

Prospectus dated 1 October 2018



(incorporated with limited liability in England and Wales)

## U.S.\$1,300,000,000 Capital Securities due 2078

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**Issue Price: 100.000 per cent.**

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The U.S.\$1,300,000,000 Capital Securities due 2078 (the "**Securities**") will be issued by Vodafone Group Plc (the "**Issuer**") on 3 October 2018 (the "**Issue Date**").

The Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 3 October 2024 (the "**First Reset Date**") at a rate of 6.250 per cent. per annum, payable annually in arrear on 3 October in each year. Thereafter, unless previously redeemed, the Securities will bear interest from (and including) the First Reset Date to (but excluding) 3 October 2029 at a rate per annum which shall be 3.051 per cent. above the 5 year Swap Rate (as defined in the "**Terms and Conditions of the Securities**") (the "**Conditions**") for the relevant Reset Period (as defined in the Conditions), payable annually in arrear on 3 October in each year. From (and including) 3 October 2029 to (but excluding) 3 October 2044 the Securities will bear interest at a rate per annum which shall be 3.301 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 3 October in each year. From (and including) 3 October 2044 up to (but excluding) 3 October 2078 (the "**Maturity Date**"), the Securities will bear interest at a rate per annum which shall be 4.051 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 3 October in each year, all as more particularly described in "**Terms and Conditions of the Securities—Interest Payments**".

If the Issuer does not elect to redeem the Securities in accordance with Condition 6(g) following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) for the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurs, see "**Terms and Conditions of the Securities—Interest Payments—Step-up after Change of Control Event**".

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Securities as more particularly described in "**Terms and Conditions of the Securities—Optional Interest Deferral**". Any amounts so deferred, together with further interest accrued thereon (at the interest rate per annum prevailing from time to time), shall constitute Arrears of Interest (as defined in the Conditions). The Issuer may pay outstanding Arrears of Interest, in whole but not in part, at any time in accordance with the Conditions. Notwithstanding this, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date (as defined in the Conditions) following the Interest Payment Date on which a Deferred Interest Payment (as defined in the Conditions) arose, all as more particularly described in "**Terms and Conditions of the Securities—Optional Interest Deferral—Mandatory Settlement**".

The Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 3 October 2078. The Securities may not be redeemed prior to the Maturity Date at the option of the Issuer other than in accordance with Condition 6. The Securities shall be redeemable (at the option of the Issuer) in whole but not in part on any date from (and including) 3 July 2024 to (and including) the First Reset Date or on any Interest Payment Date thereafter, at the principal amount of the Securities, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.

In addition, upon the occurrence of an Accounting Event, an Acquisition Event, a Capital Event, a Change of Control Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event (each such term as defined in the Conditions), the Securities shall be redeemable (at the option of the Issuer) in whole but not in part at the prices set out, and as more particularly described, in "**Terms and Conditions of the Securities—Redemption**".

The Issuer may, upon the occurrence of an Accounting Event, a Capital Event, a Tax Event or a Withholding Tax Event, at any time, without the consent of the holders of the Securities, either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become, as the case may be, Qualifying Securities (as defined in the Conditions), in each case in accordance with Condition 7 and subject to the receipt by the Trustee of the certificate of the Authorised Signatories (as defined in the Conditions) of the Issuer referred to in Condition 8.

The Securities will be unsecured securities of the Issuer and will constitute subordinated obligations of the Issuer, all as more particularly described in "**Terms and Conditions of the Securities—Status**" and "**Terms and Conditions of the Securities—Subordination**".

Payments in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of the United Kingdom, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, Additional Amounts may be payable by the Issuer, subject to certain exceptions as are more fully described in "**Terms and Conditions of the Securities—Taxation**".

Application has been made to the United Kingdom Financial Conduct Authority (the "**FCA**") acting under Part VI of the Financial Services and Markets Act 2000 (the "**UK Listing Authority**") for the Securities to be admitted to the official list of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for the Securities to be admitted to trading on the London Stock Exchange's regulated market (the "**Market**"). References in this Prospectus to Securities being "listed" (and all related references) shall mean that the Securities have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**").

The Securities will initially be represented by a temporary global security (the "**Temporary Global Security**"), without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about the Issue Date. The Temporary Global Security will be exchangeable for interests in a permanent global security (the "**Permanent Global Security**") and together with the Temporary Global Security, the "**Global Securities**"), without interest coupons or talons, on or after a date which is expected to be 12 November 2018, upon certification as to non-U.S. beneficial ownership. The Permanent Global Security will be exchangeable for definitive Securities in bearer form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, up to and including U.S.\$399,000, in each case in the limited circumstances set out in "**Summary of Provisions relating to the Securities while in Global Form**". No definitive Securities will be issued with a denomination above U.S.\$399,000.

The Securities are expected to be rated BBB- (stable outlook) by Fitch Ratings Limited ("**Fitch**"), BBB- (negative outlook) by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") and Baa3 (negative watch) by Moody's Investors Service España S.A. ("**Moody's**"). Each of Fitch, Standard & Poor's and Moody's is established in the European Union (the "**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A 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.

**Investing in the Securities involves a high degree of risk.** Prospective investors should have regard to the factors described under the section headed "**Risk Factors**" in this Prospectus.

### GLOBAL CO-ORDINATOR

BofA Merrill Lynch

### JOINT BOOKRUNNERS

BofA Merrill Lynch

J.P. Morgan

HSBC

Standard Chartered Bank

This Prospectus comprises a prospectus for the purposes of Directive 2003/71/EC as amended (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Securities which, according to the particular nature of the Issuer and the Securities, 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 Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (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.

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

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners (as defined in “*Subscription and Sale*” below) to subscribe or purchase, any of the Securities. The distribution of this Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of the Securities and distribution of this Prospectus, see “*Subscription and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners (as defined in “*Subscription and Sale*” below). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that the information contained in it or any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the greatest extent permitted by law, the Joint Bookrunners accept no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by the Issuer or a Joint Bookrunner or on its behalf in connection with the Issuer or the issue and offering of the Securities. Each Joint Bookrunner accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Securities; and
- (e) 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.

The Securities are complex financial instruments and such instruments may be purchased by potential investors 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 the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Securities.

The credit ratings assigned to the Securities 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 Securities. 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.

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

Certain financial and statistical information in this Prospectus has been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the total. In addition, all financial information in this Prospectus is qualified by reference to, and should be read in conjunction with, the documents incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*" below). This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Risk Factors*", "*Documents Incorporated by Reference*", "*Overview*" and "*Description of the Issuer*". These sections include more detailed descriptions of factors that might have an impact on the Group's business and the markets in which it operates. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur.

Unless otherwise specified or the context requires, references to "£" are to the lawful currency of the United Kingdom, references to "U.S.\$" and "dollars" are to the lawful currency of the United States of America and references to "€" are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

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

**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**PRIIPs Regulation / Prohibition of sales to EEA retail investors** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Amounts payable under the Securities are calculated by reference to the mid-swap rate for U.S. dollar swaps with a term of 5 years which appears on the Reuters screen "ICESWAP1" as of 11:00 a.m. (New York City time) on the relevant Reset Interest Determination Date (as defined in the Conditions) which is provided by ICE Benchmark Administration Limited. As at the date of this Prospectus, ICE Benchmark Administration Limited appears on the

register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

## DOCUMENTS INCORPORATED BY REFERENCE

### Documents incorporated by reference

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the FCA, shall be incorporated in, and form part of, this Prospectus:

- (i) the unaudited consolidated financial information of the Issuer as at and for the three months ended 30 June 2018, as set out in the Issuer's press release dated 25 July 2018 (the "**First Quarter Results Press Release**"), save for:
  - a. the seventh bullet point in the section "Highlights" on page 1 of the First Quarter Results Press Release;
  - b. the last two sentences of the first paragraph of the quote from Vittorio Colao, Group Chief Executive, on page 1 of the First Quarter Results Press Release;
  - c. the last sentence of the first paragraph in the section "Operating Review – Fixed & Convergence" on page 2 of the First Quarter Results Press Release;
  - d. the entire section "Operating Review – Outlook" on page 2 of the First Quarter Results Press Release;
  - e. the last sentence of the third paragraph in the section "Operating Review – Germany" on page 4 of the First Quarter Results Press Release;
  - f. the last sentence of the fourth paragraph in the section "Operating Review – India" on page 7 of the First Quarter Results Press Release; and
  - g. the last sentence of the fifth paragraph in the section "Operating Review – India" on page 7 of the First Quarter Results Press Release;
- (ii) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2018, including the auditors' report thereon, as set out on pages 93-177, the section on alternative performance measures, as set out on pages 207-217, and the definitions section set out on pages 222-224 of the Issuer's Annual Report for the year ended 31 March 2018;
- (iii) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2017, including the auditors' report thereon, as set out on pages 91-176, the section on alternative performance measures, as set out on pages 205-213, and the definitions section set out on pages 218-220 of the Issuer's Annual Report for the year ended 31 March 2017; and
- (iv) the following sections of the prospectus of the Issuer's €30,000,000,000 Euro Medium Term Note Programme dated 31 August 2018 (the "**EMTN Prospectus**"):
  - a. "Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" on pages 9 and 10;
  - b. "Description of the Issuer" on pages 78 to 84; and
  - c. "General Information – Legal Proceedings" on pages 103 to 105,

save that (i) any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) and (ii) any

documents which are incorporated by reference therein shall not constitute a part of this Prospectus. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

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

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

Copies of documents incorporated by reference in this Prospectus 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-newshome.html](http://www.londonstockexchange.com/exchange/news/market-news/market-newshome.html).

### **Alternative Performance Measures**

Certain alternative performance measures (“**APMs**”) are included or referred to in this Prospectus. APMs are non-GAAP measures used by the Group within its financial publications to supplement disclosures prepared in accordance with other regulations such as International Financial Reporting Standards. The Issuer considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such metric’s components and calculation method can be found at pages 9 to 12 (incorporated by reference herein) of the First Quarter Results Press Release, at pages 207 to 217 (incorporated by reference herein) of the Issuer’s Annual Report for the year ended 30 March 2018 and at pages 205 to 213 (incorporated by reference herein) of the Issuer’s Annual Report for the year ended 30 March 2017.

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## **RISK FACTORS**

*The Issuer believes that the risks described in the section entitled “Risk Factors – Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme” on pages 9 and 10 of the EMTN Prospectus, which is incorporated by reference in this Prospectus (the “Risks Relating to the Business”) may affect its ability to fulfil its obligations under the Securities. 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.*

*In addition, factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Securities are described below.*

*The Issuer believes that the factors described in the Risks Relating to the Business and those set out below represent the principal risks inherent in investing in the Securities, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Securities for other reasons, and the Issuer does not represent that the statements in the Risks Relating to the Business and those set out below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Capitalised terms used herein have the meaning given to them in “Terms and Conditions of the Securities”.*

### **Factors that may affect the Issuer’s ability to fulfil its obligations under or in connection with the Securities**

For the factors that may affect the Issuer’s ability to fulfil its obligations under or in connection with the Securities, see the section entitled “Risk Factors – Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme” on pages 9 and 10 of the EMTN Prospectus, which is incorporated by reference in this Prospectus. See “Documents Incorporated by Reference”.

