are in part derived from yields on government bonds, the level of which may change substantially period to period and which may be affected by political, economic and legal developments which are beyond the Group's control. Due to the Group's substantial carrying value of goodwill under International Financial Reporting Standards, the revision of any of these assumptions to reflect current or anticipated changes in operations or the financial condition of the Group could lead to an impairment in the carrying value of certain assets in the Group.

The Group's participation in joint ventures exposes the Group to operational and financial risks

The Group has a number of joint venture arrangements in place, which, by their nature, the Group does not fully control. The other parties to the joint venture arrangements may have economic or business interests or goals that are inconsistent with the Group's, and may exercise their rights under the joint venture agreement in a way that prohibits the Group from acting in a manner it would like or may be unable or unwilling to fulfil their obligations under the joint venture agreements or other related agreements. See "*Description of the Issuer and the Group – Joint Ventures*" below.

The Group may enter into similar arrangements in future in order to pursue additional opportunities. Although the Group has not been materially constrained by its participation in joint ventures to date, no assurance can be given that the actions or decisions of its joint venture partners will not affect its joint ventures in a way that hinders its corporate objectives or reduces any anticipated cost savings or revenue enhancement resulting from these ventures.

Expected benefits from investment in networks, licences and new technology may not be realised

The Group has made substantial investments in the acquisition of licences and in its mobile networks, including the modernisation of its 2G network and upgrade of its 3G network as well as the continued expansion of its 4G network which was launched in October 2012. The Group expects to continue to make significant investments in its mobile networks due to increased usage and the need to offer new services and greater functionality afforded by new or evolving telecommunications technologies (such as 4G). It may acquire new spectrum licences in the future with licence conditions which may include network coverage obligations. Accordingly, the rate of the Group's capital expenditures in future years could increase and exceed that which the Group has experienced to date.

There can be no assurance that the introduction of new services will proceed according to anticipated schedules or that the level of demand for new services will justify the cost of setting up and providing new services (in particular, the cost of new network spectrum licences and network infrastructure (e.g. for 4G services and subsequent evolutions). Failure or a delay in the completion of networks and the launch of new services, or increases in the associated costs, could have an adverse effect on the Group's business and operations and could result in significant write downs of the value of network spectrum or other licences or other network-related investments.

Should the current economic climate worsen, the Group may decide, or be required, to scale back capital expenditures. The Group believes that it has flexibility in terms of the amount and timing of its capital expenditure programme, but a lasting reduction in capital expenditure levels below certain thresholds could affect its ability to invest in its mobile telecommunications network (including additional spectrum), new technology and its other businesses and therefore could have an adverse effect on its future growth and the value of its radio spectrum.

The Group's business may be impaired by actual or perceived health risks associated with the transmission of radio waves from mobile telephones, transmitters and associated equipment

Media reports have suggested that radio frequency emissions from wireless mobile devices and mobile telecommunications sites may raise various health concerns, including cancer, and may interfere with various electronic medical devices, including hearing aids and pacemakers. Research and studies are ongoing. The World Health Organisation has declared that, on the basis of current scientific knowledge, there are no known adverse effects on health from emissions at levels below internationally recognised health and safety standards. However, the Group cannot provide assurance that research in the future will not establish links between radio frequency emissions and health risks.

Whether or not such research or studies conclude that there is a link between radio frequency emissions and health, popular concerns about radio frequency emissions may discourage the use of wireless devices, thereby impairing the Group's ability to retain customers and attract new customers, and may result in restrictions on the location and operation of mobile communications sites by the Group and the usage of the Group's wireless technology. Such concerns could also lead to litigation against the Group. Any restrictions on use or litigation could have an adverse effect on the Group's business and operations.

The Group's business would be adversely affected by the non-supply of equipment and support services by a major supplier

The Group cooperates with a wide range of different suppliers for technical components and assemblies, as well as for software and other goods and information important to the conduct of the Group's business. Although the Group does not believe that it is materially dependent on any single supplier, its contractors may want to extend delivery times, raise prices and limit supply due to their own shortages or changing business and product strategies. Especially in times of economic and political turmoil, supply chains, credit access and financial stability of the Group's vendors may be negatively affected. In addition, natural disasters, acts of terrorism, war or other disruptive and unforeseen events could adversely affect the ability of suppliers to provide supplies of goods and services to the Group. If the Group's commercial partners fail to deliver quality products and services in a timely manner, the ensuing disruptions in the Group's supply chain could adversely affect the Group's business and operations. Whilst the Group takes a variety of measures to shelter itself from these risks, it cannot be sure that these measures will be effective under all circumstances.

The Group's business could be adversely affected by the termination of one or more of its MVNO arrangements

The Group provides MVNO services to various operators in the mobile telecommunications market, including Virgin Mobile Telecoms Limited ("**Virgin Mobile**"), one of the largest MVNOs in the UK, which do not have their own mobile telecommunications infrastructure. It is the Group's objective to grow the MVNO business and renew contracts with its MVNO customers. The Group's MVNO services permit these operators to use the Group's network to route calls to and from their customers. The provision of MVNO services are a significant source of income for the Group, and if one or more of the Group's MVNO customers terminated its MVNO arrangements with the Group or was otherwise unable or unwilling to continue to purchase such services from the Group, this could have an adverse effect on the Group's business and operations.

The Group's business could be adversely affected by disruptions to its telecommunications networks and IT infrastructure

The Group is dependent on the secure operation of its telecommunications networks and attacks on critical infrastructure, or disruption of its networks caused by other factors beyond its control, pose a threat. As the importance of mobile and fixed communication in everyday life, as well as during times of crisis, increases and the volume of personal and business data being communicated and stored by network operators grows, organisations and individuals look to the Group to maintain service and protect sensitive information.

There is a risk that malicious attacks on the Group's IT infrastructure by an individual or group could be successful and this could lead to a loss of customer data, commercially sensitive data or the availability of systems which may be critical to the operation of the business. Malicious attacks are

becoming common place and individuals and groups have been vocal in their threats against established companies and public authorities. If successful, a malicious attack could result in serious damage to the Group's reputation, loss of revenue and customer confidence.

The Group attempts to mitigate these risks by employing a large number of measures, including a comprehensive monitoring of its telecommunications networks, backup systems and protective systems such as firewalls, virus scanners, and building security. The Group cannot, however, be certain that these measures will be effective under all circumstances and that disruption or damage will not occur. Disruption or damage to the Group's infrastructure or any significant interruption in the Group's services or in its ability to protect sensitive information may result in reduced user traffic and revenues, increased costs, and damage to the Group's reputation.

Introduction of new taxes or levies or increases in the rates of existing taxes or new accounting standards may adversely impact the Group's tax cash flows

A number of European countries have imposed sector-specific taxes and levies. The introduction of such sector-specific taxes and levies in the UK could adversely affect the Group's financial return on its business and operations, as could any potential increases in existing corporate taxes and levies applied by the UK government.

The Group has substantial tax losses which can be used to mitigate the financial impact of any potential corporation tax rate increases in the short to medium term. However, a new accounting standard; IFRS 15 "Revenue from Contracts with Customers", which will be effective for annual periods beginning on or after 1 January 2017, was issued on 28 March 2014. Based on analysis performed to date, it is expected that the point at which revenues are recognised in our accounts will be accelerated. This in turn may accelerate both the utilisation of the Group's losses and the point at which the Group anticipates making corporation tax payments. This may in turn reduce the level of insulation that the Group currently has to any future adverse movements in corporation tax rates.

In addition, the introduction of or increase in the rates of existing taxes or levies on personal income or consumption (for example, income tax or value added tax) may increase the cost of the Group's products and services to consumers or make consumers less able to afford the Group's products and services, which in each case may adversely affect the Group's business and operations. The Group may also not be able to pass through to customers the full incremental amount of such increases which could adversely affect the Group's margins.

The Group may not comply with payment card industry standards on data security

The payment card issuers VISA, MasterCard, JCB, American Express and Discover have issued a set of security standards – Payment Card Industry Data Security Standards (the "PCI-DSS"). These standards are designed to make companies (merchants) maintain systems and processes that protect payment card holder data. All merchants were required to be compliant with the PCI-DSS by June 2007. From that date fines can be imposed by the card issuers and acquirers for lack of compliance.

Payments processed for products and services through the Guarantor under the T-Mobile brand have, with the exception of those processed in retail stores, been PCI-DSS compliant since the first quarter of 2009. The EE brand was launched in October 2012 based on the T-Mobile IT platform. The combined EE and T-Mobile brand platform (referred to as the "EE Brands platform") was confirmed, again with the exception of payments processed in retail stores, as PCI-DSS compliant in March 2013. However, payments processed for products and services through the Guarantor under the Orange

brand are currently not PCI-DSS compliant. The target date for all payments (including those processed in retail stores) to become PCI-DSS compliant is 31 December 2015. However, PCI-DSS compliance relies on third parties, with the support of in-house teams, to implement the necessary security standards within a number of diverse payment processing systems. There is no guarantee that this will be achieved by the target date, in which case there is a risk of fines and the withdrawing of payment card processing for Orange products and services.

The Group may be exposed to the loss of customer data and the inherent risk to reputation and customer trust

Increasing public concern at the ability of large companies to keep customer information secure has resulted in an increase in the amount of reputational damage that could be incurred if the Group were required to notify the Office of the Information Commissioner and customers of a data security breach. Following a series of high profile security breaches by British companies and public authorities, consumers, journalists and regulators are viewing information security breaches and data losses with increasing concern. As the business increasingly shares resources, security breaches in one brand are likely to affect the reputation of the EE, Orange and T-Mobile brands.

The Information Commissioner can impose fines of up to £500,000 when businesses “knew or ought to have known that there was a risk that the contravention would occur, and that such a contravention would be of a kind likely to cause substantial distress or damage, but failed to take reasonable steps to prevent the contravention”. Whilst all necessary steps are taken to protect the data held within the Group, any material loss, theft or unauthorised disclosure of customer data may adversely affect the Group’s reputation in the eyes of its customers, which may also adversely affect the business and operations of the Group.

On 25 January 2012, the European Commission published new legislative proposals for data protection. The proposals contain a Regulation (for general and commercial data protection). The draft Regulation is intended to repeal and replace the 1995 Data Protection Directive (95/46/EC), which was implemented into UK law by the Data Protection Act 1998. In October 2013, the Committee for Civil Liberties, Justice and Home Affairs (“LIBE”) of the European Parliament voted in favour of the proposed data protection reforms. One of the key proposals is that national supervisory authorities (such as the Office of the Information Commissioner) will have the power to take action against organisations in other EU Member States in certain situations. It is also proposed that supervisory authorities will be able to sanction specified breaches of the Regulation and will be able to issue fines of up to €1 million or up to 2 per cent. of a company’s annual turnover in some cases. Although it remains unclear how and when the data protection reforms will be implemented, the vote by LIBE provides the European Commission with a strong mandate to progress further negotiations with the Council of Ministers of the EU for the implementation of data protection reform. If the proposed new legislation is enacted, and if such legislation is implemented in the UK, the Group could be subject to more stringent data protection obligations and a risk of significant sanctions being imposed on the Group in the event of any failure to comply with these requirements. This could have a material adverse effect on the Group’s reputation and results of operations.