### **Risks related to the Securities generally**

#### ***The Securities will be subject to optional redemption by the Issuer including upon the occurrence of certain events***

The Securities will be redeemable, at the option of the Issuer, in whole but not in part on (i) any date from (and including) the First Call Date to (and including) the First Reset Date or (ii) any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In addition, upon the occurrence of an Accounting Event, an Acquisition Event, a Capital Event, a Change of Control Event, a Tax Event, a Substantial Repurchase Event or a Withholding Tax Event (each as defined in the Conditions and as more fully described in Condition 6), the Issuer shall have the option to redeem, in whole but not in part, the Securities at the prices set out therein, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In the case of a Change of Control Event, in the event that the Issuer does not elect to redeem the Securities, the then prevailing Interest Rate (as defined in the Conditions), and each subsequent Interest Rate otherwise determined in accordance with Condition 4, on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred.

During any period when the Issuer may elect to redeem the Securities or is perceived to be able to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may redeem the Securities when its cost of borrowing is lower than the interest payable on them. 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 payable on the Securities 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.

There is no redemption at the option of the holders of the Securities.

***The current IFRS accounting classification of financial instruments such as the Securities as financial liabilities may change, which may result in the occurrence of an Accounting Event***

The current IFRS accounting classification of financial instruments such as the Securities as financial liabilities may change in the future and this may result in the occurrence of an Accounting Event. In such an event, the Issuer may have the option to redeem, in whole but not in part, the Securities (pursuant to Condition 6(e)) or substitute, or vary the terms of, the Securities in accordance with Condition 7. No assurance can be given as to the future classification of the Securities from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem, substitute or vary the terms of the Securities pursuant to the Conditions.

***The interest rate on the Securities will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on the Securities and the market value of the Securities***

Although the Securities will earn interest at a fixed rate until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the “**market interest rate**”) typically changes on a daily basis. Since the initial fixed rate of interest for the Securities will be reset on the First Reset Date (as set out in the Conditions) and on each subsequent Reset Date, the interest payment on each the Securities will also change. Holders of the Securities (the “**Holder**”) should be aware that movements in these market interest rates can adversely affect the price of the Securities and can lead to losses for the Holders if they sell the Securities.

Holder are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the Securities.

***Integral multiples of less than the specified denomination***

The denominations of the Securities are U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, up to and including U.S.\$399,000. Therefore, it is possible that the Securities may be traded in amounts in excess of U.S.\$200,000, that are not integral multiples of U.S.\$200,000. In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than U.S.\$200,000, will not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more denominations. If definitive Securities are issued, Holders should be aware that definitive Securities which have a denomination that is not an integral multiple of U.S.\$200,000, may be illiquid and difficult to trade.

***The Issuer’s obligations under the Securities are subordinated***

The Issuer’s obligations under the Securities will be unsecured and subordinated. In the event that an order is made, or an effective resolution is passed, for the winding-up of the Issuer (otherwise than for the purposes of a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, (I)(x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) or (y) which substitution will be effected in accordance with Condition 14(c) and (II) in either case, the terms of which do not provide that the Securities shall thereby become redeemable or repayable in accordance with the Conditions) or an administrator of the Issuer has been appointed and such administrator gives notice that it intends to declare and distribute a dividend, the claims of the Holders will rank junior to the claims of holders of all Senior Obligations and *pari*

*passu* with the claims of holders of all Parity Obligations. See “*Terms and Conditions of the Securities—Status*” and “*Terms and Conditions of the Securities—Subordination*”.

By virtue of such subordination, payments to a Holder will, in the events described in the Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Holder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer. Furthermore, the Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the Issue Date. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up or administration of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Securities.

In addition, the Conditions provide that, subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities, such as the Securities, may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

***The Issuer has the right to defer interest payments on the Securities***

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Securities. See “*Terms and Conditions of the Securities—Optional Interest Deferral*”. While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Securities or on certain instruments ranking *pari passu* with the Securities and, in such event, the Holders are not entitled to claim immediate payment of interest so deferred. Only upon the occurrence of a Compulsory Arrears of Interest Settlement Event or upon the Issuer making payment of interest on the Securities on a scheduled Interest Payment Date following the Interest Payment Date on which a Deferred Interest Payment first arose or the date of which the Securities are redeemed or repaid in accordance with Condition 3, Condition 6 or Condition 11, will the Issuer be obliged to pay any such Arrears of Interest to Holders.

Any such deferral of interest payment shall not constitute a default for any purpose unless such payment is required in accordance with Condition 5(b).

Any deferral of interest payments is likely to have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer’s financial condition.

The Securities may not be redeemed unless and until all outstanding Arrears of Interest in respect of the Securities are satisfied in full, on or prior to the date set for the relevant redemption.

***Future discontinuance of LIBOR may adversely affect the value of the Securities***

On 27 July 2017, the Chief Executive of the FCA, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will

continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on the Securities for the period from (and including) the First Reset Date is based on a reset mid-swap rate and may be determined for each relevant Reset Period by the fall-back provisions applicable to the Securities. The fall-back provisions applicable to the Securities provide that in certain circumstances where LIBOR is no longer available such other benchmark rate as is customarily used for U.S. dollar interest rate swaps at the relevant time may be used. The fall-back provisions also provide in certain circumstances for the effective application of a fixed rate based on the rate which was last observed on the relevant Screen Page. The Conditions also include alternative fall-back provisions which apply in the event that a Benchmark Event occurs. See “*Risks related to the Securities generally—Discontinuation of the Original Reference Rate*” and “*Terms and Conditions of the Securities—Benchmark Event*”.

#### ***Discontinuation of the Original Reference Rate***

If a Benchmark Event (as defined in Condition 4(j) (which, amongst other events, includes the permanent discontinuation of the Original Reference Rate)) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine a Subsequent Fixed Interest Rate will result in the Securities performing differently (which may include payment of a lower Subsequent Fixed Interest Rate) than they would do if the Original Reference Rate were to continue to apply.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Holders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and, even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Holders and Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine a Subsequent Fixed Interest Rate. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in the Securities performing differently (which may include payment of a lower Subsequent Fixed Interest Rate) than they would if the Original Reference Rate were to continue to apply.

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Securities.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the Reset Interest Determination Date in respect of a Reset Period, the 5 year Swap Rate applicable to each Interest Period ending during that Reset Period will be the 5 year Swap Rate in respect of the immediately preceding Reset Period or, in the case of the Reset Period commencing on the First Reset Date, equal to the last available 5 year mid swap rate for U.S. dollar swap transactions, expressed as a rate, on the Reset Screen Page.

Where the Issuer has been unable to appoint an Independent Adviser or the Independent Adviser has failed to determine a Successor Rate or Alternative Rate in respect of any given Reset Interest Determination Date, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Reset Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Reset Periods, as necessary.

Applying the First Fixed Interest Rate, or the Subsequent Fixed Interest Rate applicable as at the last preceding Reset Interest Determination Date before the occurrence of the Benchmark Event, would result in the Securities performing differently (which may include payment of a lower Subsequent Fixed Interest Rate) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the Securities, the First Fixed Interest Rate, or the Subsequent Fixed Interest Rate applicable as at the last preceding Reset Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Securities, in effect, becoming fixed rate securities.

Any of the foregoing could have an adverse effect on the value or liquidity of, and return on the Securities. See “*Terms and Conditions of the Securities—Interest Payments—Subsequent Fixed Interest Rates*”.

#### ***Limited Remedies***

Payments of interest on the Securities may be deferred in accordance with Condition 5(a) and interest will not therefore be due other than in the limited circumstances described in Condition 5(b).

The only Event of Default in the Conditions is if a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Securities and which is due.

Therefore, it will only be possible for the Holders to enforce claims for payment of principal or interest in respect of the Securities when the same are due.

In addition, in the event that an order is made, or an effective resolution is passed, for the winding-up of the Issuer (otherwise than for the purposes of a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, as more fully described in the Conditions) or an administrator of the Issuer has been appointed and such administrator gives notice that it intends to declare and distribute a dividend, the claims of Holders will be subordinated to the claims of holders of all Senior Obligations as further described in Condition 3(a). Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration proceedings before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration proceedings.

#### ***Variation or substitution of the Securities without the consent of Holders***

Subject as provided in Condition 7 and Condition 8, the Issuer may, in its sole discretion and without the consent or approval of Holders, elect to substitute the Securities for, or vary the terms of the Securities with the effect that they become or remain, Qualifying Securities at any time following the occurrence of a Tax Event, a Withholding Tax Event, a Capital Event or an Accounting Event which is continuing. Whilst Qualifying Securities are required to have terms not otherwise materially less favourable to Holders than the terms of the Securities, there can be no assurance that the Qualifying Securities will not have a significant adverse impact on the price of, and/or market for, the Securities or the circumstances of individual Holders.

Any such substitution or variation in accordance with the Conditions shall only be permitted if it does not result in the Qualifying Securities no longer being eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date notice is given to Holders of the substitution or variation.

### ***Modification, Waiver and Substitution***

The Conditions will contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions will permit defined majorities of Holders of the Securities to bind all Holders, including those Holders who did not attend and vote at the relevant meetings and Holders who voted in a manner contrary to the majority.

The Conditions and the Trust Deed in respect of the Securities will also provide that the Trustee may, without the consent of the Holders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Paying Agency Agreement, any agreement supplemental to the Paying Agency Agreement, the Conditions or the Securities which is in each case, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Paying Agency Agreement, any agreement supplemental to the Paying Agency Agreement, the Conditions or the Securities (except as mentioned in the Trust Deed), and any waiver or authorisation of, any breach or proposed breach of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Paying Agency Agreement, any agreement supplemental to the Paying Agency Agreement, the Conditions or the Securities which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders, (iii) the substitution on a subordinated basis equivalent to that referred to in Conditions 2 and 3 of certain other entities in place of the Issuer (or any previous substitute) as a new principal debtor under the Trust Deed and the Securities, Coupons and Talons or (iv) either (a) substitute all, but not some only, of the Securities for, or (b) vary the terms of the Securities with the effect that they remain or become, as the case may be, Qualifying Securities, in each case in accordance with Condition 7, if an Accounting Event, a Capital Event, a Tax Event or a Withholding Tax Event has occurred and is continuing and subject to the receipt by the Trustee of the certificate of two Authorised Signatories of the Issuer and, where relevant, the opinion of tax advisers referred to in Condition 8.

### ***Change of law***

The Securities will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or any administrative practice thereof after the Issue Date.

### ***No limitation on issuing senior or pari passu securities***

There is no restriction on the amount of securities which the Issuer may issue and which may rank senior to or *pari passu* with, the Securities. The issue of any such securities may reduce the amount recoverable by holders of Securities on a winding-up of the Issuer and/or may increase the likelihood of a deferral of payments under the Securities.

### ***Any decline in the credit ratings of the Issuer may affect the market value of the Securities and changes in rating methodologies may lead to the early redemption of the Securities***

The Securities are expected to be assigned ratings by Fitch, Standard & Poor’s and Moody’s. The expected rating granted by each of Fitch, Standard & Poor’s and Moody’s or any other rating assigned to the Securities may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Securities. 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. In addition, each of Fitch, Standard & Poor’s and Moody’s or any other rating agency may change its methodologies for rating securities with features similar to the Securities in

the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Securities, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Securities were to be subsequently lowered, this may have a negative impact on the trading price of the Securities.

## **Risks related to the market generally**

### ***The secondary market generally***

Although application will be made to admit the Securities to trading on the Market, the Securities 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 Securities 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 securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Securities.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Securities in U.S. dollars. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars, 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 U.S. dollars, would decrease (1) the Investor's Currency equivalent yield on the Securities, (2) the Investor's Currency equivalent value of the principal payable on the Securities and (3) the Investor's Currency equivalent market value of the Securities.

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 the Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Securities. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed rate securities. During periods of rising interest rates, the prices of fixed rate securities, such as the Securities, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Securities involves the risk that changes in market interest rates may adversely affect the value of the Securities.

## OVERVIEW

The following overview refers to certain provisions of the “*Terms and Conditions of the Securities*” and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms used herein have the meaning given to them in the “*Terms and Conditions of the Securities*”.

<b>Issuer</b>	Vodafone Group Plc.
<b>Trustee</b>	The Law Debenture Trust Corporation p.l.c.
<b>Principal Paying Agent and Agent Bank</b>	HSBC Bank plc.
<b>Issue Size</b>	U.S.\$1,300,000,000.
<b>Issue Date</b>	3 October 2018.
<b>Joint Bookrunners</b>	HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Standard Chartered Bank
<b>Maturity</b>	Unless previously redeemed, purchased and cancelled or substituted in accordance with the Conditions, the Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 3 October 2078.
<b>Interest</b>	The Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 3 October 2024 (the “ <b>First Reset Date</b> ”) at a rate of 6.250 per cent. per annum, payable annually in arrear on 3 October in each year. Thereafter, unless previously redeemed, the Securities will bear interest from (and including) the First Reset Date to (but excluding) 3 October 2029 at a rate per annum which shall be 3.051 per cent. above the 5 year Swap Rate (as defined in “ <i>Terms and Conditions of the Securities</i> ” (the “ <b>Conditions</b> ”)) for the relevant Reset Period (as defined in the Conditions), payable annually in arrear on 3 October in each year. From (and including) 3 October 2029 to (but excluding) 3 October 2044 the Securities will bear interest at a rate per annum which shall be 3.301 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 3 October in each year. From (and including) 3 October 2044 up to (but excluding) 3 October 2078 (the “ <b>Maturity Date</b> ”), the Securities will bear interest at a rate per annum which shall be 4.051 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 3 October in each year, all as more particularly described in “ <i>Terms and Conditions of the Securities—Interest Payments</i> ”.
<b>Issue Price</b>	100.000 per cent.



**Status** The Securities and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

**Subordination** The rights and claims of the Holders and the Couponholders will be subordinated to the claims of holders of all Senior Obligations in that if at any time an order is made, or an effective resolution is passed, for the winding-up of the Issuer (otherwise than for the purposes of a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, (I)(x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) or (y) which substitution will be effected in accordance with Condition 14(c) and (II) in each case, the terms of which do not provide that the Securities shall thereby become redeemable or repayable in accordance with the Conditions) or an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend, the rights and claims of the Holders and the Couponholders will be subordinated in accordance with Condition 3(a) thereof.

Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration proceedings before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration proceedings. See “*Risk Factors—Risks related to the Securities generally—Limited Remedies*”.

**No Set-off, etc.** Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

**Optional Interest Deferral** The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a “**Deferred Interest Payment**”) which is otherwise scheduled to be paid on an Interest Payment Date by giving a Deferral Notice of such election to the Holders, the Trustee and the Principal Paying Agent. Subject as described in “*Mandatory Settlement*”, if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of

interest will not constitute an Event of Default of the Issuer or any other breach of its obligations under the Securities or for any other purpose.

Arrears of Interest in respect of the Securities may be satisfied at the option of the Issuer in whole or in part at any time (the “**Optional Deferred Interest Settlement Date**”) following delivery of a notice to such effect given by the Issuer to the Holders, the Trustee and the Principal Paying Agent informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment (or part thereof) shall itself bear interest (such further interest together with the Deferred Interest Payment, being “**Arrears of Interest**”), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5(b), in each case such further interest being compounded on each Interest Payment Date. Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Securities or for any other purpose, unless such payment is required in accordance with Condition 5(b).

#### **Mandatory Settlement**

Notwithstanding the above and the provisions of “*Optional Interest Deferral*”, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

#### **Optional Redemption**

The Issuer may redeem all, but not some only, of the Securities on any date in the period commencing on any date from (and including) the First Call Date to (and including) the First Reset Date or on any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest in respect of the Securities.

#### **Special Event Redemption**

If a Special Event has occurred and is continuing, then the Issuer may redeem at any time all, but not some only, of the Securities at:

- (i) in the case of a Capital Event, Tax Event or Accounting Event where the relevant date fixed for redemption falls prior to the First Call Date, 101 per cent. of their principal amount;

- (ii) in the case of a Capital Event, Tax Event or Accounting Event where the relevant date fixed for redemption falls on or after the First Call Date, their principal amount; or
- (iii) in the case of a Substantial Repurchase Event or a Withholding Tax Event where any such redemption occurs at any time, their principal amount,

in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest in respect of the Securities.

**Change of Control**

If a Change of Control Event has occurred and is continuing, the Issuer may elect to redeem all, but not some only, of the Securities at any time at 101 per cent. of the principal amount of the Securities together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest in respect of the Securities.

If the Issuer does not elect to redeem the Securities following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate, on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred. See “*Terms and Conditions of the Securities—Interest Payments—Step-up after Change of Control Event*”.

**Acquisition Event**

If an Acquisition Event occurs during the Acquisition Event Call Period, the Issuer may at any time prior to the end of the Acquisition Event Call Period elect to redeem all, but not some only, of the Securities at 101 per cent. of the principal amount of the Securities together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest in respect of the Securities.

**Substitution or Variation instead of Special Event Redemption**

If an Accounting Event, a Capital Event, a Tax Event or a Withholding Tax Event has occurred and is continuing, without the consent of the Holders the Issuer may either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become, as the case may be, Qualifying Securities, in each case in accordance with Condition 7 and subject, *inter alia*, to the receipt by the Trustee of the certificate of two Authorised Signatories of the Issuer.

**Event of Default**

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Securities and which is due, then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Securities and the Coupons and the Trustee at its sole discretion

may, or shall, if so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Securities then outstanding, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment and/or give notice to the Issuer that the Securities are, and they shall immediately thereby become, due and payable at their principal amount together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest in respect of the Securities.

#### **Additional Amounts**

Payments in respect of the Securities by the Issuer will be made without withholding or deduction for any present or future taxes, assessments or other governmental charges of the Issuer's jurisdiction of incorporation, and includes any other territory or authority or additional territory or authority to whose taxing jurisdiction the Issuer has become subject (or any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, Additional Amounts may be payable by the Issuer, subject to certain exceptions as are more fully described under "*Terms and Conditions of the Securities—Taxation*".

#### **Replacement Intention**

*Unless (a) the rating assigned by S&P to the Issuer is at least "BBB+" (or such similar nomenclature then used by S&P) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or (b) the Securities are not assigned an "equity credit" (or such similar nomenclature then used by S&P), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain at or below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology, the Issuer intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Securities to but excluding the Reset Date falling on 3 October 2044, in the event of:*

- i. an early redemption of the Securities pursuant to Condition 6(b); or*
- ii. a repurchase of the Securities of more than (a) 10 per cent. of the aggregate principal amount of the Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Securities*

*originally issued in any period of 10 consecutive years,*

*to redeem or repurchase such Securities only to the extent that such part of the aggregate principal amount of the Securities to be redeemed or repurchased as was characterised as equity by S&P at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities) does not exceed such part of the net proceeds which is received by the Issuer or any Subsidiary of the Issuer at or prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any Subsidiary to third party purchasers (other than Subsidiaries of the Issuer) of securities as is characterised by S&P, at the time of sale or issuance, as equity.*

**Form**

The Securities will be in bearer form and will initially be represented by a Temporary Global Security, without interest coupons or talons, which will be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. The Temporary Global Security will be exchangeable for interests in a Permanent Global Security, without interest coupons or talons, on or after a date which is expected to be 12 November 2018, upon certification as to non-U.S. beneficial ownership. Each Permanent Global Security will be exchangeable for definitive Securities in bearer form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, up to and including U.S.\$399,000, in each case in the limited circumstances set out in “*Summary of Provisions relating to the Securities while in Global Form*”. No definitive Securities will be issued with a denomination above U.S.\$399,000.

**Denominations**

U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, up to and including U.S.\$399,000.

**Listing and Admission to Trading**

Application has been made to the UK Listing Authority for the Securities to be admitted to the Official List and to the London Stock Exchange for the Securities to be admitted to trading on the Market.

**Governing Law**

English law.

**Ratings**

The Securities are expected to be rated BBB- (stable outlook) by Fitch, BBB- (negative outlook) by Standard & Poor’s and Baa3 (negative watch) by Moody’s. A 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. As at the date of this Prospectus, each of Fitch, Standard & Poor’s and Moody’s is a credit rating

agency established in the EU and is registered under Regulation (EC) No 1060/2009 (as amended). As such each of Fitch, Standard & Poor's and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.

**Use of Proceeds**

The net proceeds of the issue of the Securities will be applied by the Issuer for general corporate purposes, including without limitation the financing of the Acquisition.

**Capital Securities**

In addition to the Securities, the Issuer is also issuing, on or about the Issue Date, €2,000,000,000 Capital Securities due 2079 (ISIN: XS1888179477), €500,000,000 Capital Securities due 2078 (ISIN: XS1888179550) and £500,000,000 Capital Securities due 2078 (ISIN: XS1888180996), each of which will be Parity Obligations for the purposes of the Conditions.

**Selling Restrictions**

The United States, the United Kingdom, the EEA, Hong Kong, Japan, the Republic of Italy, Singapore and Taiwan. See "*Subscription and Sale*".

Category 2 offering restrictions have been implemented for the purposes of Regulation S under the Securities Act.

**Risk Factors**

Prospective investors should carefully consider the information set out in "*Risk Factors*" in conjunction with the other information contained or incorporated by reference in this Prospectus.

**ISIN**

XS1888180640.

**Common Code**

188818064.

**CFI**

DYFXXB.

**FISN**

VODAFONE GROUP/VAREUR NT 20781003 R.