The Group may be exposed to a loss of customers, market share and revenue if it fails to maintain and enhance the recognition and value of its brands

It is critical for the Group to maintain and develop its brands so as to maintain effectively its customer base (both retail and business to business) and to secure or grow its revenue. Since the Group operates in a highly competitive market where brand recognition is a key driver of customers’ selection

of their preferred mobile telecommunications provider, maintaining and enhancing the Group's brands directly affects its ability to maintain market position, revenues and profitability. The Group's main competitors have established successful brands and are continuing to take steps to increase their brand recognition and, as such, the Group must continue to maintain and enhance the recognition and value of its brands in the highly competitive market in which it operates. In October 2012, the Group introduced a new customer brand, "EE", and continues to operate the Orange and T-Mobile brands, although it ceased selling Orange and T-Mobile tariffs to new customers in the first quarter of 2015. The Group will continue to review its brand strategy to ensure it is maximising its market share potential. However, if as a result of the implementation of its branding strategy the Group fails to develop, maintain and enhance brand recognition and secure growth in its revenues, its business, results of operations or prospects could be materially and adversely affected.

The continued volatility of worldwide financial markets may make it more difficult for the Group to raise capital externally which could have a negative impact on the Group's access to finance

The Group's key sources of liquidity are cash generated from operations, committed bank facilities and borrowings through capital market issuances. Due to volatility experienced in capital and credit markets around the world, new issuances of debt securities may experience decreased demand. Should the Group seek to raise funds through the issuance of Notes, adverse changes in credit markets or the Group's credit ratings could increase the cost of borrowing and banks may be unwilling to extend or renew credit facilities on existing terms. Any of these factors could have a negative impact on the Group's access to and cost of finance and, indirectly, its business and operations.

The Group may not be able to manage its cash liquidity requirements adequately

It is important for the Group that it is able to adequately manage and raise the cash that it requires to operate the business. The Group has raised long-term debt funding pursuant to the Programme, a syndicated bank facility and a loan from the European Investment Bank. The main sources of short-term liquidity for the Group are cash generated from operations, a committed revolving credit facility provided by a consortium of seven banks and a working capital facility provided by Orange SA and DT. The continued volatility of worldwide financial markets may make it more difficult for the Group to negotiate or renew its existing sources of debt finance or to secure additional debt funding (either externally or through its shareholders) if additional cash is required from time to time. This could adversely affect the cost of borrowing for the Group and/or the business and operations of the Group.

The Issuer is a special purpose vehicle

The Issuer is a special purpose financing entity. Other than the proceeds of the issuance of the Notes, the Issuer's principal source of funds (if any) will be derived from the Guarantor and the Group. The terms of the Notes do not restrict the ability of the Issuer or the Guarantor to incur further liabilities. Therefore, the Issuer is subject to all the risks relating to income and expenses to which the Guarantor and the Group are subject. Such risks could limit funds available to the Guarantor and the Group, which would in turn affect the financing of the Issuer.

The Group is exposed to interest rate risk, foreign exchange risk and hedging risk

The Group, through its activities, is exposed to market risks which can generate losses as a result of adverse variations in interest rates and/or foreign exchange rates. Failure to hedge effectively against potential adverse variations in interest rates and/or foreign exchange rates could negatively affect the Group's financial results.

The Group is exposed to interest rate risk arising from borrowing on a variable interest rate basis. The Group is financed through long term loans from banks and bond issuances. The interest on its floating rate debt is calculated based on LIBOR or EURIBOR and the Group also has cash assets and loans receivables from joint ventures which are charged at a variable rate. In order to manage its interest rate risk, the Group has a treasury policy of setting a target ratio of fixed to floating rate debt and this target ratio is managed by entering into appropriate interest rate swap contracts with the Group's banks.

The Group is exposed to foreign exchange risk arising when assets and liabilities, including trade receivables and payables, are denominated in a currency other than the Group's functional currency. As at 31 December 2014, the Group had £854 million of long term loans denominated in Euros. The foreign currency risk attached to these loans is managed using cross currency interest rate swaps, effectively swapping the currency denominated principal and interest exposures to the Group's functional currency.

The Group manages and mitigates its exposure to short term foreign currency risk by applying its treasury policy of hedging transactions that are expected to occur within a 12 month period (for example, purchases of inventories for resale and capital equipment).

The Group's financial results may be adversely affected if its hedges do not effectively mitigate interest rate risks or foreign exchange risks, if the Group is under hedged or if a hedge provider defaults on its obligations under the Group's hedging agreements. There can be no assurance that the Group's interest rate hedging arrangements or hedging policy will be effective.

The Group is exposed to counterparty credit risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from financing activities including deposits with banks and its shareholders, foreign exchange transactions and other derivative transactions. Credit risk is the risk of loss resulting from counterparty default arising on all credit exposures. The Group manages its credit risk by generally requiring that customers satisfy creditworthiness criteria. In addition, surplus cash is deposited in accordance with Group treasury policies and, with respect to amounts deposited with eligible counterparties, is subject to approved limits and deposit periods which are reassessed regularly. However, in the case of default by a counterparty, the Group could suffer financial loss and the Group's operational results may be adversely affected.

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 wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain of such features:

Notes subject to optional redemption by the Issuer

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 such Notes is generally unlikely to rise

substantially above the price at which they can be redeemed. This may also 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.

Notes issued at a substantial discount or premium

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

Risks related to Notes generally

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

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. The quorum at any such meeting for passing an Extraordinary Resolution will generally be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented. The quorum at any such meeting for passing an Extraordinary Resolution where the business of the meeting includes the consideration of certain key features of the Notes, including to reduce the amount of principal or interest which is payable, to amend the dates for payment of principal and interest, to modify the provisions of the Terms and Conditions of the Notes relating to Extraordinary Resolutions or to modify the terms of, or to cancel, the Guarantee, will be two or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons holding or representing not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. These provisions permit defined majorities to bind all Noteholders and Couponholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to: (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error; or (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

In addition, the Trustee may, subject to such amendments to the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, agree to the substitution of another company (being the Issuer's successor in business, any subsidiary of the Issuer or its successor in business, the Guarantor or its successor in business, any subsidiary of the

Guarantor or its successor in business or any previous substituted company) as principal debtor under any Notes or the Guarantee (as applicable) in place of the Issuer or the Guarantor (as applicable), in the circumstances described in Condition 11(c) of the Terms and Conditions of the Notes. In such case, payments in respect of the relevant Notes and the Guarantee will be made without withholding or deduction for or on account of taxes of the jurisdiction of incorporation of the entity substituted as principal debtor under the relevant Notes or the Guarantee (as applicable) unless the withholding or deduction is required by law, in which case the substituted entity will pay additional amounts, subject to certain exceptions.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”) and amendments to the Directive adopted by the Council of the European Union on 24 March 2014, European Union (“**EU**”) member states are required to provide to the tax authorities of other EU member states details of payments of interest (or similar income) paid or secured by a person established within its jurisdiction to (or for the direct or indirect benefit of) an individual resident in that other EU member state or certain limited types of entities established in that other EU member state.

For a transitional period, Austria will instead (unless during that period it elects otherwise) operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the “**Amending Directive**”) which would, when implemented amend and broaden the scope of the requirements described above. EU member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The changes will also expand the circumstances in which payments must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or legal arrangement is established or effectively managed outside the EU.

However, the European Commission has proposed the repeal of the Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU member states (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, EU member states will not be required to apply the new requirements of the Amending Directive.

If a payment to an individual were to be made or collected through an EU member state which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, pursuant to the Directive or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced to conform to, such directive, none of the Issuer, any Guarantor, any Paying Agent or any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of

such withholding tax. However, the Issuer and the Guarantor are required, pursuant to Condition 7(e)(vii) of the Notes, to maintain a Paying Agent in an EU member state that is not obliged to withhold or deduct tax pursuant to any law implementing the Directive or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Nevertheless, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Directive, as amended.

A number of non-EU countries and territories have adopted similar measures. The Directive does not preclude EU member states from levying other types of withholding tax.

Integral multiples of less than EUR100,000 (or equivalent)

Although Notes are required under the Programme to have a minimum Specified Denomination of €100,000 (or its equivalent in any other currency), it is possible that the Notes may be traded in the clearing systems in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case, should Definitive Notes be required to be issued, Noteholders who, as a result of trading such amounts, hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is equal to or an integral multiple of a Specified Denomination, otherwise such Noteholders may not receive all of their entitlements in the form of Definitive Notes.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change of English law or administrative practice after the date of issue of the relevant Notes.

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be 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. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes 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 (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes and (iii) 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. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of 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 or withdrawn by the rating agency at any time.

Investors to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer and the Guarantor

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates may be deposited with a common depositary or, if the Global Notes are NGNs or the Global Certificates will be held under the NSS, a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or (as the case may be) Global Certificates. While the Notes are represented by one or more Global Notes, or (as the case may be) Global Certificates, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes or (as the case may be) Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or, for Global Notes that are NGNs or Global Certificates which are held under the NSS, the common safekeeper for Euroclear and Clearstream, Luxembourg. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates 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.

Summary of Provisions Relating to the Notes While in Global Form

1. Initial Issue of Notes

If the Global Notes or the Global Certificates issued in respect of any Tranche are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form or to be held under the new safekeeping structure (“**NSS**”) (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria. Where the Global Notes issued in respect of any Tranche are in NGN form or are held under the NSS, Euroclear and Clearstream, Luxembourg will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility.

Global notes which are issued in classic global note (“**CGN**”) form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository or Common Safekeeper may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer or the Guarantor to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg,

or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer or the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

If the relevant Final Terms indicate that the temporary Global Note may be exchanged for Definitive Notes, trading of such Notes in Euroclear and Clearstream, Luxembourg will only be permitted in amounts which are an integral multiple of the minimum Specified Denomination.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.5 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4. Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4.4 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, then:

- (A) approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of any such clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum (as defined in the Trust Deed) was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (B) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer, the Guarantor and/or the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other Alternative Clearing System, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer, the Guarantor and/or the Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

4.5 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.6 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

4.7 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures 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) or any other Alternative Clearing System (as the case may be).

4.8 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.9 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.10 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.11 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Issuing and Paying Agent the nominal amount of such Global Note that is becoming due and repayable.

4.12 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

Form of Final Terms

Final Terms dated [●]

EE Finance PLC
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by EE Limited
under the £3,000,000,000
[Euro Medium Term Note Programme]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) contained in the Trust Deed dated 28 March 2013 and set forth in the Prospectus dated 15 June 2015 [and the [supplemental] [and/or] [drawdown] Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including Directive 2010/73/EU, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area) (the “**Prospectus Directive**”). 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 such Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the [supplemental] [and/or] [drawdown] Prospectus] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] [and the drawdown Prospectus dated [●]] and incorporated by reference into the Prospectus dated 15 June 2015 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including Directive 2010/73/EU, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area) (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated 15 June 2015 [and the drawdown Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. The Prospectuses [and the drawdown Prospectus] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].]