## TERMS AND CONDITIONS OF THE SECURITIES

*The following, except for paragraphs in italics, are the terms and conditions of the Securities which will be endorsed on each Security in definitive form (if issued).*

The issue of the U.S.\$1,300,000,000 Capital Securities due 3 October 2078 (the “**Securities**”, which expression shall, unless the context otherwise requires, include any further securities issued pursuant to Condition 18 and forming a single series with the Securities) of Vodafone Group Plc (the “**Issuer**”) was authorised by resolutions of the board of directors of the Issuer (the “**Board of Directors**”) passed on 27 March 2018. The Securities are constituted by a trust deed (as amended and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 3 October 2018 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Securities (the “**Holders**”). These terms and conditions (as amended from time to time) (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Securities and of the interest coupons (the “**Coupons**”, which expression includes, where the context so permits, talons for further Coupons (the “**Talons**”) and the Talons appertaining to Securities in definitive form. Copies of (i) the Trust Deed; and (ii) the paying agency agreement (as amended and/or supplemented and/or restated from time to time, the “**Paying Agency Agreement**”) dated 3 October 2018 relating to the Securities between the Issuer, HSBC Bank plc as the initial principal paying agent and agent bank (the “**Principal Paying Agent**” and the “**Agent Bank**”, respectively, which expressions shall include any successor thereto), the other initial paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include the Paying Agents for the time being) and the Trustee are available for inspection by prior arrangement during usual business hours at the principal office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX, England) and at the specified offices of each of the Paying Agents. The Holders and the holders of the Coupons (whether or not attached to the relevant Securities) (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 Paying Agency Agreement.

### **1 Form, Denomination and Title**

#### **(a) Form and Denomination**

The Securities are serially numbered and in bearer form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, up to and including U.S.\$399,000, each with Coupons and one Talon attached on issue. No definitive Securities will be issued with a denomination above U.S.\$399,000. Securities of one denomination may not be exchanged for Securities of any other denomination.

#### **(b) Title**

Title to the Securities, Coupons and each Talon passes by delivery. The holder of any Security, Coupon or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### **2 Status**

The Securities and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders and the Couponholders are subordinated as described in Condition 3.

### **3 Subordination**

#### **(a) General**

In the event of:

- (i) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, (I)(x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) or (y) which substitution will be effected in accordance with Condition 14(c) and (II) in each case the terms of which do not provide that the Securities shall thereby become redeemable or repayable in accordance with these Conditions); or
- (ii) an administrator of the Issuer being appointed and such administrator giving notice that it intends to declare and distribute a dividend,

there shall be payable by the Issuer in respect of each Security and Coupon (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such Security and Coupon if, on the day prior to the commencement of the winding-up or such administration, as the case may be, and thereafter, such Holder were the holder of one of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”) having an equal right to a return of assets in the winding-up or such administration, as the case may be, and so ranking *pari passu* with, the holders of Parity Obligations, but ranking junior to the claims of holders of all Senior Obligations (except as otherwise provided by mandatory provisions of law), on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up or such administration, as the case may be, were an amount equal to the principal amount of the relevant Security and any accrued and unpaid interest and any outstanding Arrears of Interest.

Nothing in this Condition 3(a) or Condition 11 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

*Accordingly, and without prejudice to the rights of the Trustee or the Agents, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration. See “Risk Factors – Risks related to the Securities generally – Limited Remedies”.*

#### **(b) No Set-off, etc.**

Subject to applicable law, no Holder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities or the Coupons and each Holder and Couponholder shall, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

### **4 Interest Payments**

#### **(a) Interest Rate**

The Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 3 October 2018 (the “**Issue Date**”) in accordance with the provisions of this Condition 4.

Subject to Condition 5, interest shall be payable on the Securities annually in arrear on each Interest Payment Date as provided in this Condition 4.



**(b) Interest Accrual**

The Securities will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 or the date of substitution thereof pursuant to Condition 7, as the case may be, unless, upon due presentation, payment of all amounts due in respect of the Securities is not made, in which event interest shall continue to accrue in respect of unpaid amounts on the Securities, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Save as provided in Condition 4(c), where it is necessary to calculate an amount of interest in respect of any Security for a period which is less than or equal to a complete Interest Period, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Where it is necessary to calculate an amount of interest in respect of any Security for a period of more than one Interest Period, such interest shall be the aggregate of the interest payable in respect of a full Interest Period plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

Interest in respect of any Security shall be calculated per U.S.\$1,000 in principal amount thereof (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided in Condition 4(c), be equal to the product of the relevant Interest Rate, the Calculation Amount and the day count fraction as described in this Condition 4(b) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of each Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Security without any further rounding.

**(c) First Fixed Interest Rate**

For each Interest Period ending prior to the First Reset Date, the Securities bear interest, subject to Condition 5, at the rate of 6.250 per cent. per annum (the “**First Fixed Interest Rate**”), payable annually in arrear on the Interest Payment Date in each year. Subject to Condition 5, the Interest Payment in respect of each Interest Period commencing before the First Reset Date will amount to U.S.\$62.50 per Calculation Amount.

**(d) Subsequent Fixed Interest Rates**

For each Interest Period which commences on or after the First Reset Date, the Securities bear interest, subject to Condition 5, at the Subsequent Fixed Interest Rate determined on the Reset Interest Determination Date in respect of the Reset Period during which that Interest Period commences. Such interest shall be payable annually in arrear on the Interest Payment Date in each year until (and including) the Maturity Date and, subject to Condition 4(i) and Condition 4(j) below, the “**Subsequent Fixed Interest Rate**” shall be the sum (converted from a semi-annual basis to an annual basis) of the relevant 5 year Swap Rate and the applicable Margin, all as determined by the Agent Bank and where:

“**5 year Swap Rate**” means the semi-annual mid-swap rate for swap transactions in U.S. dollars with a maturity of 5 years as displayed on Reuters screen “ICESWAP1” as at 11:00 a.m. (New York City time) (the “**Reset Screen Page**”) on the day falling two U.S. Government Securities Business Days prior to the first day of the relevant Reset Period (the “**Reset Interest Determination Date**”).

If the 5 year Swap Rate does not appear on the Reset Screen Page on the Reset Interest Determination Date, the 5 year Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date unless a Benchmark Event (as defined below) has occurred, in which case the 5 year Swap Rate shall be determined pursuant to and in accordance with Condition 4(j).

As used in this Condition:

the “**5 year Swap Rate Quotations**” means, in respect of each Interest Period falling within a Reset Period, the arithmetic mean of the bid and offered rates for the semi-annual fixed leg (calculated on a 30/360 day count basis)

of a fixed-for-floating U.S. dollar interest rate swap which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 3-month U.S. dollar London Interbank Offered Rate (“LIBOR”) rate (calculated on an Actual/360 day count basis);

“**Margin**” means in respect of (i) the Reset Period ending on (but excluding) 3 October 2029, 3.051 per cent.; (ii) each Reset Period which falls in the period commencing on (and including) 3 October 2029 and ending on (but excluding) 3 October 2044, 3.301 per cent.; and (iii) each Reset Period which falls on or after 3 October 2044, 4.051 per cent.;

“**Reset Reference Bank Rate**” means the percentage rate determined by the Agent Bank on the basis of the 5 year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the “**Reset Reference Banks**”) to the Agent Bank at approximately 11:00 a.m. (New York City time) on such Reset Interest Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the 5 year Swap Rate will be the rounded arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the 5 year Swap Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the 5 year Swap Rate will be the rounded quotation provided. If no quotations are provided, the 5 year Swap Rate for the relevant period will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5 year Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, equal to the last available 5 year mid swap rate for U.S. dollar swap transactions, expressed as a rate, on the Reset Screen Page; and

“**U.S. Government Securities Business Days**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

The Subsequent Fixed Interest Rate shall be determined as provided above in respect of each Reset Period and, as so determined, such rate shall apply to each Interest Period falling within that Reset Period.

For the purposes of this Condition 4(d), the Agent Bank shall not be responsible to the Issuer or to any third party as a result of the Agent Bank having relied upon or acted on any quotation or information given to it for the purposes of calculating the Subsequent Fixed Interest Rate or the Reset Reference Bank Rate which subsequently may be found to be incorrect or inaccurate in any way or for any losses whatsoever resulting from acting in accordance therewith.

*(e) Determination of Subsequent Fixed Interest Rates*

The Agent Bank will, as soon as practicable after 11.00 a.m. (New York City time) on each Reset Interest Determination Date, determine the Subsequent Fixed Interest Rate in respect of each Interest Period falling within the relevant Reset Period.

*(f) Publication of Subsequent Fixed Interest Rates*

The Issuer shall cause notice of each Subsequent Fixed Interest Rate determined in accordance with this Condition 4 in respect of each relevant Interest Period to be given to the Trustee, the Paying Agents, any stock exchange on which the Securities are for the time being listed or admitted to trading and, in accordance with Condition 17, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

**(g) Agent Bank and Reset Reference Banks**

With effect from the First Reset Date, the Issuer will maintain an Agent Bank and five Reset Reference Banks (to the extent required) where the Interest Rate is to be calculated by reference to them. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Agent Bank with another leading financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine a Subsequent Fixed Interest Rate in respect of any Interest Period as provided in Condition 4(d), the Issuer shall forthwith appoint another leading financial institution in London approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

**(h) Determinations of Agent Bank Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank shall (in the absence of wilful default, manifest error or negligence) be binding on the Issuer, the Agent Bank, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence as aforesaid) no liability to the Holders, the Couponholders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

**(i) Step-up after Change of Control Event**

Notwithstanding any other provision of this Condition 4, if the Issuer does not elect to redeem the Securities in accordance with Condition 6(g) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4 (including, for the avoidance of doubt, in accordance with the provisions of Condition 4(j) below), on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred.

**(j) Benchmark Event**

**(i) Independent Adviser**

If a Benchmark Event occurs, when any Subsequent Fixed Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(j)(iii)) and any Benchmark Amendments (in accordance with Condition 4(j)(iv)).

An Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of wilful default, negligence or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, or the Holders or the Couponholders for any determination made by it, pursuant to this Condition 4(j).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(j)(i) prior to the Reset Interest Determination Date in respect of a Reset Period, the relevant 5 year Swap Rate applicable to each Interest Period ending during that Reset Period shall be equal to the 5 year Swap Rate in respect of the immediately preceding Reset Period or, in the case of the Reset Period commencing on the First Reset Date, equal to the last available 5 year mid swap rate for U.S. dollar swap transactions, expressed as a rate, on the Reset Screen Page. If Condition 4(i) applies, the Subsequent

Fixed Interest Rate determined in accordance with this Condition 4(j)(i) shall be increased as provided in Condition 4(i). For the avoidance of doubt, this Condition 4(j)(i) shall apply to all payments of interest on the Securities from the end of the then current Reset Period onwards only, and the interest payable on the Securities during subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(j)(i).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(j)(iii)) subsequently be used in place of the Original Reference Rate to determine the Subsequent Fixed Interest Rate (or the relevant component part thereof) for all payments of interest on the Securities from the end of the then current Reset Period onwards (subject to the operation of this Condition 4(j)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(j)(iii)) subsequently be used in place of the Original Reference Rate to determine the Subsequent Fixed Interest Rate (or the relevant component part thereof) for all future payments of interest on the Securities from the end of the then current Reset Period onwards (subject to the operation of this Condition 4(j)).

(iii) *Adjustment Spread*

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(j)(v), without any requirement for the consent or approval of the Holders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 4(j)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 4(j)(iv), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(j), no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and

to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a Capital Event to occur.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(j) will be notified promptly by the Issuer to the Trustee, the Agent Bank, the Paying Agents and, in accordance with Condition 17, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(j); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents, the Holders and the Couponholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 4(j), the Original Reference Rate and the fallback provisions provided for in Condition 4(d) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions:*

As used in this Condition 4(j):

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged)

(iii) the Independent Adviser determines to be appropriate;

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser, determines in accordance with Condition 4(j)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in U.S. dollars;

“**Benchmark Amendments**” has the meaning given to it in Condition 4(j)(iv);

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing be published for a period of at least 10 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Securities, in each case within the following six months; or
- (v) it has become unlawful for any Paying Agent, Agent Bank or the Issuer to calculate any payments due to be made to any Holder or Couponholder using the Original Reference Rate;

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4(j)(i);

“**Original Reference Rate**” means the 5 year Swap Rate;

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## **5 Optional Interest Deferral**

### **(a) Deferral of Payments**

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a “**Deferred Interest Payment**”) which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a “**Deferral Notice**”) of such election to the Holders in accordance with Condition 17, the Trustee and the Principal Paying Agent not more than 14 nor less than 7 Business Days prior to the relevant Interest Payment Date. Subject to Condition 5(b), if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Event of Default or any other breach of its obligations under the Securities or for any other purpose.

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole or in part at any time (the “**Optional Deferred Interest Settlement Date**”) following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 17, the Trustee and the Principal Paying Agent not more than 14 nor less than 7 Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest, together with the Deferred Interest Payment, being “**Arrears of Interest**”), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5(b), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Securities or for any other purpose, unless such payment is required in accordance with Condition 5(b).

### **(b) Mandatory Settlement**

Notwithstanding the provisions of Condition 5(a) relating to the ability of the Issuer to defer Interest Payments, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

## **6 Redemption**

### **(a) Final Redemption**

Unless previously redeemed or purchased and cancelled or (pursuant to Condition 7) substituted, the Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 3 October 2078. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

### **(b) Issuer’s Call Option**

The Issuer may, by giving not less than 30 nor more than 60 days’ notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Securities on (i) any date from (and including) the First Call Date to (and including) the First Reset Date or (ii) any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(c) *Redemption for Certain Taxation Reasons***

If, immediately prior to the giving of the notice referred to below, a Tax Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions at any time all, but not some only, of the Securities at (i) 101 per cent. of their principal amount (in the case of a Tax Event where such redemption occurs prior to the First Call Date) or (ii) their principal amount (in the case of a Tax Event where such redemption occurs on or after the First Call Date or in the case of a Withholding Tax Event where such redemption occurs at any time), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(d) *Redemption for Rating Reasons***

If, immediately prior to the giving of the notice referred to below, a Capital Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date) or (ii) their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(e) *Redemption for Accounting Reasons***

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Call Date) or (ii) their principal amount (where such redemption occurs on or after the First Call Date), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(f) *Redemption for Substantial Repurchase***

If, immediately prior to the giving of the notice referred to below, a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**(g) *Redemption for Change of Control Event***

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at 101 per cent. of their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.



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

*The Issuer intends (without thereby assuming a legal or contractual obligation) that for so long as the Securities remain outstanding, if (i) a Change of Control Event occurs and (ii) the Issuer elects to redeem the Securities pursuant to Condition 6(g), it will launch a tender offer for all outstanding unsubordinated debt securities (which do not already contain a contractual right of the holders of such debt securities for such securities to be redeemed or repurchased as a result of the events giving rise to the Change of Control Event) at a price equal to not less than their aggregate principal amount plus accrued and unpaid interest as soon as reasonably practicable following such event. The Issuer also intends (without thereby assuming a legal or contractual obligation) to launch such tender offer in such a way as to ensure that the repurchase of any unsubordinated debt securities tendered to it will be effected prior to any redemption of the Securities pursuant to Condition 6(g).*

**(h) Redemption for Acquisition Event**

If an Acquisition Event occurs at any time during the Acquisition Event Call Period, then the Issuer may at any time prior to the end of the Acquisition Event Call Period, subject to having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at 101 per cent. of their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

**7 Substitution or Variation**

If an Accounting Event, a Capital Event, a Tax Event or a Withholding Tax Event (each a “**Substitution or Variation Event**”) has occurred and is continuing, then the Issuer may, subject to Condition 8 (without any requirement for the consent or approval of the Holders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 7 have been complied with, and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Holders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of this Condition 7 and subject to the receipt by it of the certificate of two Authorised Signatories of the Issuer referred to in Condition 8 below) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 7.

The Trustee agrees, at the expense of the Issuer, to use reasonable endeavours to assist the Issuer in the substitution of the Securities for, or the variation of the terms of the Securities so that they remain, or as appropriate, become, Qualifying Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Securities or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Trustee does not participate or assist as provided above, the Issuer may redeem the Securities as provided in Condition 6.

In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not give rise to any other Substitution or Variation Event with respect to the Qualifying Securities.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not result in the Qualifying Securities no longer being eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date notice is given to Holders of the substitution or variation.

In these Conditions, “**Qualifying Securities**” means securities that:

- (a) are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
- (b) rank and (save in the case of a direct issue by the Issuer) benefit from a guarantee that ranks in relation to the obligations of the Issuer under such securities and/or such guarantee (as the case may be), equally with the ranking of the Securities and *pari passu* in a winding-up or liquidation of the Issuer with any Parity Obligations of the Issuer;
- (c) contain terms not materially less favourable to Holders than the terms of the Securities (as reasonably determined by the Issuer (in consultation with an independent investment bank or counsel of international standing)) and which:
  - (i) provide for the same or a more favourable Interest Rate from time to time as applied to the Securities immediately prior to such substitution or variation and preserve the same Interest Payment Dates;
  - (ii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption;
  - (iii) preserve any existing rights under these Conditions to any accrued interest, any Deferred Interest Payments, any Arrears of Interest and any other amounts payable under the Securities which, in each case, has accrued to Holders and not been paid;
  - (iv) do not contain terms providing for the mandatory deferral of payments of interest and/or principal; and
  - (v) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (d) are (i) listed on the Official List and admitted to trading on the London Stock Exchange plc’s Regulated Market or (ii) admitted to trading on a Multilateral Trading Facility operated by an internationally recognised stock exchange that is regulated in the European Economic Area as selected by the Issuer.

For the purposes of the definition of Qualifying Securities:

“**Multilateral Trading Facility**” has the same meaning as in Article 4.1.22 of Directive 2014/65/EU (as amended) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; and

“**Official List**” means the Official List of the Financial Conduct Authority acting under Part VI of the Financial Services and Markets Act 2000.

## **8 Preconditions to Special Event Redemption, Change of Control Event Redemption, Acquisition Event Redemption and Substitution and Variation**

Prior to the publication of any notice of redemption pursuant to Condition 6 (other than redemption pursuant to Condition 6(b)) or any notice of substitution or variation pursuant to Condition 7, the Issuer shall deliver to the Trustee a certificate in form and substance satisfactory to the Trustee signed by two Authorised Signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied, and where the relevant Special Event requires measures reasonably available to the Issuer to be taken, the relevant Special Event cannot be avoided by the Issuer taking such measures. In relation to a substitution or variation pursuant to Condition 7, such certificate shall also include further certifications that the criteria specified in paragraphs (a) to (d) of the definition of Qualifying Securities will be satisfied by the Qualifying Securities upon issue and that such determinations were reached by the Issuer in consultation with an independent investment bank or counsel of international standing. The Trustee may rely absolutely upon and shall be entitled to accept such Authorised Signatories’ certificate without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs in which event it shall be conclusive and binding on the Holders and the Couponholders.

Any redemption of the Securities in accordance with Condition 6(b), 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 5 on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption, substitution or, as the case may be, variation date.

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

## **9 Purchases and Cancellation**

### **(a) Purchases**

The Issuer or any of its Subsidiaries may at any time purchase, or procure others to purchase beneficially for its account, Securities in any manner and at any price. In each case, purchases will be made together with all unmatured Coupons and Talons appertaining thereto. The Securities so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the Holder to vote at any meetings of the Holders or otherwise exercise any voting rights and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for voting on any Extraordinary Resolution or for the purposes of Condition 14.

### **(b) Cancellation**

All Securities redeemed or substituted by the Issuer pursuant to Condition 6 or 7, as the case may be, (together with all unmatured Coupons and unexchanged Talons relating thereto) will forthwith be cancelled. All Securities purchased by the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation (together with all unmatured Coupons and all unexchanged Talons) to the Principal Paying Agent. Securities so surrendered shall be cancelled forthwith (together with all unmatured Coupons and

unexchanged Talons attached). Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

## **10 Payments**

### **(a) Method of Payment**

- (i) Payments of principal, premium and interest will be made against presentation and surrender of Securities or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Securities. Such payments will be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City.
- (ii) Upon the due date for redemption of any Security, unmatured Coupons relating to such Security shall become void and no payment shall be made in respect of them. Where any Security is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (iii) On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Securities, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and, where relevant, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 13).

### **(b) Payments Subject to Fiscal Laws**

Without prejudice to the terms of Condition 12, all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders or Couponholders in respect of such payments.

### **(c) Payments on Business Days**

A Security or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a U.S. dollar account, on a day which is a Business Day). No further interest or other payment will be made as a consequence of the day on which the relevant Security or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition, “**business day**” means a day on which commercial banks and foreign exchange markets are open in the relevant city.

## **11 Event of Default**

### **(a) Proceedings**

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Securities and which is due (an “**Event of Default**”), then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Securities and the Coupons and the Trustee at its sole discretion may, notwithstanding the provisions of Condition 11(b) but subject to Condition 11(c), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer, such claim being subordinated, and for the amount, as provided in Condition 3(a).

### **(b) Enforcement**

The Trustee may at its discretion (subject to Condition 11(c)) and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the

Issuer under the Trust Deed, the Securities or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, steps or actions, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

*(c) Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 11(a) or 11(b) above against the Issuer to enforce the terms of the Trust Deed, the Securities or the Coupons or take any other action or step under or pursuant to these Conditions or the Trust Deed unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the Holders of at least one-quarter in principal amount of the Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

*(d) Right of Holders*

No Holder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed, institute, prove or claim, fails to do so within a reasonable period and such failure shall be continuing, in which case the Holder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 11.

*(e) Extent of Holders' remedy*

No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Trustee or the Holders or Couponholders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities, Coupons or under the Trust Deed.