- | | | | |
|----|------|---------------------|----------------|
| 1. | (i) | Issuer: | EE Finance PLC |
| | (ii) | Guarantor: | EE Limited |
| 2. | (i) | Series Number: | [●] |
| | (ii) | Tranche Number: | [●] |
| 3. | | Specified Currency: | [●] |

4. Aggregate Nominal Amount of Notes: [●]
- [(i) Series: [●]]
- [(ii) Tranche: [●]]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. (i) Specified Denominations: [●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].]
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [[●]/Issue Date/Not Applicable]
8. Maturity Date: [[●]/[Interest Payment Date falling in or nearest to [●]]]
9. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR]/[EURIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
10. Redemption 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 or Redemption Basis: [[●]/[Not Applicable]]
12. Put/Call Options: [Put Option]
[Call Option]
(further particulars specified below)
13. Date Board approval for issuance of Notes and Guarantee obtained: [[●] [and [●], respectively]/[Not Applicable]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-

- annually/quarterly/monthly/[●] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [●]/[not adjusted]
- (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
- (iv) Broken Amount(s): [[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]/[Not Applicable]]
- (v) Day Count Fraction: [30/360 / 360/360 / Bond Basis / Actual/Actual / Actual/Actual - ISDA / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / Actual/Actual-ICMA]
- (vi) Determination Dates: [[●] in each year/[Not Applicable]]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [[●]/[Not Applicable]]
- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [LIBOR/EURIBOR]

	– Interest Determination Date(s):	[•]
	– Relevant Screen Page:	[•]
(x)	ISDA Determination:	
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	– ISDA Definitions:	[2000/2006]
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
(xiv)	Day Count Fraction:	[•]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
	Amortisation Yield:	[•] per cent. per annum

PROVISIONS RELATING TO REDEMPTION

17.	Call Option	[Applicable – The provisions in Condition 6(d) apply/Not Applicable]
(i)	Optional Redemption Amount(s) of each Note:	[[•] per Calculation Amount]/[See Make Whole Optional Redemption Amount]
(ii)	Make Whole Optional Redemption Amount:	[Applicable – The provisions in Condition 6(d) apply/Not Applicable]
(iii)	Make Whole Margin:	[•]
(iv)	Benchmark Stock:	[•]
(v)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount:	[•] per Calculation Amount

- (vi) Notice period: [●]
18. **Put Option** [Applicable – The provisions in Condition 6(e) apply/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- (iii) Notice period: [●]
19. **Change of Control Put Event** [Applicable – the provisions in Conditions 6(f) and 6(g) apply/Not Applicable]
- (i) Redemption at the Option of the Issuer - Condition 6(f):
- Notice period: [Not less than 15 nor more than 30 days' notice]/[●]
- (ii) Redemption upon a Change of Control - Condition 6(g):
- Rating Agency: [Moody's Investors Service España, S.A.] [and,/] [Standard & Poor's Credit Market Services Europe Limited] [and] [●]
20. **Final Redemption Amount of each Note** [●] per Calculation Amount
21. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. **Form of Notes:** **Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive

Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

Registered Notes:

Global Certificate (U.S.\$/€/£ [●] nominal amount) registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)

23. New Global Note: [Yes]/[No]

24. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]

25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]

DISTRIBUTION

26. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/ TEFRA D/ TEFRA not applicable]

THIRD PARTY INFORMATION

[[●]has been extracted from [●]. Each of the Issuer and the Guarantor 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of EE Finance PLC:

By:
Duly authorised

Signed on behalf of EE Limited:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) 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 plc's Regulated Market 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 plc's Regulated Market with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [The Notes to be issued have been rated:
- [S & P: []]
- [Moody's: []]
- [[Fitch: []]]
- [The Notes to be issued have not been rated.]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[●]/[“Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

4. [Fixed Rate Notes only – YIELD]

- 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. OPERATIONAL INFORMATION

- ISIN: [●]
- Common Code: [●]
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société* [Not Applicable/[●]]

anonyme and the relevant
identification number(s):

Delivery:

Delivery [against/free of] payment

Names and addresses of initial
Paying Agent(s):

[•]

Names and addresses of additional
Paying Agent(s) (if any):

[•]

Terms and Conditions of the Notes

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. References herein to Everything Everywhere Finance PLC and Everything Everywhere Limited shall be construed as references to EE Finance PLC and EE Limited, respectively, following the changes of name of each company on 2 September 2013.

The Notes are constituted by an amended and restated Trust Deed (as further amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 28 March 2013 between Everything Everywhere Finance PLC (the "**Issuer**"), Everything Everywhere Limited (the "**Guarantor**") and HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated Agency Agreement (as further amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 28 March 2013 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, HSBC Bank plc as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1. Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that the minimum Specified Denomination of any Notes shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, depending upon the Interest and Redemption Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the

prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2 (b) or (c) shall be provided by the Issuer to the Transfer Agent and the Registrar and shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d) or 6(f), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons. Its obligations in that respect (the "**Guarantee**") are contained in the Trust Deed.

- (b) **Status of Notes and Guarantee:** The Notes and the Coupons constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

4. **Negative Pledge**

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and the Guarantor will ensure that its Material Subsidiaries shall not, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

- (i) **“Guarantor’s Group”** means the Guarantor and its Subsidiaries.
- (ii) **“Material Subsidiary”** means any Subsidiary of the Guarantor:
- (a) whose turnover (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 15 per cent. of the consolidated turnover, or, as the case may be, the consolidated total assets of the Guarantor’s Group taken as a whole, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Guarantor; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Guarantor relate for the purpose of applying each of the foregoing tests, the reference to the Guarantor’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the statutory auditors of the Guarantor for the time being after consultation with the Guarantor; or
 - (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary of the Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately

become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above; except that

- (c) the following companies shall not be considered to be Material Subsidiaries of the Guarantor regardless of whether they satisfy the conditions set out in (a) or (b) above: Everything Everywhere Pension Trustee Limited, Orange FURBS Trustees Limited and Orange Pension Trustees Limited.

A report by two of the directors of the Guarantor that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error or fraud, be conclusive and binding on the Guarantor, the Trustee and the Noteholders.

- (iii) **“Permitted Securitisation”** means any transaction or series of transactions where financial indebtedness is incurred by the Guarantor or any of its Material Subsidiaries in connection with a securitisation of receivables where the recourse of the providers of that financial indebtedness is limited to: (i) those receivables and any defined or identifiable cash flows or assets arising out of the securitisation of such receivables or (ii) if those receivables and any such defined or identifiable cash flows or associated assets comprise all or substantially all of the business of the company incurring such financial indebtedness, the shareholding or other interest of the Guarantor or any of its Material Subsidiaries in such company.
- (iv) **“Relevant Indebtedness”** means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, or are in a legal form which would be capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, save for any such indebtedness which (i) is incurred in relation to a Permitted Securitisation or (ii) which has a maturity of less than one calendar year.
- (v) **“Subsidiary”** has the meaning ascribed to it in section 1159 of the Companies Act 2006.

5. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).
- (b) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the

rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.
 - (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

 - (x) the Floating Rate Option is as specified hereon;
 - (y) the Designated Maturity is a period specified hereon; and
 - (z) the relevant Reset Date is the day specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 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 as determined by the Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period

equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
 - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Make Whole Optional Redemption Amount:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make Whole Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make Whole Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases,

the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make Whole Optional Redemption Amount, the Trustee may do so (or may appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or the agent so appointed by the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.
- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”) and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of

that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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;

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by

the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2000 ISDA Definitions or the 2006 ISDA Definitions, (in each case 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), as specified hereon.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as

each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make Whole Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. Redemption, Purchase and Options

(a) Final Redemption:

Unless previously redeemed or purchased and in each case cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount).

(b) Early Redemption:

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), 6(d) or 6(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), 6(d) or 6(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall

continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or, in each case, any authority thereof or therein having power to tax, 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 (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) 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 the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders and the Trustee shall not be responsible for any loss occasioned by acting on such certificate.

(d) **Redemption at the Option of the Issuer:**

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' (or such other notice period as may be specified hereon) notice to the Trustee and the Issuing and Paying Agent and to Noteholders in accordance with Condition 16 (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all or, if so provided, some of the Notes. Any such redemption of

Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above), or, if so specified hereon, shall be at the Make Whole Optional Redemption Amount, in each case, together with interest accrued up to (but excluding) the date of redemption of the Notes. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as the Trustee may approve, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The “**Make Whole Optional Redemption Amount**” shall be the higher of (a) the principal amount outstanding of the Notes and (b) the principal amount outstanding of the Notes multiplied by the price (as reported in writing to the Issuer, the Guarantor and the Trustee by an independent and internationally recognised financial adviser appointed by the Issuer and the Guarantor and approved by the Trustee) at which the Gross Redemption Yield on the Notes on the Calculation Date is equal to the Gross Redemption Yield at (i) if the Specified Currency is Sterling, 11.00 a.m. (London time) on the Calculation Date of the Benchmark Stock specified hereon or (ii) if the Specified Currency is euro, 11.00 a.m. (Central European time) on the Calculation Date of the Benchmark Stock specified hereon or (iii) if the Specified Currency is neither Sterling nor euro, 11.00 a.m. in the principal financial centre of the Specified Currency on the Calculation Date of the Benchmark Stock specified hereon, (or, where such financial adviser advises the Issuer, the Guarantor and the Trustee that, for reasons of illiquidity or otherwise, such Benchmark Stock is not appropriate for such purpose, such other government stock as such financial adviser may recommend) plus the Make Whole Margin specified hereon. For such purposes, “**Calculation Date**” means the date which is the second Business Day (where the Specified Currency is euro, such Business Day also being a Business Day in Frankfurt) prior to the date fixed for redemption of the Notes and “**Gross Redemption Yield**” means a yield calculated in accordance with generally accepted market practice at such time, as advised to Issuer, the Guarantor and the Trustee by such financial adviser.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above) together with interest accrued to the date fixed for redemption).

To exercise the Put Option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying

Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and the Put Option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption at the Option of the Issuer upon a Change of Control:** If Change of Control Put Event is specified hereon and 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to Condition 6(g), the Issuer may, on giving not less than 15 nor more than 30 days' (or such other notice period as may be specified hereon) notice to the Trustee and the Issuing and Paying Agent and to Noteholders in accordance with Condition 16 (which notice shall be irrevocable and shall specify the date fixed for redemption) and such notice being given on or after, and by no later than 30 days following, the Change of Control Put Date, redeem all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued up to (but excluding) the date fixed for redemption.

- (g) **Redemption at the Option of Noteholders upon a Change of Control:**

If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur if:

- (i) (a) at any time any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than the Guarantor or any holding company (as defined in Section 1159 of the Companies Act 2006 as amended) of the Guarantor whose shareholders are, or are to be, substantially the same as the pre-existing shareholders of the Guarantor, acquires control of the Guarantor (where "**control**" means the acquisition or holding beneficially by any person or persons of more than 50 per cent. of the issued share capital of the Guarantor, excluding any part thereof that does not carry the right generally to vote at a general meeting of shareholders of the Guarantor); or
- (b) Deutsche Telekom AG and France Telecom SA cease to be the beneficial owners, directly or indirectly through subsidiaries which they control (where "control" has the meaning set out in condition 6(g)(i)(a)), of (in aggregate) more than 30 per cent. of the issued share capital of the Guarantor, excluding any part thereof that does not carry the right generally to vote at a general

meeting of shareholders of the Guarantor (each of (a) and (b) being a “**Change of Control**”); and

- (ii) on the date of the first public announcement of the relevant Change of Control (if any) (the “**Relevant Announcement Date**”), the Notes carry:
- (A) an investment grade credit rating Baa3/BBB-, or their respective equivalents, or better), from any Rating Agency at the invitation of the Issuer or the Guarantor and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating Ba1/BB+, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn by each such Rating Agency and is not, within the Change of Control Period, subsequently reinstated or (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency; or
 - (B) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer or the Guarantor and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from Ba1 to Ba2 or such similar lowering) or withdrawn by each such Rating Agency and is not, within the Change of Control Period, subsequently reinstated or (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency; or
 - (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if at the time of the Relevant Announcement Date the Notes carry a credit rating from more than one Rating Agency at the invitation of the Issuer or the Guarantor, at least one of which is investment grade, then sub-paragraph (A) will apply and sub-paragraph (B) will not apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (A) or (B) above or not to award a credit rating 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 or the Guarantor that such decision(s) resulted to a significant extent from the occurrence of the Change of Control.

Promptly upon the Guarantor becoming aware that a Change of Control Put Event has occurred the Guarantor shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 16 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 must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed change of control put option exercise notice ("**Change of Control Put Option Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the period (the "**Change of Control Put Period**") of 30 days after a Change of Control Put Event Notice is given. No Note or Certificate so deposited or Change of Control Put Option Exercise Notice may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

If the rating designations employed by any Rating Agency are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, the Issuer and the Guarantor shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of that Rating Agency as are most equivalent to the prior rating designations of that Rating Agency, and this Condition 6(g) shall be construed accordingly.

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, or to seek any confirmation from any Rating Agency pursuant to paragraph (iii) above or pursuant to the definition of Negative Rating Event below, 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.

In this Condition 6(g):

"**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 the 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);

"**Change of Control Put Date**" means the date which is seven days after the expiration of the Change of Control Put Period;

a "**Negative Rating Event**" shall be deemed to have occurred if at such time as there is no credit rating assigned to the Notes by a Rating Agency (i) the Guarantor 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 any other unsecured and unsubordinated debt of the Guarantor or of the Issuer or of any subsidiary of the Guarantor which is guaranteed on an unsecured and unsubordinated basis by the Guarantor and which has an original maturity of at least the same tenor as the Notes or (ii) if the Guarantor does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade by the end of the Change of Control Period; and

“Rating Agency” means each rating agency as specified hereon and their successors and assigns.

- (h) **Purchases:** Each of the Issuer, the Guarantor and their Subsidiaries as defined in the Trust Deed may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7. Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank. **“Bank”** means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
 - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the **“Record Date”**). Payments of interest on each Registered Note shall be made in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively

precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to Laws:** All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make Whole Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of

such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon or any payment under the Guarantee:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Make Whole Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

9. Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter 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), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** default is made for more than 30 days (in the case of interest) or 15 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which non-performance or non-compliance is incapable of remedy or, if in the reasonable opinion of the Trustee such non-performance or non-compliance is capable of remedy, is not in the reasonable opinion of the Trustee remedied within 30 days after notice of such non-performance or non-compliance shall have been given to the Issuer or the Guarantor by the Trustee; or
- (c) **Cross-Default:** (A) any other present or future indebtedness of the Issuer or the Guarantor or any Subsidiary of the Guarantor for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default or event of default (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or the Guarantor or any Subsidiary of the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided, in each case, that (i) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds £50,000,000 or its equivalent in the relevant currency (as determined by the Trustee) and (ii) no event mentioned above in this Condition 10(c) shall be deemed to have occurred so long as the Issuer or the Guarantor satisfies the Trustee that the Issuer, Guarantor or relevant Subsidiary is contesting in good faith whether the relevant indebtedness, guarantee or indemnity has become due and payable and, in respect of which, the Trustee shall be entitled to rely on a certificate signed by two directors of the Guarantor; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or the Guarantor or any Material Subsidiary of the Guarantor

and is not discharged or stayed within 90 days or such longer period as the Trustee may in its discretion approve; or

- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any Material Subsidiary of the Guarantor becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) unless proceedings relating to such enforcement are discharged or stayed within 90 days or such longer period as the Trustee may in its discretion approve; or
- (f) **Insolvency:** any of the Issuer or the Guarantor or any Material Subsidiary of the Guarantor is (or is deemed within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986 to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a material part of the debts of the Issuer, the Guarantor or any Material Subsidiary of the Guarantor; or
- (g) **Winding-up:** an administrator is appointed an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Guarantor or any Material Subsidiary of the Guarantor, or the Issuer or the Guarantor or any Material Subsidiary of the Guarantor shall apply or petition for a winding-up or administration order in respect of itself or shall cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor or another Subsidiary of the Guarantor; or
- (h) **Ownership:** the Issuer ceases to be wholly-owned and controlled by the Guarantor; or
- (i) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in either of paragraphs (f) or (g); or
- (j) **Guarantee:** the Guarantee is not (or is claimed by or on behalf of the Guarantor not to be) in full force and effect,

provided that in the case of paragraphs (b), (d), (e) (and, in relation to a Material Subsidiary only, paragraphs (f) and (g)), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

11. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the

sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Make Whole Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed and/or the Agency Agreement that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed and/or the Agency Agreement that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the

Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary as defined in the Trust Deed of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or Guarantor, or of any previous substituted company, as principal debtor or Guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings or take any step or action against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in respect of all costs, claims, expenses and liabilities to or for which it may, in its opinion, become liable. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including relieving it from responsibility for taking proceedings or taking any step or action unless it has been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report,

confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

14. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in London (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

15. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

17. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Notes, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons or the Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

Use of Proceeds

The Issuer intends to use the net proceeds from each issue of Notes for general corporate purposes of the Group, including but not limited to, the repayment of indebtedness.

Description of the Issuer and the Group

Background

The Issuer was incorporated as Everything Everywhere Finance plc as a public limited company in England and Wales on 11 November 2011 under the Companies Act 2006 with registration number 7844526. On 2 September 2013, the Issuer was renamed EE Finance plc. The registered office of the Issuer is at Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9BW and its telephone number is 01707 315000.

The Issuer is a wholly owned subsidiary of the Guarantor, which was incorporated as T-Mobile UK Limited as a private limited company in England and Wales on 10 May 1989 under the Companies Act 1985 with registration number 02382161. The registered office of the Guarantor is at Trident Place, Mosquito Way, Hatfield, Hertfordshire AL10 9BW and its telephone number is 01707 315000.

The Guarantor, together with its subsidiary undertakings (including the Issuer), joint ventures, associated undertakings and investments, are collectively referred to as the “**Group**”. The Guarantor is, directly or indirectly, the holding company of all the companies in the Group as well as being the Group’s principal operating company. The Issuer acts as a financing vehicle for the Group and has no other operations or subsidiaries.

The Group was formed following the announcement in September 2009 by Orange S.A. (formerly France Telecom S.A) (“**Orange SA**”) and Deutsche Telekom AG (“**DT**”) that they had agreed to combine their respective UK mobile businesses, which operate under the brand names Orange and T-Mobile.

European Commission merger clearance was achieved in March 2010 and the joint venture completed on 1 April 2010, with the Guarantor as its parent company. European Commission merger clearance was conditional upon:

- the amendment of the Guarantor’s joint venture agreement with Hutchison; and
- the divestment of one quarter of the combined network spectrum of the Orange and T-Mobile businesses in the 1800 MHz frequency band (one of the three frequency bands used in UK mobile telecommunications) prior to the auction and release of new spectrum by Ofcom,

as discussed further below.

On 1 July 2010, TMUK was renamed Everything Everywhere Limited and all of the assets, liabilities, undertaking and employees of Orange SA’s and DT’s UK mobile businesses were, to the extent not already transferred, transferred to it. On 2 September 2013, the Guarantor was renamed EE Limited. The Guarantor trades under the brand names EE, Orange and T-Mobile. The average number of full-time staff employed by the Group under contracts of service in 2014 was 12,566 people.

The shares in the Guarantor are indirectly owned 50 per cent. by DT and 50 per cent. by Orange SA, subject to the provisions of a joint venture agreement in place between DT and Orange SA. The joint venture agreement provides for each shareholder to have the right to appoint directors to the Board of Directors of the Guarantor and that the Group’s business activities, corporate structure and financing arrangements cannot be materially amended without the consent of both shareholders. It also includes dispute resolution provisions which would apply where the shareholders were unable to agree on a

material matter, under which the matter would be considered by senior management within each shareholder and, if agreement could not be reached, would be escalated to the Chief Executive Officers of the shareholders. Whilst the joint venture agreement contains provisions dealing with the disposal by either or both shareholders of their interest in the Group, the Group is not aware of any current intention to activate those arrangements, or any other similar arrangements between the shareholders, the operation of which may result in a change in control of the Issuer.

In October 2012 the Group introduced a new customer brand, EE, which was combined with the launch of 4G mobile telecommunications services, initially utilising its 1800 MHz spectrum and then utilising additional spectrum acquired subsequently. In October 2014, the Group launched a new TV service, EETV, using its fixed broadband capability and set top boxes. The Group continues to serve existing customers on Orange and T-Mobile plans in addition to EE.

On 5 February 2015 DT and Orange SA agreed to sell the Group to BT, based on an enterprise value of £12.5 billion, subject to approval by the shareholders of BT (granted at the BT EGM on 30 April 2015) and merger clearance, in particular from the UK Competition and Markets Authority (the “**Acquisition**”). The Acquisition is expected to complete before the end of August 2016. DT and Orange SA have agreed that until the completion of the Acquisition (or a termination of the sale process), they shall procure that EE:

- (a) carries on its business in the ordinary course and exercises such rights as it has to procure that the affairs of Mobile Broadband Network Limited are carried on in the ordinary course; and
- (b) does not, without the prior consent of BT (except in relation to certain projects of EE agreed with BT around the time of entry into the sale agreement):
 - (i) make any material acquisitions or disposals of assets or properties;
 - (ii) enter into or alter any material contracts except in the ordinary course of business;
 - (iii) enter into or alter any existing material arrangements with the DT or Orange SA groups;
 - (iv) incur any new material indebtedness or incur any new material guarantee obligations or, except in the ordinary course, indemnity obligations;
 - (v) agree to any change in the terms of the existing investment strategy or, except in limited circumstances, the funding basis of the EE defined benefit pension scheme;
 - (vi) agree any surrender of, or take any action which could prejudice the use of, the Group’s tax losses;
 - (vii) enter into or settle any material litigation or other material dispute;
 - (viii) acquire any wireless spectrum; or
 - (ix) make any fundamental changes to the network technologies or principal billing systems of the Group; and/or
 - (x) perform a number of further actions, including: changing the material general terms of employment of its employees; adopting or materially amending any employee benefit, bonus or profit sharing scheme; materially changing its pension and retirement arrangements for employees; declaring a dividend (except in accordance with EE’s 2015 budget) which would result in the DT cash consideration being less than zero;

issuing or encumbering shares; or making changes to its accounting policies, constitutional documents or corporate group structure.

Introduction to Principal Activities

The Group, which operates exclusively in the UK, is the UK's largest mobile communications provider with around 31 million connections and a mobile subscriber market share of approximately 32 per cent. as at 30 September 2014, according to Enders' UK mobile market Q3 2014 report published by Enders in December 2014. The Group offers mobile services (consisting of voice, messaging and data services), fixed broadband and TV services to retail and wholesale customers as well as to businesses through multiple telecommunications technologies and across the UK's largest mobile network. The Issuer acts as a financing vehicle for the Group and has no other operations or subsidiaries.