## **12 Taxation**

All payments in respect of the Securities and Coupons by the Issuer will be made without withholding or deduction for any present or future taxes, duties, assessments or other governmental charges ("**Taxes**") imposed, levied or assessed by the Issuer's jurisdiction of incorporation, and any other territory or authority or additional territory or authority to whose taxing jurisdiction the Issuer has become subject (the "**Relevant Jurisdiction**") (or any political subdivision or taxing authority thereof or therein), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount paid to each holder of any Security or Coupon who, with respect to any such Tax is not resident in the Relevant Jurisdiction, after such withholding or deduction shall be not less than the respective amount to which such holder would have been entitled in respect of such Security or Coupon, as the case may be, in the absence of the withholding or deduction; provided however that the Issuer shall not be required to pay any Additional Amounts (i) for or on account of any such Tax imposed by the United States (or any political subdivision or taxing authority thereof or therein) or (ii) for or on account of:

- (a) any Tax which would not have been imposed but for (i) the existence of any present or former connection between a holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation) and the Relevant Jurisdiction or any political subdivision or territory or possession thereof or area subject to its jurisdiction, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein or (ii) the presentation of such Security or Coupon (x) for payment on a date more than 30 days after the Relevant Date (as defined below) or (y) in the Relevant Jurisdiction;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

- (c) any Tax which is payable otherwise than by withholding or deduction from payments of (or in respect of) principal of, or any interest on, such Security or Coupon;
- (d) any Tax that is imposed or withheld by reason of the failure by the holder or any beneficial owner of such Security or Coupon to comply with a request of the Issuer given to the holder in accordance with Condition 17 (i) to provide information concerning the nationality, residence or identity of the holder or any beneficial owner or (ii) to make any declaration or other similar claim or satisfy any information or reporting requirements, which, in the case of (i) or (ii), is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a precondition to exemption from all or part of such Tax; or
- (e) any combination of items (a), (b), (c) and (d) above,

nor shall the Issuer be required to pay any Additional Amounts with respect to any payment of the principal of, or any interest on, any Security or Coupon to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Jurisdiction (or any political subdivision or taxing authority thereof or therein) to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner which would not have been entitled to such additional amounts had it been the holder of such Security or Coupon.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Securities by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (and any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

### **13 Prescription**

Claims in respect of Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within a period of 10 years in the case of Securities and (subject to Condition 10(a)(ii)) five years in the case of Coupons from the Relevant Date relating thereto. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 13 or Condition 10(a)(ii).

### **14 Meetings of Holders, Modification, Waiver and Substitution**

#### **(a) Meetings of Holders**

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution 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 the Trustee and shall be convened by the Issuer if requested in writing by Holders holding not less than 10 per cent. in principal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Holders for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Securities so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Maturity Date, (ii) to modify the circumstances in which the Issuer is entitled to defer interest or redeem or purchase the Securities, (iii) to reduce or cancel the principal amount of the Securities or to reduce the amount payable on redemption or purchase of the

Securities, (iv) to modify the provisions relating to subordination, (v) to change the currency of the denomination of the Securities or of any payment in respect of the Securities including the due dates for payment of principal and interest, (vi) to change the governing law of the Securities, the Trust Deed or the Paying Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)) or (vii) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than three-fourths, or at any adjourned meeting not less than one-fourth, in principal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed by the Holders shall be binding on all Holders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of Securities outstanding (which may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders) or (ii) consents given by way of electronic consent through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of the Securities outstanding, shall, in any such case, be effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

The agreement or approval of the Holders shall not be required in the case of any Benchmark Amendments required by the Issuer pursuant to Condition 4(j), any variation of these Conditions and/or the Trust Deed required to be made in connection with the substitution or variation of the Securities pursuant to Condition 7 or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer pursuant to Condition 14(c).

**(b)      *Modification of the Trust Deed***

The Trustee may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Paying Agency Agreement, any agreement supplemental to the Paying Agency Agreement, the Securities or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Paying Agency Agreement, any agreement supplemental to the Paying Agency Agreement, the Securities or these Conditions (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, any trust deed supplemental to the Trust Deed, the Paying Agency Agreement, any agreement supplemental to the Paying Agency Agreement, the Securities or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. Any such modification, authorisation, waiver or determination shall be binding on the Holders and, if the Trustee so requires, shall be notified to the Holders promptly in accordance with Condition 17.

**(c)      *Substitution***

The Trustee may, without the consent of the Holders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as principal debtor in respect of the Securities and the Coupons and under the Trust Deed of either (i) a successor in business (as defined in the Trust Deed) to the Issuer or (ii) a Holding Company of the Issuer, in each case on a subordinated basis equivalent to that referred to in Conditions 2 and 3, and in each case subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced thereby provided that in determining such material prejudice the Trustee shall not take into account any prejudice to the interests of the Holders as a result of such substituted company not being required pursuant to proviso (i) to Condition 12 to pay any Additional Amounts for or on account of any Taxes imposed by the United States of America or any political subdivision or taxing authority thereof or therein and certain other conditions set out in the Trust Deed being complied with. Any such substitution shall be binding on the Holders and, if the Trustee so requires, shall be notified to the Holders promptly in accordance with Condition 17.

**(d) Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders, except to the extent provided for in these Conditions or the Trust Deed.

**15 Replacement of the Securities, Coupons and Talons**

If any Security, 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 Principal Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders, 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 Security, 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 Securities, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Securities, Coupons or Talons must be surrendered before any replacement Securities, Coupons or Talons will be issued.

**16 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 taking proceedings and/or any other action under these Conditions or the Trust Deed unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Holders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or 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, opinion, confirmation or certificate or advice and, where the Trustee does so accept and rely, such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Holders in the absence of manifest error.

**17 Notices**

Notices required to be given to Holders pursuant to these Conditions will be valid if published in a daily newspaper having general circulation in the United Kingdom (which is expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Securities are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Holders in accordance with this Condition.

**18 Further Issues**

The Issuer may from time to time without the consent of the Holders or the Couponholders create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that such further issue shall be



consolidated and form a single series with the outstanding Securities. Any such Securities shall be constituted by a deed supplemental to the Trust Deed.

## **19 Agents**

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that it will:

- (a) at all times maintain a Principal Paying Agent;
- (b) whenever a function expressed in these Conditions to be performed by the Agent Bank or by the Reset Reference Banks falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank and/or, as appropriate, Reset Reference Banks; and
- (c) at all times maintain a Paying Agent with a specified office in a city approved by the Trustee outside the Relevant Jurisdiction.

Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 17. If any of the Agent Bank or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Paying Agency Agreement (as the case may be), the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution acceptable to the Trustee to act as such in its place. All calculations and determinations made by the Agent Bank or the Principal Paying Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Holders and the Couponholders.

## **20 Governing Law**

The Trust Deed, the Securities, 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, the laws of England.

## **21 Contracts (Rights of Third Parties) Act 1999**

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

## **22 Definitions**

In these Conditions:

an “**Accounting Event**” shall be deemed to occur if, as a result of a change in accounting principles which becomes effective on or after the Issue Date, but not otherwise, the obligations of the Issuer under the Securities must not or may no longer be recorded as a “financial liability” in the next following audited annual consolidated financial statements of the Issuer prepared in accordance with IFRS or any other accounting standards that the Issuer may adopt in the future for the preparation of its audited annual consolidated financial statements in accordance with United Kingdom company law;

an “**Acquisition Event**” shall be deemed to occur if: (i) the Issuer or any Subsidiary of the Issuer has not completed and closed the acquisition of Liberty Global plc’s operations in Germany, the Czech Republic, Hungary and Romania (the “**Acquisition**”); and (ii) the Issuer has publicly announced that it no longer intends to complete the Acquisition;

“**Acquisition Event Call Period**” means the period from (and including) the Issue Date to (and including) 31 July 2019;

“**Additional Amounts**” has the meaning given to it in Condition 12;

“**Agent Bank**” has the meaning given to it in the preamble to these Conditions;

“**Agents**” means the Principal Paying Agent, the Agent Bank and the Paying Agents or any of them;

“**Arrears of Interest**” has the meaning given to it in Condition 5(a);

“**Authorised Signatory**” means a director, company secretary, or any other person authorised by the board of directors of the Issuer to provide certificates in relation to the Securities;

“**Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and New York City;

“**Calculation Amount**” has the meaning given to it in Condition 4(b);

a “**Capital Event**” shall be deemed to occur if the Issuer has received, and confirmed in writing to the Trustee that it has so received, confirmation from any Rating Agency then providing a solicited rating of the Issuer or the Securities at the invitation of, or with the consent of, the Issuer and in connection with which the Securities are assigned an equity credit, either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in its equity credit criteria which becomes effective on or after the Issue Date (or, if later, effective after the date on which the Securities are assigned “equity credit” by such Rating Agency for the first time) and as a result of which, but not otherwise, the Securities will no longer be eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Securities at the Issue Date (or if “equity credit” is not assigned to the Securities by the relevant Rating Agency on the Issue Date, at the date on which “equity credit” is assigned by such Rating Agency for the first time);

a “**Change of Control**” means the occurrence of an event whereby any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; provided that, no Change of Control shall be deemed to occur if the event would otherwise have constituted a Change of Control occurs or is carried out for the purposes of a reorganisation on terms previously approved by the Trustee in writing or by an Extraordinary Resolution;

a “**Change of Control Event**” shall be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) any of the Issuer’s Senior Unsecured Obligations carry:
  - (A) an investment grade credit rating (*Baa3/BBB-*, or their respective equivalents, or better) (an “**Investment Grade Rating**”), by any Relevant Rating Agency at the invitation of the Issuer; or
  - (B) (where there is no credit rating from any Relevant Rating Agency assigned at the invitation of the Issuer), an Investment Grade Rating by any Relevant Rating Agency of its own volition,and
- (x) such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (*Bal/BB+*, or their respective equivalents, or worse) (a “**Non-Investment Grade Rating**”) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade Rating by such Relevant Rating Agency;

- (y) and there remains no other Investment Grade Rating of any of the Issuer's Senior Unsecured Obligations from any other Relevant Rating Agency; and
- (c) in making any decision to downgrade or withdraw an Investment Grade Rating pursuant to paragraph (b) above, such Relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the relevant Change of Control.

Further, if at the time of the occurrence of the relevant Change of Control the Issuer's Senior Unsecured Obligations are not assigned an Investment Grade Rating by any Relevant Rating Agency, a Change of Control Event will be deemed to occur upon the occurrence of a Change of Control alone.