The Group's total revenues in 2014 were £6.3 billion (source: Group Consolidated Financial Statements as at 31 December 2014), of which its mobile service revenues were £5.6 billion (source: Group Consolidated Financial Statements as at 31 December 2014). This includes the impact of regulatory changes across several revenue streams, including: the reduction in the permitted charges for usage whilst roaming within the EU, the reduction in mobile termination rates and a reduction in charges for calls made to 084 and 087 numbers (see further "*Risk Factors – Regulatory decisions and changes in the regulatory environment could adversely affect the Group's business*" above). Including the impact of such regulation, the Group's mobile service revenues were down 2.0 per cent. in the full year 2014 as compared to the full year 2013. Adjusted EBITDA in the full year 2014 was £1.6 billion and the adjusted EBITDA profit margin was 25.1 per cent. (source: Group Consolidated Financial Statements as at 31 December 2014).

On 27 April 2015, EE issued its unaudited first quarter 2015 trading statement, disclosing turnover for the first quarter of 2015 of £1,541 million, down 0.5 per cent as compared to the first quarter of 2014. Operating revenue for the first quarter of 2015 was £1,469 million, down 1.1 per cent as compared to the first quarter of 2014.

Business overview

Competitive landscape

The Group operates exclusively in the UK, which is the world's sixth largest economy and the third largest in Europe, behind Germany and France (source: the World Bank GDP Ranking Table).

According to the "Communications Market Report" published in August 2014 by the UK communications regulator Ofcom, the number of UK mobile connections fell in 2013, declining by 0.4 per cent. year-on-year to 83.1 million. This was mainly due to increasing smartphone take-up, which reduces the need for a separate mobile broadband service and, together with the high handset prices for many smartphones, means that consumers are less likely to have more than one handset subscription for their personal use. According to the report, the percentage of subscribers on post-pay tariffs (as opposed to pre-pay) has risen steadily since 2006, reaching 56 per cent. by the end of 2013. The report highlights that UK mobile retail revenue decreased by 2.0 per cent. year-on-year to £15.6 billion, driven by the falling SMS and MMS volumes, as increasing smartphone take-up enables more users to access alternative communication methods such as email and instant messaging.

Ofcom estimated that over 44 million UK subscribers accessed the internet via their mobile phones in 2013, an increase of over 14 million subscribers since 2011. Growth in smartphone and tablet computer take-up was reflected in consumers' use of mobile data, as the volume of data consumed

grew by 53 per cent. in the twelve months to June 2014 compared with the 12 months to June 2013, and 57 per cent. of adults claimed to have used data on a mobile phone in the first quarter of 2014; an eight per cent. increase on the same period in 2013, based on sources quoted by Ofcom.

Investment in mobile networks has continued and all four UK mobile network operators (“**MNOs**”) have deployed 4G networks. In October 2012, the Group was the first UK MNO to launch 4G services commercially in the UK, using its existing 1800 MHz spectrum to deliver 4G services. The other three MNOs launched commercial 4G services in late 2013 following the completion of the auction of radio spectrum on 1 March 2013. The additional spectrum acquired by the Group (2 x 5 MHz of 800MHz and 2 x 35 MHz of 2,600 MHz) added to the Group’s existing 2 x 45 MHz of 1,800 MHz and 2 x 20MHz of 2,100 MHz spectrum makes the Group’s spectrum holdings for mobile telecommunications services the largest in the UK (according to Enders’ UK 4G spectrum auction report published by Enders on 21 February 2013).

The first major customer proposition of the Group after its formation was launched in October 2010, with the introduction of 2G national roaming across both brands’ networks. This allowed customers to utilise the network coverage of either the Orange or T-Mobile brands. Subsequently, in October 2012, the Group launched a new mobile brand “EE” and deployed the first 4G network in the UK providing superfast services covering, as at the date of this Prospectus, over 87 per cent. of the population and over 9.3 million 4G EE customers.

Mobile services

The Group’s mobile services are sold under two types of arrangements: “pay as you go” services (“**PAYG**” also referred to as prepaid services), which typically involve the customer purchasing equipment (such as handsets) from the Group (at minimal or no discount) at the point of connection and then pre-paying for products and services which are charged at different rates, and “pay monthly” services (“**PAYM**” also referred to as post paid services), where customers typically sign a fixed term contract for the use of products, services and equipment with line rental charges being billed monthly in advance and additional services not included in the tariff bundle being billed monthly in arrears. In return for the contractual commitment the customer receives a discounted device and a bundle of included voice call minutes, text messages and a data allowance.

The Group continues to focus on improving customer loyalty and reducing “churn” (defined as the number of customers leaving the customer base divided by the average customer base) and there was a 3.8 per cent. increase in the PAYM customer base over the course of the 2014 calendar year. PAYM customer churn was maintained at or below 1.2 per cent. (monthly average in the quarter) throughout 2014. The low level of churn was assisted by a number of initiatives in 2014 which were aimed at improving customer mobile experience. These initiatives included further extending the range of 4G tariffs, launching a range of affordable own-branded 4G devices, including the Kestrel smartphone and Eagle tablet and 4G network improvements which extended coverage to almost 81 per cent. of the population by the end of 2014. Consequently, EE was recognised as the number one UK mobile network in independent tests by Ofcom, together with RootMetrics and P3 Mobile Benchmark UK (“**P3**”) (companies which offer scientifically collected and crowdsourced mobile network performance information to consumers and the industry).

As at 31 December 2014, the Group had 9.6 million PAYG subscribers and 14.9 million PAYM subscribers, with average monthly revenues per customer of £4.50 and £28.70, respectively. PAYM customers at 31 December 2014 represented 61 per cent. of the Group’s mobile customer base excluding machine to machine, up from 58 per cent. as at 31 December 2013.

The Group offers a broad device portfolio to its customers. The range includes handsets, mobile broadband and wireless internet access devices, tablet computers and other computer products from many of the world's leading manufacturers. Many devices are specifically tailored to the Group's network to deliver enhanced performance of the device, connectivity and service, thereby optimising customer experience and maximising revenue-generation potential. The device portfolio is complemented by a wide range of accessories to support customers' requirements.

Post paid tariffs are split into two groups: 4GEE plans and 4GEE Extra plans. Both plans include tiered data bundles and unlimited voice and texts. However, the 4GEE Extra plans benefit from double speed 4G connectivity and double the data bundles of the equivalent 4GEE plans, and also include international roaming allowances. 4GEE Extra plans are available for a £3 premium over 4GEE plans. In the first quarter of 2015 the Group stopped connecting new customers to Orange and T-Mobile tariffs, with all new customers connected to EE tariffs.

Mobile virtual networks

The Group's network provides mobile services to additional subscribers by making its network available to a number of MVNOs. Under the Group's arrangements with MVNOs, the Group permits other mobile telecommunications operators to use the Group's network to route calls to and from their customers. The Group has the UK's largest MVNO portfolio by number of subscribers, which currently enables 31 MVNO brands, including BT and ASDA, who entered into contracts with EE for the provision of services for their MVNOs in 2014.

Among the Group's MVNO partners is one of the largest MVNOs in the UK market, Virgin Mobile, with respect to the number of connections and total revenue. The Group's MVNO arrangements with Virgin Mobile have been in place since 2004 and the exclusive provision of such services was extended on a long term basis on 21 October 2013. Virgin Mobile purchases a fixed bundle of voice call, text message and data capability from the Group as well as using the Group's retail billing services. The number of active Virgin Mobile customers (being those that have made a telephone call in the last 30 days) as at 31 December 2014 was around 3 million.

Other business areas

The Group also participates in other areas of the mobile telecommunications and personal technology sector, such as mobile and value added services to businesses, automated machine to machine communications (with 1.9 million connections as at 31 December 2014), targeted marketing by text message or other mobile media and mobile transactions such as contactless payment services. These are all areas where the Group intends to increase its market share.

The Group offers a wide range of mobile and value added services to business customers who range from small business to multi-national corporations, and has built a strong partnering network and has access to Orange SA's and DT's global roaming relationships, putting the Group in a position to benefit from international growth in machine to machine communications. Having adopted a multi-channel approach utilising both direct (through the Group's own sales channels) and indirect (through so-called "aggregators") distribution, the Group has achieved approximately 17 per cent. year-on-year growth in 2014 to 1.9 million connections (as compared to 1.6 million connections in 2013). The Group's target markets include: utilities, health, consumer electronics, automotive and insurance telematics. The Group has also developed managed service solutions to better target and serve the smart logistics and retail sectors with the end-to-end provision of network, devices and data services.

Retail stores and customer service

The Group currently operates approximately 560 stores across the UK, selling products and services from the EE brand. This includes approximately 50 former Phones 4U stores acquired in October 2014.

The Group also has a significant online presence with mobile tariffs and devices available, together with fixed or mobile broadband and TV. Online customer service is also a key customer service capability with customers able to self-serve via personalised portals.

During the year ended 31 December 2014, the Group employed an average of 7,078 people in its customer care and administration organisation and operates its centres domestically in Darlington, North Tyneside, Plymouth, Doxford, Greenock and Merthyr Tydfil. The Group also partners with recognised specialist companies in the provision of customer service onshore and internationally. In February 2014, the Group announced plans to deliver industry-leading customer service by increasing UK-based customer service resources with over 1,000 new customer service roles to be created in the UK over the next 2 years to 2016.

The EE brand is also sold through indirect channels, including by telecommunications specialists such as Dixons Carphone, as well as general retail outlets such as ASDA and Argos.

Branding

In October 2012, the Group introduced a new customer brand, EE, and continues to serve existing customers on the Orange and T-Mobile plans. In the first quarter of 2015 the Group stopped connecting new customers to Orange and T-Mobile tariffs, with all new customers connected to EE tariffs.

Network information

The Group has the UK's biggest mobile network with around 20,000 base stations in the UK, which includes 2G, 3G and 4G equipment supporting the EE, Orange and T-Mobile customers. The Group continues to invest in its networks (2G, 3G and 4G) to remain competitive.

In December 2007, the Guarantor and Hutchison signed a network sharing agreement with the aim of achieving national wireless broadband coverage by sharing elements of their separate mobile networks in order to establish a shared network to be used by each of them in connection with their differentiated 3G businesses. This was further extended in early 2014 to cover network enablers for the Guarantor's and Hutchison's 4G networks.

A key element of the assimilation of the Orange and T-Mobile businesses is the ongoing integration of the two networks. Work on this continues and the integration of the network has driven considerable cost savings as part of the Group's overall synergy plan.

On 30 October 2012, the Group launched the UK's first 4G network using its existing 1800 MHz radio spectrum. As at 31 December 2014, the 4G network provided almost 81 per cent. outdoor population coverage, with double speed 4G available to over 60 per cent. of the population and 4G+ (using multiple frequencies in carrier aggregation) in central London. Independent benchmarking by Ofcom, RootMetrics and P3 ranked EE number one for overall performance of any UK network in 2014.

The Group holds 105MHz of paired mobile spectrum, at 800MHz, 1,800MHz, 2,100MHz and 2,600MHz frequencies along with 10MHz of 1,900MHz unpaired spectrum. EE's closest competitors, Telefonica UK Limited and Vodafone Limited, hold in total 45MHz and 80MHz of paired mobile spectrum, respectively. The Group's additional spectrum gives it the capacity to carry more voice and data traffic than its competitors, and by combining spectrum from the different frequencies it holds, it is able to offer higher data speeds as well. EE's spectrum advantage will also help maintain the Group's network advantage.

On 18 December 2014 the Group and the three other UK mobile operators; Hutchison, Telefonica UK Limited and Vodafone Limited, reached an agreement with the UK Government that each would provide 90 per cent. geographic coverage for voice calls and text messaging capabilities by 2017.

Fixed broadband

On 14 April 2010, Orange Personal Communications Services Limited ("**OPCS**") entered into a 6 year non-exclusive agreement with BT to outsource to BT: (i) the provision and operation of fixed telecommunications (i.e. land line services); (ii) broadband services to the Group's customers; and (iii) the migration of existing Orange broadband customers to a new broadband services platform operated by BT.

This agreement was novated on 1 November 2010 to the Guarantor following the transfer of the trade and assets of OPCS to the Guarantor on 1 July 2010.

Under the terms of the agreement BT committed to launch next generation broadband services and as a result the Group launched fibre broadband services on 30 October 2012, so that the Group's customers can take advantage of the greater speed and capacity afforded by fibre optics. The agreement will enable the Group to operate a multiple brand strategy with separate services and pricing options.

The Group's fixed broadband service is now marketed under the EE brand and, from October 2012, the service "superfast" fibre broadband was made available to EE customers in certain areas. The Group has outsourced the operation and management of the IT and network functions for fixed broadband to BT. The Group has turned around its fixed broadband business and is aiming to increase its market share.

In October 2014 EETV was launched for new and existing EE fixed broadband customers, comprising a TV smart box with a smartphone user interface and multi-record, multi-screen functionality.

As at 31 December 2014, the Group's fixed broadband service had approximately 834,000 subscribers.

IT Outsourcing Agreement with T-Systems

An agreement was signed by the Guarantor and T-Systems Ltd (a subsidiary of DT) on 18 March 2011 for the outsourcing of the IT data centre infrastructure operations, IT design and IT management operations that support both the Orange and T-Mobile brands of the Group's business to T-Systems Ltd. The agreement is for a total of eight years and includes a three year transformation programme of the Guarantor estate. The Group transferred 161 employees to T-Systems Ltd as a result of this agreement. Key licence ownership will remain with the Guarantor.

Regulation

The Group's activities are regulated in accordance with general UK law and sector specific regulation. Broadly speaking, the regulation of communications in the UK is derived from European law and the regulatory framework was updated in the UK in May 2011.

The primary regulator is Ofcom, which is responsible for both communications and radiocommunications regulation, pursuant to the Communications Act 2003 and the Wireless Telegraphy Act 2006.

Ofcom's key regulatory instruments in relation to the Group's activities are: (i) significant rights to regulate the exercise of market power in relation to wholesale mobile voice termination rates; and (ii) the ability to regulate mobile spectrum licences.

The Group is also regulated by Phonepay Plus in respect of premium rate telecommunications services.

Non-Geographic Numbers

Since 2009, the Group was in dispute with BT about termination charges introduced by BT for calls to numbers known as non-geographic numbers, including 080, 0845 and 0870 numbers. BT has since 2009 introduced a form of charging, described as ladder charges, whereby the termination rate increases with increases in the retail calling rate. The Group initially raised a number of disputes with Ofcom, together with other mobile operators, objecting to these ladder charges. Ofcom found for the mobile operators and BT appealed to the Competition Appeal Tribunal. BT was successful before the Competition Appeal Tribunal and the mobile operators then appealed successfully to the Court of Appeal. In July 2014, BT successfully appealed the Court of Appeal's judgment to the Supreme Court with the Supreme Court issuing its final order on the case in December 2014. In the meantime, BT has introduced further forms of ladder charging covering all non-geographic numbers and a number of other fixed operators have also introduced forms of ladder charging. The Group has generally not made payment in accordance with these ladder charges. However, following the Supreme Court decision in BT's favour, EE has now reached confidential agreements with two operators regarding claims related to the non-geographic number dispute. The Group has provisioned financially for any payments due as a result of ladder charges, taking into account legal advice received. The amount which has been provisioned is not material to the financial position of the Group. In December 2013, Ofcom published its decision on new arrangements for charging calls made to non-geographic numbers (i.e. numbers starting with 080, 084, 087, 09 and 118). The combined impact of these proposals may lead to a reduction in the Group's revenue and EBITDA for such calls from July 2015, when the reforms come into effect.

Joint Ventures

Digital Mobile Spectrum Limited ("**DMSL**") is a joint venture between the Guarantor, Hutchison, Telefonica UK Limited and Vodafone Limited. The company was incorporated on 10 October 2012 with each shareholder subscribing to one £1 ordinary share. The company was set up to undertake activities to mitigate interference to digital terrestrial television reception which may arise as a consequence of the use of 800 MHz spectrum which was licensed following an auction in February 2013. It is a condition of the 800 MHz licences awarded in the auction that the licensees undertake these mitigation activities through this industry operated entity. For each 5 MHz paired block of 800 MHz spectrum awarded, the licensees are required to commit to contribute up to £30 million to cover

the costs of DMSL. The Group acquired 2 x 5 MHz of 800 MHz spectrum in the auction and consequently will be required to contribute up to a total of £30 million. By the end of 2014, EE had made total payments of £12 million. In December 2007 the Guarantor established a joint operation, Mobile Broadband Network Limited (“**MBNL**”), with Hutchison pursuant to which both companies share their respective mobile 3G radio access networks. The parties are committed to a long term agreement and in February 2010 the term was extended to December 2031. In December 2013, an agreement was signed, which set out a five year investment plan for MBNL. The key principles of the joint operation are that:

- radio access network equipment is consolidated (i.e. one set of equipment is used to operate the two networks);
- 3G equipment and shared sites are owned (directly or indirectly) on a 50:50 basis and there is a pre-defined cost sharing ratio; and
- Orange sites, retained in the course of the integration of the Orange and T-Mobile networks and owned by the Guarantor, will supplement the shared network.

There is also flexibility through “unilateral deployment” to deploy future technologies and capacity upgrades on an unshared basis (at each party’s own cost).

Costs are generally shared between the parties on a 50:50 basis, however, the Guarantor does pay some additional costs for its 2G radio access network. The operating costs of the network include rent, rates, electricity and annual site maintenance. However, each party bears its own costs directly attributable to any non-shared sites. Transmission costs are provided on a lowest cost basis. In addition, MBNL charges the Group fees in relation to the management and use of the shared network.

MBNL does not own the network assets, other than the backhaul transmission assets and the microwave backhaul licences. MBNL holds microwave spectrum licences at 10GHz, 28GHz and 40GHz for the backhaul transmission network (being the transport network which carries traffic between the mobile base stations and the control and switching elements located deeper in the network) and there is currently no other commitment to acquire or deploy any spectrum on a joint basis. At the end of 2014, MBNL managed, on behalf of EE, a 2G network covering more than 99 per cent. of the UK population and for 3G coverage, the percentage was 98 per cent.

MBNL is a small organisation with approximately 148 employees which manages the legacy T-Mobile and Hutchison network estate and outsourced suppliers for the maintenance and support of the networks. MBNL passes to the Guarantor and Hutchison substantially all network operating costs according to agreed cost sharing rules.

MBNL is funded by £20 million share capital, fully paid, and a revolving shareholder loan facility. Interest is based on LIBOR plus a margin of 1.75 per cent., paid quarterly. The loan facility was extended for a further 5 years to 18 December 2017 and the amount that may be drawn down from each of the Guarantor and Hutchison was increased to £186 million in September 2012. The total amount drawn down against the Guarantor shareholder loan as at 31 December 2014 is £151 million.

DT also provides a guarantee to Hutchison to a maximum value of £750 million to guarantee the Guarantor’s obligations as a shareholder in respect of any liability incurred by the Guarantor under the MBNL joint operation.

Merger clearance requirements

During 2012, the Guarantor divested to Hutchison 3G UK Limited, the 2x15 MHz block of 1800 MHz spectrum that it was required to sell in order to secure merger clearance from the EC in relation to the establishment of the EE joint venture. The Guarantor was able to continue using such spectrum, in the case of 2 x 10 MHz until the end of September 2013 and in the case of the final 2 x 5 MHz until the end of September 2015. Once it has ceased using all such spectrum all conditions placed on Orange SA and DT by the EC to secure merger clearance will have been satisfied.

Share Capital

The Issuer

As at 31 December 2014, the issued share capital of the Issuer comprised 50,000 ordinary shares of £1.00 each, all of which are fully paid. All shares in the Issuer are held by the Guarantor. The Issuer knows of no arrangements, the operation of which may at a subsequent date result in a change of control of the Issuer.

The Guarantor

As at 31 December 2014, the issued share capital of the Guarantor comprised 11,025,153 ordinary A shares of £1.00 each, all of which are fully paid and all of which were held by T-Mobile Holdings Limited and 11,025,153 ordinary B shares of £1 each, all of which are fully paid and all of which were held by Orange Telecommunications Group Limited.

Financial and dividend policies

The Guarantor's financial policy includes maintaining, in the medium term, a leverage ratio below 1.75-2.0 times Net Debt to EBITDA (based on the Group's consolidated accounts). The Guarantor's general dividend distribution policy is to pay to its shareholders, Orange Telecommunications Group Limited ("**OTGL**"), the UK subsidiary of Orange SA, and T-Mobile Holdings Limited, the UK subsidiary of DT, 90 per cent. of cash flow. Dividends of £551 million were paid in 2014, and in March 2015 a dividend of £406 million was declared and paid.

Related party transactions with Orange SA and DT

Orange SA and DT both charge the Group for a series of services, including information technology and network ("**IT&N**") support and licences, management fees, and international roaming charges. In addition, royalty fees are charged for the use of the T-Mobile and Orange brands. Net charges for related party transactions with Orange SA and DT in the period 1 January 2014 to 31 December 2014 amounted to £292 million.

In 2012, Orange SA and DT announced the creation of a procurement joint venture (called Buyin) that manages the procurement of terminals and mobile network equipment for both companies and their subsidiaries as well as the Group. The Group has benefited from the purchasing scale of the joint venture.

Orange SA charges the Group for a series of services including information, technology and network support and licences, management fees, and international roaming charges. In addition a royalty fee is

charged for the use of the Orange brand. Total net charges for 2014 amounted to £94 million (and total net charges for 2013 amounted to £83 million).

Working capital funds deposited with Orange SA totalled £179 million at 31 December 2014 (and at 31 December 2013 totalled £181 million). Interest is received from Orange SA on an arm's length basis and was a negligible amount for the year ended 31 December 2014 (interest received in 2013 was negligible).

DT charges the Group for a series of services including information and communications technology ("ICT") outsource fees pursuant to an ICT contract with T-Systems Limited, IT&N support, network services, management fees, and international roaming charges. In addition a royalty fee is charged for the use of the T-Mobile brand. Total net charges for the year ended 31 December 2014 amounted to £198 million (and for the year ended 31 December 2013 amounted to £198 million).

Working capital funds deposited with DT totalled £179 million as at 31 December 2014 (and as at 31 December 2013 totalled £181 million). Interest is received on an arm's length basis and totalled a negligible amount for the year ended 31 December 2014 (and interest received in 2013 totalled a negligible amount).

Material Contracts

The Guarantor has an overdraft facility provided by DT and Orange SA which permits a maximum amount of £450 million to be drawn down at an interest rate of overnight LIBOR plus 60 bps, with each funding 50 per cent. of the facility. The facility has a 12 month period and is intended to be renewed at the end of each period for a further 12 month commitment.

Board and management of the Guarantor and the Issuer

Board and management of the Guarantor

The Board of Directors of the Guarantor has been established with representatives from each of Orange SA and DT and its own executive management function.

The members of the Board of Directors of the Guarantor and their respective responsibilities are:

- Olaf Swantee, Executive Director and CEO (Guarantor executive function).
- Neal Milsom, Executive Director and CFO (Guarantor executive function).
- Thomas Dannenfeldt, Chairman (DT).
- Michail Tsamaz, Non-executive Director (DT) (appointed 1 February 2014).
- Gervais Pellissier, Non-executive Director (Orange SA).
- Delphine Ernotte Cunci, Non-executive Director (Orange SA) (appointed 11 September 2014).

The business address of each of the members of the Board of the Guarantor is Trident Place, Mosquito Way, Hatfield, Hertfordshire AL10 9BW.

*Board biographies*Olaf Swantee (Executive Director)

Olaf Swantee is the Chief Executive Officer of the Guarantor. Prior to joining the Guarantor as CEO, Olaf Swantee was Executive Vice President of European activities and Sourcing for Orange SA and a board member of the Guarantor. Olaf Swantee is an economics graduate with an MBA from the École Supérieure de Commerce de Paris – École des Affaires de Paris (ESCP-EAP). Olaf has 17 years' experience in the IT industry, holding senior leadership, sales and marketing positions with HP, Compaq and DEC in Europe and the United States.

Neal Milsom (Executive Director)

Neal Milsom is Chief Financial Officer for the Guarantor and is responsible for the financial management of the business, including procurement and supply chain. Prior to his appointment as Chief Financial Officer, Neal was Vice President of Finance for the Guarantor, having previously held the same role at Orange for over five years. He joined Orange in 2001.

Thomas Dannenfeldt (Non-executive Director)

Thomas Dannenfeldt is the Chairman of the Board of the Guarantor and was appointed Chief Financial Officer of DT in January 2014. He was appointed as Chairman of the Board of the Guarantor on 19 February 2014, with effect on and from 1 April 2014.

Prior to this, Thomas Dannenfeldt was Managing Director of Finance at Telekom Deutschland GmbH, which was founded in 2010. He was initially appointed CFO of T-Mobile Deutschland in July 2009 before also taking on the same position at T-Home in January 2010. When the T-Mobile and T-Home units were merged to form Telekom Deutschland GmbH in April 2010, he became CFO of Telekom Deutschland. Thomas Dannenfeldt began his career in 1992 at T-Mobile Deutschland.

Michail Tsamaz (Non-executive Director)

Michail Tsamaz is Chairman and CEO of OTE Group, a subsidiary of DT, overseeing operations in Greece, Romania and Albania. Before joining OTE Michail Tsamaz previously held various senior positions within OTE and other multinationals.

Gervais Pellissier (Non-executive Director)

Gervais Pellissier is the deputy CEO and Executive Director in charge of European operations of Orange SA. He resigned as Chairman of the Board of the Guarantor on 1 April 2014, but continues to serve as a Non-executive Director on the Board of the Guarantor. He joined Orange SA in October 2005 to oversee the integration of Orange SA companies in Spain and subsequently became CFO.

Prior to that he was Managing Director and Deputy CEO of the Bull Group where he held various roles including Chief Financial Officer and Deputy CEO.

Delphine Ernotte Cunci (Non-executive Director)

Delphine Ernotte Cunci, the senior executive vice-president responsible for Orange France since 2010, was appointed as a Non-executive Director on 11 September 2014. Delphine Ernotte Cunci has also been Orange Group Deputy CEO since 2011.

Board Committees

The Guarantor's Board of Directors is advised by the following committees:

- Finance Committee (including oversight of the Treasury Committee and the Tax Steering Committee);
- Technical Advisory Committee;
- Roaming Advisory Committee;
- Brand Advisory Committee; and
- HR Advisory Committee.

Senior Management

Biographies of the key senior executives of the Group are set out below.

Pippa Dunn: Chief Marketing Officer – Brand and Consumer

As Chief Marketing Officer-Consumer, Pippa Dunn is responsible for the consumer division of the business, including proposition development, product management, the device range and the EE brand team. Previously Pippa was Vice President of Marketing & Propositions for the Orange Brand. Before this, she ran the pre-pay arm of the Orange business, as Director of Pay-As-You-Go. Pippa joined Orange, from her role as Product Marketing Director at NTL Incorporated in 2003.

Gerry McQuade: Chief Marketing Officer – Non-Consumer Mobile

Gerry McQuade is responsible for the business to business, wholesale, home, machine to machine and business development areas. Gerry joined Orange in January 2008, heading up the Development Board, ensuring that Orange UK had clearly defined and integrated priorities, while maintaining its position as the most innovative, customer-focused and cost effective business in the mobile and converged market.

Ralf Brandmeier: Chief Performance Officer

Ralf Brandmeier is responsible for serving all business functions with project management, value steering, market research, customer insight, as well as co-ordination of the Group's transformation and integration programmes. Ralf has joined the Group with a wealth of experience having, among other things, previously been Managing Director of both Hewlett Packard and Compaq in Switzerland. Most recently, he has worked as an independent consultant on a number of large telecoms industry projects.

Fotis Karonis: Chief Technology Officer

As Chief Technology Officer, Fotis Karonis is responsible for the Group's information technology and network development strategy and implementation. Prior to his role at the Guarantor, Fotis held the role of Chief Information Officer for Romtelecom. Prior to that, he worked at Athens International Airport, as Director of Information Technology and the Telecommunications Business Unit.

Stephen Harris: Chief Corporate and Strategy Officer

Stephen Harris is Chief Corporate and Strategy Officer for EE and is responsible for strategy (including market research and insight), legal and regulatory, public policy, property and facilities, the communications team, and shareholder relations and the running of the chief executive office. Stephen was previously chief of staff to the CEO from the launch of the joint venture, before moving to his current role under CEO Olaf Swantee in 2011. He joined Orange SA in 2005 as the marketing performance director, before moving on to the role of pricing and commercial director.

The business address of each of the members of the Senior Management of the Guarantor is Trident Place, Mosquito Way, Hatfield, Hertfordshire AL10 9BW.

There are no existing or potential conflicts of interest between the duties of the members of the Board of Directors of the Guarantor or the senior management identified above to the company and their private interests or other duties. As at 15 June 2015, none of the directors of the Guarantor had any interests in the company's share capital.

Board and management of the Issuer

The members of the Board of Directors of the Issuer, whose biographies are set out above, and their respective responsibilities are:

- Olaf Swantee, Director.
- Neal Milsom, Director.

The business address of each of the members of the Board of Directors of the Issuer is Trident Place, Mosquito Way, Hatfield, Hertfordshire AL10 9BW, which is the Issuer's registered office.

There are no existing or potential conflicts of interest between the duties of the members of the Board of Directors of the Issuer to the company and their private interests or other duties. As at 15 June 2015, none of the directors of the Issuer had any interests in the company's share capital.

Taxation

United Kingdom Taxation

The comments below, which are of a general nature and are based on the Issuer's understanding of current United Kingdom law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) describe only the United Kingdom withholding tax treatment of payments in respect of the Notes and certain information reporting requirements. They are not intended to be exhaustive. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly advised to consult their own professional advisers.

The Notes issued will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the United Kingdom Listing Authority and are admitted to trading on the London Stock Exchange. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax where the Notes have a maturity date less than one year from the date of issue provided the Notes are not issued under arrangements the intention or effect of which is to render such Notes part of a borrowing with a total term of a year or more.

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where at the time the payment is made, the Issuer reasonably believes that the beneficial owner of the interest is within the charge to United Kingdom corporation tax as regards the payment of interest, provided HM Revenue & Customs has not given a direction that the interest should be paid under deduction of tax, having reasonable grounds for believing the conditions for this exemption will not be met at the time the payment is made.

In other cases, absent any other relief or exemption (such as a direction by HM Revenue & Customs that interest may be paid without withholding or deduction for or on account of United Kingdom income tax to a specified Noteholder following an application by that Noteholder under an applicable double tax treaty), an amount must generally be withheld on account of United Kingdom income tax at the basic rate (currently 20 per cent.) from payments of interest on the Notes.

Where Notes are issued on terms that a premium is or may be payable on redemption, as opposed to being issued at a discount, then it is possible that any such element of premium may constitute a payment of interest and be subject to withholding on account of United Kingdom income tax as outlined in the preceding paragraphs.

Where Notes are issued at an issue price of less than 100 per cent. of their principal amount, any payments in respect of the accrued discount element on any such Notes should not be made subject to any withholding or deduction for or on account of United Kingdom income tax but may be subject to certain reporting requirements.

If the Guarantor makes any payments under the Guarantee in respect of the Notes or the Coupons (other than the repayment of amounts subscribed for the Notes), such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.), subject to any applicable exemptions or reliefs. Such payments by the Guarantor may not be eligible for the exemptions from United Kingdom withholding tax described above.

As set out in Condition 8 of the Terms and Conditions of the Notes, if the Issuer or the Guarantor is at any time required by law to deduct or withhold an amount in respect of any United Kingdom withholding taxes in respect of payments under the Notes and the Coupons or the Guarantee (as applicable), the Issuer or the Guarantor (as the case may be) must, subject to certain exemptions, pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such deductions or withholding been required.

HM Revenue & Customs have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HM Revenue & Customs may be provided to tax authorities in other countries

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”) and amendments to the Directive adopted by the Council of the European Union on 24 March 2014, EU member states are required to provide to the tax authorities of other EU member states details of payments of interest (or similar income) paid or secured by a person established within its jurisdiction to (or for the direct or indirect benefit of) an individual resident in that other EU member state or certain limited types of entities established in that other EU member state.

For a transitional period, Austria will instead (unless during that period it elects otherwise) operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

On 24 March 2014, the Council of the European Union adopted a Council Directive (the “**Amending Directive**”) which would, when implemented, amend and broaden the scope of the requirements described above. EU member states are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The changes will also expand the circumstances in which payments must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or legal arrangement is established or effectively managed outside the EU. A number of non-EU countries and territories have adopted similar measures.

However, the European Commission has proposed the repeal of the Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU member states (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates).

This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, EU member states will not be required to apply the new requirements of the Amending Directive.

The Directive does not preclude EU member states from levying other types of withholding tax.

Subscription and Sale

The Dealers have in the Dealer Agreement agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment 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 the Guarantee have not been and will not be registered under the Securities Act, as amended and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from 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.

Bearer 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 United States persons, 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 the regulations promulgated thereunder.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, as determined and certified to the Issuer by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager within the United States or to, or for the account or benefit of, U.S. persons and it will have sent 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 the preceding sentence have the meanings given to them by Regulation S under the Securities Act. In addition, 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.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each 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 Prospectus 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 purpose 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 amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

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 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 as 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; 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 “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

No representation is made by the Issuer, the Guarantor, the Trustee or the Dealers that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply, to the best of its knowledge, with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s), or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer, the Guarantor and the Dealers following a change in applicable laws and regulations. Any such supplement or modification may be set out in a supplement to this Prospectus.

General Information

Authorisation

The establishment and update of the Programme was duly authorised by resolutions of the Board of Directors of the Issuer dated 9 January 2012, 28 March 2013, 26 March 2014 and 15 June 2015 and resolutions of the Board of Directors of the Guarantor dated 9 January 2012, 28 March 2013, 26 March 2014 and 15 June 2015. Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme and the Guarantee relating to the Programme.

Listing of Notes

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 Market. The listing of the Programme in respect of Notes is expected to be granted on or about 18 June 2015.

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Global Certificate, as the case may be, initially representing the Notes of such Tranche.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer and from the specified office of the Issuing and Paying Agent for the time being in London:

- (i) the Articles of Association of the Issuer; and
- (ii) the Agency Agreement, the Trust Deed which incorporates the forms of the Global Notes, the Notes in definitive form, the Certificates, the Coupons and the Talons.

In addition, copies of (a) the financial statements of the Issuer and the Guarantor incorporated by reference as set out in the section headed "*Documents Incorporated by Reference*", (b) this Prospectus, (c) any future prospectuses, information memoranda and supplements (and any documents incorporated by reference therein) and (d) each Final Terms relating to Notes will be available for viewing on 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.

Clearing Systems

The Bearer Notes and Registered Notes represented by a Global Certificate have been accepted for clearance through Euroclear and Clearstream, Luxembourg. 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. The entities in charge of keeping the records in relation to each Tranche of Notes shall be Euroclear and/or Clearstream, Luxembourg, as applicable. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium; the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

Issue Price

The issue price and amount of the Notes of any Tranche will be determined at the time of the offering of such Tranche in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Guarantor or the Group since 31 December 2014 and there has been no material adverse change in the prospects of the Guarantor or the Group since 31 December 2014. There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer since 31 December 2014.

Legal Proceedings

Neither the Issuer nor the Guarantor is involved nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor is aware) in the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.

Auditors

The Auditors of the Issuer and Guarantor are Ernst & Young LLP, of 1 More London Place, London SE1 2AF, who have audited the financial statements referenced in the section entitled “*Documents Incorporated by Reference*” above, without qualification, in accordance with applicable law and International Standards on Auditing (UK and Ireland). The Auditors of the Issuer and the Guarantor have no material interest in the Issuer or the Guarantor. No other information referred to in this Prospectus has been audited by Ernst & Young LLP. Ernst & Young LLP is authorised and regulated by the Financial Conduct Authority.

All of the financial statements referred to in the section entitled “*Documents Incorporated by Reference*” above constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

Certificates and Reports

Any certificate or report of the auditors or any other expert or other person called for by or provided to the Trustee in accordance with or for the purposes of the Notes may be relied upon by the Trustee as sufficient evidence of the facts stated therein whether or not such certificate or report is addressed to the Trustee and whether or not such certificate or report and/or any engagement letter or other document entered in to by the Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors (or such other expert or other person) in respect thereof.

Dealers transacting with the Issuer

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 services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and

reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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 or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer 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 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.

Definitions

“**Acquisition**” is defined in the “*Risk Factors*”,

“**Adjusted EBITDA**” means EBITDA excluding management fees, brand fees and restructuring costs,

“**Agency Agreement**” is defined in the “*Terms and Conditions of the Notes*”,

“**Alternative Clearing System**” is defined in the “*Summary of Provisions Relating to the Notes While in Global Form*”,

“**Arranger**” is defined on the second page of this Prospectus,

“**Auditors**” means Ernst & Young LLP,

“**Bearer Notes**” is defined in the “*Terms and Conditions of the Notes*”,

“**BT**” means British Telecommunications plc,

“**C Rules**” means the U.S. Treas. Reg. §1.163-5(c)(2)(i)(C),

“**Calculation Agent**” is defined in the “*Terms and Conditions of the Notes*”,

“**Certificates**” is defined in the “*Terms and Conditions of the Notes*”,

“**CGN**” is defined in the “*Summary of Provisions Relating to the Notes While in Global Form*”,

“**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January,

“**Common Depositary**” is defined in the “*Summary of Provisions Relating to the Notes While in Global Form*”,

“**Common Safekeeper**” means, in relation to a Series where the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the common safekeeper for Euroclear and Clearstream, Luxembourg appointed in respect of such Notes,

“**Conditions**” is defined in the “*Terms and Conditions of the Notes*”,

“**Couponholders**” are defined in the “*Terms and Conditions of the Notes*”,

“**Coupons**” are defined in the “*Terms and Conditions of the Notes*”,

“**CRA Regulation**” is defined on the front page of this Prospectus,

“**Dealer**” is defined on the front page of this Prospectus,

“**Dealer Agreement**” means the dealer agreement between the Dealers and the Issuer dated 11 January 2012, as amended and restated on 28 March 2013,

“Definitive Note” is defined in the *“Summary of Provisions Relating to the Notes While in Global Form”*,

“Directive” is defined in the *“Risk Factors”*,

“DMSL” is defined in the *“Description of the Issuer and the Group”*,

“DT” is defined in the *“Description of the Issuer and the Group”*,

“EBITDA” means adjusted earnings before interest, tax, depreciation and amortisation,

“EC” means the European Commission,

“EE” is defined in the *“Risk Factors”*,

“EEA” means the European Economic Area,

“Enders” means Enders Analysis Limited the subscription research service covering the media, entertainment, mobile and fixed telecommunications industries in Europe, with a special focus on new technologies and media;

“EU” means the European Union,

“EURIBOR” means the Euro Interbank Offered Rate,

“euro” and **“€”** is defined on the sixth page of this Prospectus,

“Exchange Date” is defined in the *“Summary of Provisions Relating to the Notes While in Global Form”*,

“Extraordinary Resolution” means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent of the votes cast,

“Final Terms” is defined on the front page of this Prospectus,

“Financial Instruments and Exchange Act” is defined in the *“Subscription and Sale”*,

“FSMA” means the Financial Services and Markets Act 2000,

“Global Certificates” means a Certificate representing Registered Notes of one or more Tranches of the same Series,

“Global Note” means a temporary Global Note and/or, as the context may require, a permanent Global Note, a CGN and/or a NGN, as the context may require,

“Group” is defined on the third page of this Prospectus,

“Guarantee” is defined in the *“Terms and Conditions of the Notes”*,

“Guarantor” is defined on the front page of this Prospectus,

“**holder**” is defined in the “*Terms and Conditions of the Notes*”,

“**Hutchison**” means Hutchison 3G UK Limited,

“**ICT**” is defined in the “*Description of the Issuer and the Group*”,

“**IFRS**” is defined in the “*Documents Incorporated by Reference*”,

“**Investor’s Currency**” is defined in the “*Risk Factors*”,

“**Issue Date**” is defined in the “*Terms and Conditions of the Note*”,

“**Issuer**” is defined on the front page of this Prospectus,

“**Issuing and Paying Agent**” is defined in the “*Terms and Conditions of the Notes*”,

“**IT&N**” is defined in the “*Description of the Issuer and the Group*”,

“**LIBE**” is defined in the “*Risk Factors*”,

“**LIBOR**” means the London Interbank Offered Rate,

“**listed**” is defined on the front page of this Prospectus,

“**London Stock Exchange**” is defined on the front page of this Prospectus,

“**Market**” is defined on the front page of this Prospectus,

“**Material Subsidiary**” is defined in the “*Terms and Conditions of the Notes*”,

“**MBNL**” is defined in the “*Description of the Issuer and the Group*”,

“**m-commerce**” is defined in the “*Description of the Issuer and the Group*”,

“**MMS**” means multimedia messaging service,

“**MNO**” is defined in the “*Description of the Issuer and the Group*”,

“**Moody’s**” is defined on the front page of this Prospectus,

“**MTR**” is defined in the “*Description of the Issuer and the Group*”,

“**MVNOs**” is defined in the “*Risk Factors*”,

“**NGN**” is defined in the “*Summary of Provisions Relating to the Notes While in Global Form*”,

“**Noteholder**” is defined in the “*Terms and Conditions of the Notes*”,

“**Notes**” is defined on the front page of this Prospectus,

“**NSS**” is defined in the “*Summary of the Provisions Relating to the Notes While in Global Form*”,

“**Ofcom**” is defined in the “*Risk Factors*”,

“**offer of Notes to the public**” is defined in the “*Subscription and Sale*”,

“**Official List**” is defined on the front page of this Prospectus,

“**OPCS**” is defined in the “*Description of the Issuer and the Group*”,

“**Orange SA**” is defined in the “*Description of the Issuer and the Group*”,

“**OTGL**” is defined in the “*Description of the Issuer and the Group*”,

“**P3**” is defined in the “*Description of the Issuer and the Group*”,

“**PAYG**” is defined in the “*Risk Factors*”,

“**Paying Agents**” is defined in the “*Terms and Conditions of the Notes*”,

“**PAYM**” is defined in the “*Risk Factors*”,

“**PCI-DSS**” is defined in the “*Risk Factors*”,

“**Programme**” is defined on the front page of this Prospectus,

“**Prospectus Directive**” is defined on the third page of this Prospectus,

“**Register**” is defined in the “*Terms and Conditions of the Notes*”,

“**Registered Notes**” is defined in the “*Terms and Conditions of the Notes*”,

“**Registrar**” is defined in the “*Terms and Conditions of the Notes*”,

“**Regulation S**” is defined on the front page of this Prospectus,

“**relevant Dealer**” is defined on the front page of this Prospectus,

“**Relevant Implementation Date**” is defined in the “*Subscription and Sale*”,

“**Relevant Member State**” is defined on the third page of this Prospectus,

“**Securities Act**” is defined on the second page of this Prospectus,

“**Series**” means a series of Notes comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms of issue and are expressed to have the same series number,

“**SMS**” means short message service,

“**Specified Currency**” is defined in the “*Terms and Conditions of the Notes*”,

“**Stabilising Managers**” is defined on the sixth page of this Prospectus,

“**Standard & Poor’s**” is defined on the front page of this Prospectus,

“**Sterling**”, “**pence**” and “**£**” is defined on the sixth page of this Prospectus,

“**Talons**” is defined in the “*Terms and Conditions of the Notes*”,

“**TEFRA**” means the Tax Equity and Fiscal Responsibility Act 1982,

“**TMUK**” is defined on the front page of this Prospectus,

“**Tranche**” is defined in the “*Terms and Conditions of the Notes*”,

“**Transfer Agent**” is defined in the “*Terms and Conditions of the Notes*”,

“**Trust Deed**” is defined in the “*Terms and Conditions of the Notes*”,

“**Trustee**” is defined on the front page of this Prospectus,

“**UK GAAP**” is defined in the “*Documents Incorporated by Reference*”,

“**UK Listing Authority**” is defined on the front page of this Prospectus,

“**U.S. dollars**” and “**U.S.\$**” is defined on the sixth page of this Prospectus,

“**Virgin Mobile**” is defined in the “*Risk Factors*”,

“**VoIP**” is defined in the “*Risk Factors*”, and

“**2010 PD Amending Directive**” is defined in the “*Subscription and Sale*”.

ISSUER

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GUARANTOR

EE Limited

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DEALERS

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J.P. Morgan Securities plc

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Canary Wharf
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Lloyds Bank plc

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Mitsubishi UFJ Securities International plc

Ropemaker Place
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Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
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