If the rating designations employed by either Moody's or S&P are changed from those which are described in paragraph (b) of the definition of "**Change of Control Event**" above, or if a rating is procured from a Substitute Relevant Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of Moody's or S&P or such Substitute Relevant Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and the definition of "**Change of Control Event**" shall be construed accordingly;

"**Change of Control Period**" means the period commencing upon a Change of Control and ending 90 days after the Change of Control (or such longer period for which the Senior Unsecured Obligations are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review, such period not to exceed 60 days after the public announcement of such consideration);

a "**Compulsory Arrears of Interest Settlement Event**" shall have occurred if:

- (i) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of (a) ordinary shares of the Issuer, (b) any obligations of the Issuer which rank or are expressed to rank *pari passu* with the ordinary shares of the Issuer or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the ordinary shares of the Issuer, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made exclusively in ordinary shares of the Issuer or in respect of any share option, or any free share allocation plan in each case reserved for directors, officers and/or employees of the Issuer or any of its affiliates or any associated liquidity agreements or any associated hedging transactions or (y) the Issuer is obliged under the terms of such securities or by mandatory operation of law to make such dividend, distribution or other payment; or
- (ii) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Obligations of the Issuer, except where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Parity Obligations of the Issuer or by mandatory operation of law; or
- (iii) the Issuer has redeemed, repurchased or otherwise acquired (a) any ordinary shares of the Issuer, (b) any obligations of the Issuer which rank or are expressed to rank *pari passu* with the ordinary shares of the Issuer or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the ordinary shares of the Issuer, except where (v) such repurchase or acquisition was undertaken in respect of any share option, or any free share allocation plan in each case reserved for directors, officers and/or employees of the Issuer or any of its affiliates or any associated liquidity agreements or any associated hedging transactions, (w) the Issuer is obliged under the terms of such securities or by mandatory operation of law to make such repurchase or acquisition or (x) such repurchase or acquisition was made by or on behalf of the Issuer as part of an intra-day transaction that does not result in an increase in the

aggregate number of ordinary shares held by or on behalf of the Issuer as treasury shares at 8:30 a.m. London time on the Interest Payment Date on which any outstanding Arrears of Interest were first deferred, (y) such repurchase or acquisition results from hedging of any convertible securities issued by the Issuer or by any Subsidiary of the Issuer and guaranteed by the Issuer; or (z) such repurchase or acquisition results from the settlement of existing equity derivatives after the Interest Payment Date on which any outstanding Arrears of Interest were first deferred;

- (iv) the Issuer, or any Subsidiary of the Issuer, has redeemed, repurchased or otherwise acquired any Parity Obligations of the Issuer, except where (x) such redemption, repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase price per security which is below its par value or (y) the Issuer, or any Subsidiary of the Issuer, is obliged under the terms of such securities or by mandatory operation of law to make such redemption, repurchase or acquisition or (z) such acquisition results from the conversion of any convertible securities issued by the Issuer or issued by a Subsidiary of the Issuer with a guarantee from the Issuer;

“**Conditions**” means these terms and conditions of the Securities, as amended from time to time;

“**Coupon**” has the meaning given to it in the preamble to these Conditions;

“**Couponholder**” has the meaning given to it in the preamble to these Conditions;

“**Deferred Interest Payment**” has the meaning given to it in Condition 5(a);

“**FATCA Withholding**” has the meaning given to it in Condition 12;

“**First Fixed Interest Rate**” has the meaning given to it in Condition 4(c);

“**First Call Date**” means 3 July 2024;

“**First Reset Date**” means 3 October 2024;

“**Holder**” has the meaning given to it in the preamble to these Conditions;

“**Holding Company**” means, in relation to a person, an entity of which that person is a Subsidiary;

“**IFRS**” means International Financial Reporting Standards as adopted by the EU;

“**Interest Payment**” means, in respect of an Interest Payment Date, the amount of interest payable on the presentation and surrender of the Coupon for the relevant Interest Period in accordance with Condition 4;

“**Interest Payment Date**” means 3 October in each year, commencing on (and including) 3 October 2019;

“**Interest Period**” means the period beginning on (and including) the Issue 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 Rate**” means the First Fixed Interest Rate and/or each Subsequent Fixed Interest Rate, as the case may be;

“**Issue Date**” has the meaning given to it in Condition 4(a);

“**Issuer**” means Vodafone Group Plc;

“**Junior Obligations**” means any shares in the capital of the Issuer (except for preference shares in the capital of the Issuer (if any)) or any other securities or obligations issued or owed by the Issuer (including guarantees or indemnities or support arrangements given by the Issuer in respect of securities or obligations owed by other persons) which rank, or are expressed to rank, junior to the Securities or to the most junior class of preference shares in the capital of the Issuer;

“**Mandatory Settlement Date**” means the earlier of:

- (i) the date on which a Compulsory Arrears of Interest Settlement Event occurs
- (ii) the next scheduled Interest Payment Date on which the Issuer pays interest on the Securities; or
- (iii) the date on which the Securities are redeemed or repaid in accordance with Condition 3, Condition 6 or Condition 11;

“**Maturity Date**” means 3 October 2078;

“**Parity Obligations**” means (if any) (i) the most junior class of preference share capital in the Issuer ranking ahead of the ordinary shares in the capital of the Issuer and any other obligations of the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Securities or such preference shares and (ii) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Securities or such preference shares;

*For the avoidance of doubt, Parity Obligations include the Issuer’s £1,440,000,000 2.00 per cent. Subordinated Mandatory Convertible Bonds due 2019 (ISIN: XS1371473601), the Issuer’s €2,000,000,000 Capital Securities due 2079 issued on or around the Issue Date (ISIN: XS1888179477), the Issuer’s €500,000,000 Capital Securities due 2078 issued on or around the Issue Date (ISIN: XS1888179550) and the Issuer’s £500,000,000 Capital Securities due 2078 issued on or around the Issue Date (ISIN: XS1888180996)*

“**Paying Agency Agreement**” has the meaning given to it in the preamble to these Conditions;

“**Paying Agents**” has the meaning given to it in the preamble to these Conditions;

“**Principal Paying Agent**” has the meaning given to it in the preamble to these Conditions;

“**Qualifying Securities**” has the meaning given to it in Condition 7;

“**Rating Agency**” means Fitch Ratings Ltd, Moody’s Investors Service España S.A. (“**Moody’s**”) or Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) or any of their respective affiliates or successors or any rating agency (a “**Substitute Rating Agency**”) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee;

“**Relevant Date**” means (i) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 17, and (ii) in respect of a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

“**Relevant Jurisdiction**” has the meaning given to it in Condition 12;

“**Relevant Rating Agency**” means Moody’s or S&P or any of their respective affiliates or successors or any rating agency (a “**Substitute Relevant Rating Agency**”) substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee;

“**Reset Date**” means the First Reset Date and each date falling on the fifth anniversary of the First Reset Date;

“**Reset Period**” means the period from one Reset Date to (but excluding) the next following Reset Date;

“**Reset Reference Banks**” means five major banks in the interbank market in London as selected by the Agent Bank, after consultation with the Issuer;

“**Securities**” has the meaning given to it in the preamble to these Conditions;

“**Senior Obligations**” means all obligations of the Issuer, issued directly or indirectly by it, other than Parity Obligations and Junior Obligations;

“**Senior Unsecured Obligations**” means any of the Issuer’s senior unsecured obligations;

“**Special Event**” means any of an Accounting Event, a Capital Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event or any combination of the foregoing;

“**Subsequent Fixed Interest Rate**” has the meaning given to it in Condition 4(d);

“**Subsidiary**” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006;

“**Substantial Repurchase Event**” shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer repurchases (and effects corresponding cancellations) or redeems Securities in respect of 75 per cent. or more in the principal amount of the Securities initially issued (which shall for this purpose include any further Securities issued pursuant to Condition 18);

“**Substitution or Variation Event**” has the meaning given to it in Condition 7;

“**Talons**” has the meaning given to it in the preamble to these Conditions;

a “**Tax Event**” shall be deemed to have occurred if as a result of a Tax Law Change:

- (i) in respect of, or as a result of, the Issuer’s obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in the United Kingdom or such entitlement is materially reduced or materially delayed (a “**disallowance**”);
- (ii) the Securities are prevented from being treated as loan relationships for United Kingdom tax purposes; or
- (iii) in respect of the Issuer’s obligation to make any Interest Payment on the next following Interest Payment Date, where a deduction arises in respect of such Interest Payment the Issuer would not to any material extent be entitled to have such deduction set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date or any similar system or systems having like effect as may from time to time exist) otherwise than as a result of a disallowance within (i),

and, in each case, the Issuer cannot avoid the foregoing in connection with the Securities by taking measures reasonably available to it, provided measures reasonably available to the Issuer shall not include allocating a disallowance provided for in (i) above to any other company or security;

“**Taxes**” has the meaning given to it in Condition 12;

“**Tax Law Change**” means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the United Kingdom is a party, or any change in the application of official or generally published interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after the Issue Date;

“**Trust Deed**” has the meaning given to it in the preamble to these Conditions;

“**Trustee**” has the meaning given to it in the preamble to these Conditions;

“**United Kingdom**” means the United Kingdom of Great Britain and Northern Ireland;

“U.S. dollar”, “U.S.\$” and “cent” mean the lawful currency of the United States of America; and

a “**Withholding Tax Event**” shall be deemed to occur if as a result of a Tax Law Change, in making any payments on the Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Securities and the Issuer cannot avoid the foregoing in connection with the Securities by taking measures reasonably available to it.

*The following paragraphs do not form part of the terms and conditions of the Securities.*

*Unless (a) the rating assigned by S&P to the Issuer is at least “BBB+” (or such similar nomenclature then used by S&P) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or (b) the Securities are not assigned an “equity credit” (or such similar nomenclature then used by S&P), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer’s aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain at or below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology, the Issuer intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Securities to but excluding the Reset Date falling on 3 October 2044, in the event of:*

- (i) an early redemption of the Securities pursuant to Condition 6(b); or*
- (ii) a repurchase of the Securities of more than (a) 10 per cent. of the aggregate principal amount of the relevant Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the relevant Securities originally issued in any period of 10 consecutive years,*

*to redeem or repurchase such Securities only to the extent that such part of the aggregate principal amount of the relevant Securities to be redeemed or repurchased as was characterised as equity by S&P at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities) does not exceed such part of the net proceeds which is received by the Issuer or any Subsidiary of the Issuer at or prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any Subsidiary to third party purchasers (other than Subsidiaries of the Issuer) of securities as is characterised by S&P, at the time of sale or issuance, as equity.*

## **SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM**

The Temporary Global Security and the Permanent Global Security will contain provisions which apply to the Securities while they are in global form, some of which modify the effect of the Conditions of the Securities. The following is a summary of certain of those provisions as they relate to the Securities:

### **Exchange**

The Temporary Global Security is exchangeable in whole or in part for interests in the Permanent Global Security on or after a date which is expected to be 12 November 2018, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security. The Permanent Global Security is exchangeable in whole but not in part (free of charge to the Holder) for the definitive Securities described below if the Permanent Global Security is held on behalf of a clearing system and 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 does in fact do so. Thereupon, the Holder may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Security for definitive Securities on or after the Exchange Date (as defined below) specified in the notice.

On or after the Exchange Date (as defined below) the Holder of the Permanent Global Security may surrender the Permanent Global Security to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Security the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Securities (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Security and a Talon for further Coupons), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Permanent Global Security, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with any relevant definitive Securities.

“**Exchange Date**” means 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 Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

### **Payments**

No payment will be made on the Temporary Global Security unless exchange for an interest in the Permanent Global Security is improperly withheld or refused. Payments of principal, premium and interest in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of such Global Security to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Holders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Securities. For the purpose of any payments made in respect of a Global Security, Condition 10(c) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open in London and New York City.

### **Notices**

Notwithstanding Condition 17 (*Notices*), so long as the Securities are represented by the Permanent Global Security and such Permanent Global Security is held on behalf of a clearing system, notices to Holders 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. Any such notice shall be deemed to have been given to Holders on the same day on which such notice is delivered to the clearing systems as aforesaid.



## **Prescription**

Claims against the Issuer in respect of principal, premium and interest on the Securities while the Securities are represented by the Permanent Global Security will become void unless it is presented for payment within a period of 10 years (in the case of principal and premium) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

## **Meetings**

For the purposes of any quorum requirements of a meeting of Holders, the Holder of the Permanent Global Security shall be treated as having one vote in respect of each U.S.\$1,000 in principal amount of the Securities.

## **Purchase and Cancellation**

Cancellation of any Security required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Security.

## **Trustee's Powers**

In considering the interests of Holders while the Permanent Global Security is held on behalf of 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 the Permanent Global Security and may consider such interests as if such accountholders were the holders of the Permanent Global Security.

## **Electronic Consent**

While any Global Security is held on behalf of a relevant clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Securities 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 Holders duly convened and held, and shall be binding on all Holders 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 and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to such Global Security and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Holders and holders of Coupons and Talons, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall 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 Securities is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall 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.

## **DESCRIPTION OF THE ISSUER**

For further information on the description of the Issuer, see the section entitled “*Description of the Issuer*” on pages 78 to 84 of the EMTN Prospectus, which is incorporated by reference in this Prospectus. See “*Documents Incorporated by Reference*” above.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Securities will be used for general corporate purposes, including without limitation the financing of the Acquisition.

## TAXATION

**The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions. Any Holders who are in doubt as to their own tax position should consult their professional advisers).**

### United Kingdom Taxation

**The comments in this part are of a general nature and are based on the Issuer's understanding of current United Kingdom tax law and HM Revenue & Customs' published practice (which may not be binding on HM Revenue & Customs) in the United Kingdom only in relation to the deduction of tax from payments of interest. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Securities. The comments relate to the position of persons who are the absolute beneficial owners of the Securities and interest thereon but are not exhaustive and may not apply to certain classes of persons such as dealers or certain professional investors. Prospective Holders should seek their own professional advice on other tax issues relevant to the Securities.**

1. A payment of principal in respect of any Securities will be payable without withholding or deduction for or on account of United Kingdom tax. No withholding or deduction for or on account of United Kingdom tax will arise in respect of a premium or discount unless it is regarded as interest, in which case paragraphs 2 to 4 below (as appropriate) will apply.
2. Interest payable on Securities which have a maturity of less than 365 days and are not issued with the intention, or under a scheme or arrangement the effect of which is, that such Securities form part of a borrowing with a total term of more than 364 days can be paid without withholding or deduction for or on account of United Kingdom income tax irrespective of whether or not the Securities are listed.
3. So long as the Securities carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the London Stock Exchange being such a recognised stock exchange for these purposes), payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange.
4. In all other cases, interest on the Securities that has a United Kingdom source will generally be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other reliefs under domestic law, including an exemption for certain payments of interest to which a company within the charge to United Kingdom corporation tax is beneficially entitled, or to any notice to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.
5. Any interest on any Securities has a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Where the interest is paid without withholding or deduction, the interest will not be assessed to United Kingdom tax in the hands of holders of the Securities who are not resident in the United Kingdom, except where such persons carry on a trade, profession or vocation through a United Kingdom branch or agency or, in the case of a corporate holder, a permanent establishment in the United Kingdom in connection with which the interest is received or to which the Securities are attributable, in which case (subject to exemptions for interest received by certain categories

of agent) tax may be levied on the United Kingdom branch or agency or permanent establishment. The provisions of an applicable double taxation treaty may also be relevant for such holders of the Securities.

6. Notwithstanding the fact that interest is received subject to deduction of income tax at source, holders of Securities may, however, be liable to pay further United Kingdom tax on the interest received or be entitled to a refund of all or part of the tax deducted at source depending on their individual circumstances.

### **The Proposed Financial Transactions tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (together, the “**participating Member States**”) and Estonia. However, Estonia has since stated that it will not participate.

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

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

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a “**foreign financial institution**” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to 1 January 2019 and instruments characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding (“**grandfathered instruments**”) unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional instruments that are not distinguishable from previously issued grandfathered instruments are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all instruments, including the

grandfathered instruments, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International and Standard Chartered Bank (the “**Joint Bookrunners**”) have, pursuant to a Subscription Agreement dated 1 October 2018, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Securities at 100.000 per cent. of their principal amount. The Issuer has agreed to pay to the Joint Bookrunners a combined management and underwriting commission. In addition, the Issuer has agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of the Securities. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment in respect of the Securities being made to the Issuer.

### **United States**

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from 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 (“**Regulation S**”).

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Joint Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) 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 Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of the Securities, an offer or sale of the Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Joint Bookrunner has represented and agreed that:

- (a) 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 Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

### **Prohibition of Sales to EEA Retail Investors**

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the EEA. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or



- (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Hong Kong**

Each Joint Bookrunner has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

### **Japan**

The Securities 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 Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident 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 in 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. As used in this paragraph, “*resident of Japan*” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Republic of Italy**

The offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Joint Bookrunner has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Securities or any copy of this Prospectus or any other offer document in the Republic of Italy (“**Italy**”) except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Financial Services Act**”) and Article 34-ter paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the “**CONSOB Regulation**”), all as amended; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Securities or distribution of copies of this Prospectus or any other document relating to the Securities in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993

(the “**Banking Act**”), CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy or other competent authority.

## **Singapore**

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Securities will be offered pursuant to exemptions under the SFA. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Securities, or caused Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Securities, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Securities pursuant to an offer under Section 275 of the SFA except:

- (i) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA) or to any person arising from an offer referred to in Section 275(1A) (in the case of a corporation) or Section 276(4)(i)(B) (in the case of a trust) of the SFA; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

**Taiwan**

Each Joint Bookrunner has represented and agreed that the Securities have not been, and shall not be, offered sold or resold, directly or indirectly to investors other than “professional institutional investors” as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China.

**General**

Neither the Issuer nor any Joint Bookrunner has made any representation that any action will be taken in any jurisdiction by the Joint Bookrunners or the Issuer that would permit a public offering of the Securities, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Securities or have in their possession or distribute such offering material, in all cases at their own expense.

Each Joint Bookrunner has agreed that it will, to the best of its knowledge, comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense.

## GENERAL INFORMATION

### 1. Listing

It is expected that listing of the Securities on the Official List and admission of the Securities to trading on the Market will be granted on or about 3 October 2018, subject only to the issue of the Temporary Global Security. The expenses related to the admission of the Securities to the Official List and to trading on the Market are estimated to amount to £5,250.

### 2. Authorisations

The issue of the Securities was authorised by resolutions of the Board of Directors passed on 27 March 2018.

### 3. Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2018. There has been no material adverse change in the prospects of the Issuer since 31 March 2018.

### 4. Legal Proceedings

The Issuer and its subsidiaries are currently, and may be from time to time, involved in a number of legal proceedings including inquiries from, or discussions with, governmental authorities that are incidental to their operations. However, save as disclosed in the section entitled “*General Information - Legal Proceedings*” on pages 103 to 105 of the EMTN Prospectus, which is incorporated by reference in this Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have, or have had a significant effect on the financial position or profitability of the Issuer and its subsidiaries. Due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings referred to can be made.

For further information on the legal proceedings relating to the Issuer and its subsidiaries, see the section entitled “*General Information – Legal Proceedings*” on pages 103 to 105 of the EMTN Prospectus, which is incorporated by reference in this Prospectus. See “*Documents Incorporated by Reference*”.

### 5. Legends

Each Security and Coupon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

### 6. Clearing Systems

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for the Securities is XS1888180640 and the Common Code is 188818064. The Classification of Financial Instrument (CFI) code for the Securities is DYFXXB and the Financial Instrument Short Name (FISN) code is VODAFONE GROUP/VAREUR NT 20781003 R.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

The Issuer's legal entity identifier (LEI) number is 213800TB53ELEUKM7Q61.

#### 7. **Documents available for inspection**

For so long as any of the Securities is outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for physical inspection at the specified office of any of the Paying Agents:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the published annual report and audited consolidated financial statements of the Issuer for the financial years ended 31 March 2017 and 31 March 2018, respectively;
- (c) the First Quarter Results Press Release;
- (d) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and
- (e) the Trust Deed dated the Issue Date between the Issuer and the Trustee relating to the Securities and the Paying Agency Agreement dated the Issue Date between the Issuer, the Trustee and the agents named therein relating to the Securities.

In addition, a copy of this Prospectus will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

#### 8. **Auditors**

The auditor of the Issuer is PricewaterhouseCoopers LLP, who has audited the Issuer's financial statements, without qualification, in accordance with the standards of the Public Company Accounting Oversight Board (United States) and International Standards on Auditing for the financial years ended 31 March 2017 and 31 March 2018. The Issuer's consolidated financial statements for the financial years ended 31 March 2017 and 31 March 2018 were prepared in accordance with IFRS.

#### 9. **Yield**

For the period from (and including) the Issue Date to (but excluding) the First Reset Date, the yield on the Securities will be 6.250 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

#### 10. **Activities of the Joint Bookrunners**

Certain of the Joint Bookrunners 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 Joint Bookrunners and their affiliates may have positions, deal or make markets in the Securities, 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 Joint Bookrunners 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 Joint Bookrunners 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 Joint Bookrunners 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 Securities. Any such positions could adversely affect future trading prices of the Securities. The Joint Bookrunners 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.

11. **Interests Material to the Offer**

Save for the fees payable to the Joint Bookrunners, the Trustee and the Paying Agents, so far as the Issuer is aware, no person, natural or legal, involved in the issue of any Securities has an interest that is material to the issue of the Securities.

**REGISTERED OFFICE OF THE ISSUER**

**Vodafone Group Plc**  
Vodafone House  
The Connection  
Newbury  
Berkshire RG14 2FN

**GLOBAL CO-ORDINATOR**

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ

**JOINT BOOKRUNNERS**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ

**Standard Chartered Bank**  
1 Basinghall Avenue  
London EC2V 5DD

**AUDITORS OF THE ISSUER**

**PricewaterhouseCoopers LLP**  
1 Embankment Place  
London WC2N 6RH

**TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**  
Fifth Floor  
100 Wood Street  
London EC2V 7EX

**PRINCIPAL PAYING AGENT AND AGENT BANK**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ

**LEGAL ADVISERS**

*To the Issuer as to English law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ

*To the Joint Bookrunners and the  
Trustee as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD