

Prospectus dated 25 August 2020



*(incorporated with limited liability in England and Wales)*

**€1,000,000,000 Capital Securities due 2080  
and  
€1,000,000,000 Capital Securities due 2080**

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**Issue Price: 100.00 per cent. in respect of the NC6 Securities  
100.00 per cent. in respect of the NC10 Securities**

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The €1,000,000,000 Capital Securities due 27 August 2080 (the “**NC6 Securities**”) and the €1,000,000,000 Capital Securities due 27 August 2080 (the “**NC10 Securities**”) and together with the NC6 Securities, the “**Securities**” and each, a “**Series**”) will be issued by Vodafone Group Plc (the “**Issuer**”) on 27 August 2020 (the “**Issue Date**”).

The NC6 Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 27 August 2026 (the “**First NC6 Securities Reset Date**”) at a rate of 2.625 per cent. per annum, payable annually in arrear on 27 August in each year. The Interest Payment (as defined in the “*Terms and Conditions of the NC6 Securities*”) (the “**NC6 Conditions**”) in respect of each Interest Period (as defined in the NC6 Conditions) commencing before the First NC6 Securities Reset Date will amount to €26.25 per €1,000 in principal amount of the NC6 Securities. Thereafter, unless previously redeemed, the NC6 Securities will bear interest from (and including) the First NC6 Securities Reset Date to (but excluding) 27 August 2031 at a rate per annum which shall be 3.002 per cent. above the 5 year Swap Rate (as defined in the NC6 Conditions) for the relevant Reset Period (as defined in the NC6 Conditions), payable annually in arrear on 27 August in each year. From (and including) 27 August 2031 to (but excluding) 27 August 2046, the NC6 Securities will bear interest at a rate per annum which shall be 3.252 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 27 August in each year. From (and including) 27 August 2046 up to (but excluding) 27 August 2080 (the “**NC6 Securities Maturity Date**”), the NC6 Securities will bear interest at a rate per annum which shall be 4.002 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 27 August in each year, all as more particularly described in “*Terms and Conditions of the NC6 Securities—Interest Payments*”.

The NC10 Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 27 August 2030 (the “**First NC10 Securities Reset Date**”) at a rate of 3.000 per cent. per annum, payable annually in arrear on 27 August in each year. The Interest Payment (as defined in the “*Terms and Conditions of the NC10 Securities*”) (the “**NC10 Conditions**”) and, together with the NC6 Conditions, the “**Conditions**”) in respect of each Interest Period (as defined in the NC10 Conditions) commencing before the First NC10 Securities Reset Date will amount to €30.00 per €1,000 in principal amount of the NC10 Securities. Thereafter, unless previously redeemed, the NC10 Securities will bear interest from (and including) the First NC10 Securities Reset Date to (but excluding) 27 August 2050 at a rate per annum which shall be 3.477 per cent. above the 5 year Swap Rate (as defined in the NC10 Conditions) for the relevant Reset Period (as defined in the NC10 Conditions), payable annually in arrear on 27 August in each year. From (and including) 27 August 2050 up to (but excluding) 27 August 2080 (the “**NC10 Securities Maturity Date**”), the NC10 Securities will bear interest at a rate per annum which shall be 4.227 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 27 August in each year, all as more particularly described in “*Terms and Conditions of the NC10 Securities—Interest Payments*”.

If the Issuer does not elect to redeem either Series of the Securities in accordance with Condition 6(g) thereof following the occurrence of a Change of Control Event (as defined in the relevant Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the relevant Conditions) for such Series 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 NC6 Securities—Interest Payments—Step-up after Change of Control Event*” and “*Terms and Conditions of the NC10 Securities—Interest Payments—Step-up after Change of Control Event*”, respectively.

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 NC6 Securities—Optional Interest Deferral*” and “*Terms and Conditions of the NC10 Securities—Optional Interest Deferral*”, respectively. 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 relevant Conditions). The Issuer may pay outstanding Arrears of Interest, in whole or in part, at any time in accordance with the relevant 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 relevant Conditions) following the Interest Payment Date on which a Deferred Interest Payment (as defined in the relevant Conditions) arose, all as more particularly described in “*Terms and Conditions of the NC6 Securities—Optional Interest Deferral—Mandatory Settlement*” and “*Terms and Conditions of the NC10 Securities—Optional Interest Deferral—Mandatory Settlement*”, respectively.

The NC6 Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 27 August 2080. The NC6 Securities may not be redeemed prior to the NC6 Securities Maturity Date at the option of the Issuer other than in accordance with Condition 6 thereof. The NC6 Securities shall be redeemable (at the option of the Issuer) in whole but not in part on any date from (and including) 27 May 2026 to (and including) the First NC6 Securities Reset Date or on any Interest Payment Date thereafter, at the principal amount of the NC6 Securities, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest.

The NC10 Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 27 August 2080. The NC10 Securities may not be redeemed prior to the NC10 Securities Maturity Date at the option of the Issuer other than in accordance with Condition 6 thereof. The NC10 Securities shall be redeemable (at the option of the Issuer) in whole but not in part on any date from (and including) 27 May 2030 to (and including) the First NC10 Securities Reset Date and on any Interest Payment Date thereafter, at the principal amount of the NC10 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, 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 relevant Conditions), each Series 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 NC6 Securities—Redemption*” and “*Terms and Conditions of the NC10 Securities—Redemption*”, respectively.

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 relevant Securities, either (i) substitute all, but not some only, of such Securities for, or (ii) vary the terms of such Securities with the effect that they remain or become, as the case may be, Qualifying Securities (as defined in the relevant Conditions), in each case in accordance with Condition 7 thereof and subject to the receipt by the Trustee of the certificate of the Authorised Signatories (as defined in the relevant Conditions) of the Issuer referred to in Condition 8 thereof.

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 NC6 Securities—Status*”, “*Terms and Conditions of the NC6 Securities—Subordination*”, “*Terms and Conditions of the NC10 Securities—Status*” and “*Terms and Conditions of the NC10 Securities—Subordination*”, respectively.

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 NC6 Securities—Taxation*” and “*Terms and Conditions of the NC10 Securities—Taxation*”, respectively.

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 for the Securities to be admitted to the official list of the FCA (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**”).

This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Securities.

The Securities of each Series will initially be represented by a temporary global security (each, a “**Temporary Global Security**” and, together with the Temporary Global Security in respect of the other Series, the “**Temporary Global Securities**”), 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. Each Temporary Global Security will be exchangeable for interests in a permanent global security (each, a “**Permanent Global Security**” and, together with the Permanent Global Security in respect of the other Series, the “**Permanent Global Securities**” and, together with the Temporary Global Securities, the “**Global Securities**”), without interest coupons or talons, on or after a date which is expected to be 6 October 2020, 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 €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, 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 €199,000.

The Securities are expected to be rated BB+ (stable outlook) by Fitch Ratings Limited (“**Fitch**”), BB+ (stable outlook) by S&P Global Ratings Europe (“**Standard & Poor’s**”) and Ba1 (negative watch) by Moody’s Investors Service Limited (“**Moody’s**”). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. As at the date of this Prospectus, Fitch is a credit rating agency established in the UK and registered under Regulation (EC) No 1060/2009 (the “**CRA Regulation**”) and each of Standard & Poor’s and Moody’s are credit rating agencies established in the EU and are registered under the CRA Regulation.

This Prospectus will be valid for a year from 25 August 2020. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid. For this purpose, “valid” means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Securities or the time when trading on a regulated market begins, whichever occurs later.

**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 Securities**

**JOINT BOOKRUNNERS**

**BNP PARIBAS**

**Deutsche Bank**

**BofA Securities**

**Goldman Sachs International**

**Santander Corporate & Investment Banking**

## IMPORTANT NOTICES

This Prospectus comprises a prospectus for the purposes of the Prospectus Regulation. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

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 the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented 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 will be in bearer form and 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.

**Notification under Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”)** - In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all persons (including 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 Recommendations 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, including where euro is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; 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.\$" are to the lawful currency of the United States of America and references to "euro", "€" and "cent" 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 the 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 and UK 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**") or in the United Kingdom (the "**UK**"). 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 2016/97/EU (the "**Insurance Distribution 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 or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**AMOUNTS PAYABLE UNDER THE SECURITIES ARE CALCULATED BY REFERENCE TO THE MID-SWAP RATE FOR EURO SWAPS WITH A TERM OF 5 YEARS WHICH APPEARS ON THE REUTERS SCREEN "ICESWAP2" (OR SUCH OTHER PAGE AS MAY REPLACE IT ON THAT INFORMATION SERVICE, OR ON SUCH OTHER EQUIVALENT INFORMATION SERVICE AS**

**DETERMINED BY THE ISSUER, FOR THE PURPOSE OF DISPLAYING THE ANNUAL SWAP RATES FOR EURO SWAPS WITH A TERM OF 5 YEARS) AS OF APPROXIMATELY 11:00 A.M. (CENTRAL EUROPEAN TIME) ON THE RELEVANT RESET INTEREST DETERMINATION DATE (AS DEFINED IN THE RELEVANT CONDITIONS) WHICH IS PROVIDED BY ICE BENCHMARK ADMINISTRATION LIMITED OR BY REFERENCE TO EURIBOR, WHICH IS PROVIDED BY THE EUROPEAN MONEY MARKETS INSTITUTE. AS AT THE DATE OF THIS PROSPECTUS, EACH OF ICE BENCHMARK ADMINISTRATION LIMITED AND THE EUROPEAN MONEY MARKETS INSTITUTE APPEAR ON THE REGISTER OF ADMINISTRATORS AND BENCHMARKS ESTABLISHED AND MAINTAINED BY THE EUROPEAN SECURITIES AND MARKETS AUTHORITY PURSUANT TO ARTICLE 36 OF THE REGULATION (EU) 2016/1011 (THE “BENCHMARKS REGULATION”).**

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## 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 audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2020, including the auditors' report thereon, as set out on pages 127 to 238, the section on alternative performance measures, as set out on pages 239 to 247, and the definitions section as set out on pages 269 to 271 of the Issuer's Annual Report for the year ended 31 March 2020 (available at <https://investors.vodafone.com/sites/vodafone-ir/files/vodafone/annual-report/vodafone-annual-report-2020.pdf>); and
- (ii) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 March 2019, including the auditors' report thereon, as set out on pages 102 to 199, the section on alternative performance measures, as set out on pages 231 to 245, and the definitions section as set out on pages 250 to 252 of the Issuer's Annual Report for the year ended 31 March 2019 (available at [https://media.corporate-ir.net/media\\_files/IROL/77/77862/annual-reports/annual\\_report19/downloads/Vodafone-full-annual-report-2019.pdf](https://media.corporate-ir.net/media_files/IROL/77/77862/annual-reports/annual_report19/downloads/Vodafone-full-annual-report-2019.pdf)).

Each of these documents (together, the “**Documents Incorporated by Reference**”) have been previously published and have been approved by the FCA or filed with it. The Documents Incorporated by Reference shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Securities or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the Issuer's website at <https://investors.vodafone.com/investor-relations> and the website of the Regulatory News Service operated by the London Stock Exchange at <https://www.londonstockexchange.com/exchange/news/market-news/market-newshome.html>.

Other than indicated above, neither the content of the Issuer's website, nor the content of any website accessible from hyperlinks on the Issuer's website, is incorporated into, or forms part of, this Prospectus and investors should not rely on them, without prejudice to the Documents Incorporated by Reference which are made available on the Issuer's website



## ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures (“APMs”) as described in the European Securities and Markets Authority Guidelines on Alternative Performance Measures (the “**ESMA Guidelines**”) published on 5 October 2015 by the European Securities and Markets Authority and which came into force on 3 July 2016 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 APM’s components and calculation method can be found at pages 239 to 247 (incorporated by reference herein) of the Issuer’s Annual Report for the year ended 31 March 2020 and at pages 231 to 245 (incorporated by reference herein) of the Issuer’s Annual Report for the year ended 31 March 2019.

## **SUPPLEMENTARY PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of the relevant Securities, shall constitute a supplementary prospectus as required by Article 23 of the Prospectus Regulation.

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. All of these factors are contingencies which may or may not occur.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Securities are also described below.*

*The Issuer believes that the factors described 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 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 NC6 Securities” or as the case may be the “Terms and Conditions of the NC10 Securities” Unless otherwise indicated, references in the “Risk Factors” section to “Securities” shall be to Securities of either Series.*

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

#### ***Global economic disruption***

Any major economic disruption, including the impact of the COVID-19 pandemic (see “COVID-19” below), could result in reduced demand for the Group’s services and lower spending power for the Group’s consumers, affecting the Group’s profitability and cash flow generation. Economic disruption may also impact financial markets, including currencies, interest rates, borrowing costs and the availability of debt financing. A relative strengthening or weakening of the major currencies in which the Group transacts could impact its profitability.

#### ***Cyber threat and information security***

An external cyber-attack, insider threat or supplier breach could cause service interruption or the loss of confidential data. Criminals and other sophisticated threat actors are using the COVID-19 crisis as cover to expand or continue their actions against all sectors, including the Group and its customers. Cyber threats could lead to major customer, financial, reputational and regulatory impact across all of the Group’s markets.

#### ***Geo-political risk in supply chain***

The Group operates and develops sophisticated infrastructure in the countries in which it has a presence. The Group’s network and systems are dependent on a wide range of suppliers internationally. If the Group were unable to execute its plans, the Group, and the industry, would face potential delays to network improvements and increased costs.

#### ***Adverse political and regulatory measures***

Operating across many markets and jurisdictions means the Group deals with a variety of complex political and regulatory landscapes. In all of these environments, the Group may face changes in taxation, political intervention and potential competitive disadvantage. This also includes the Group’s participation in spectrum auctions, which could impact the Group’s profitability.

#### ***Technology failure***

Major incidents caused by natural disasters, deliberate attacks or an extreme technology failure, although rare, often result in the complete loss of key sites in either the Group’s data centres or its mobile or fixed networks

causing major unavailability of service. This could result in a major impact on the Group's customers, revenues and reputation.

### ***Strategic transformation***

The Group is undertaking a large-scale integration of new assets across multiple markets. If the Group does not complete this in a timely and efficient manner, it would not see the full benefit of planned synergies and could face additional costs or delays to completion. The successful integration also requires that an important number of technology platforms and services are migrated on time before the termination of the transitional services agreements. The Group also has a number of joint ventures in operation and must ensure that these operate effectively.

### ***Market disruption***

New entrants with lean models could create pricing pressure. As more competitors push unlimited bundles there could be price erosion. The Group's market position and revenues could be damaged by failing to provide the services that its customers want at a fair price.

### ***Digital transformation***

Failure in digital or IT transformation projects could result in business loss, degraded customer experience and reputation damage.

### ***Disintermediation***

The Group faces increased competition from a variety of new technology platforms, which aim to build alternative communication services or different touch points, which could potentially affect the Group's customer relationships. The Group must be able to keep pace with these new developments and competitors while maintaining high levels of customer engagement and an excellent customer experience.

### ***Legal and regulatory compliance***

The Group must comply with a multitude of local and international laws and applicable industry regulations. These include laws relating to: privacy; anti-money laundering; competition; anti-bribery; and economic sanctions. Failure to comply with these laws and regulations could lead to reputational damage, financial penalties and/or suspension of the Group's licence to operate.

### ***COVID-19***

The global COVID-19 pandemic and the widespread implementation of measures to contain it have resulted in a sharp decline in economic activity. Given the ongoing and dynamic nature of the crisis, it is difficult to predict the impact of the COVID-19 pandemic on the Group's business. The economic disruption as a result of the measures and policies introduced in the Group's markets may have an adverse impact on the Group's business, results of operations, financial condition or prospects (see "*Global economic disruption*" above).

In addition, delays across the supply chain are expected as a result of the disruptions in availability of people, goods, services and equipment. This is expected to persist and be further compounded by the global economic disruption which may negatively affect the financial stability of critical suppliers.

## **Risks related to the Securities to be issued**

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

The Securities of each Series will be redeemable, at the option of the Issuer, in whole but not in part on (i) any date during the period commencing on (and including) the relevant First Call Date to (and including) the relevant 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, 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 relevant Conditions and as more fully described in Condition 6 of the relevant Securities), the Issuer shall have the option to redeem, in whole but not in part, the relevant 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 relevant Securities, the then prevailing Interest Rate (as defined in the relevant Conditions), and each subsequent Interest Rate otherwise determined in accordance with Condition 4 of the relevant Securities, on the relevant 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 relevant Securities or is perceived to be able to redeem the relevant Securities, the market value of the relevant 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 be expected to redeem the relevant 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 relevant 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 each Series of Securities will reset on the relevant First Reset Date and on every relevant Reset Date thereafter, which can be expected to affect the interest payment on the relevant Securities and the market value of such Securities***

Although each Series of Securities will earn interest at a fixed rate until (but excluding) the relevant 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 each Series of Securities will be reset on the relevant First Reset Date (as set out in the relevant Conditions) and on each subsequent Reset Date, the interest payment on each Series of Securities will also change. Holders of each Series of Securities 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 relevant 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 each Series of Securities are €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000. Therefore, it is possible that the Securities may be traded in amounts in excess of €100,000, that are not integral multiples of €100,000. In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than €100,000, 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 €100,000, 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 relevant Trust Deed) of the Issuer, (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 relevant Trust Deed) and do not provide for a claim to be made in the winding-up or administration of the Issuer in respect of the Securities pursuant to Condition 11 or (y) which substitution will be effected in accordance with Condition 14(c) 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 NC6 Securities—Status*", "*Terms and Conditions of the NC6 Securities—Subordination*", "*Terms and Conditions of the NC10 Securities—Status*" and "*Terms and Conditions of the NC10 Securities—Subordination*", respectively.

By virtue of such subordination, payments to a Holder will, in the events described in the relevant 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 NC6 Securities—Optional Interest Deferral*" and "*Terms and Conditions of the NC10*

*Securities—Optional Interest Deferral*”, respectively. While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the relevant Securities or on certain instruments ranking *pari passu* with the relevant 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 relevant Securities are redeemed or repaid in accordance with Condition 3, Condition 6 or Condition 11 of the relevant Conditions, 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) of the relevant Securities.

Any deferral of interest payments is likely to have an adverse effect on the market price of the relevant 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.

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

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

EURIBOR and any other interest rate or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory discussions and proposals for reform. The Benchmark Regulation, published in the Official Journal of the European Union on 29 June 2016 and applicable from 1 January 2018, could have a material impact on the Securities, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the benchmark.

Following the implementation of any potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the EURIBOR benchmark, or changes in the manner of its administration, could require or result in an adjustment to the interest calculation provisions of the relevant Conditions, or result in adverse consequences to Holders of the relevant Securities. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities (including the relevant Securities) based on the same benchmark.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the rate of interest on the Securities for the period from (and including) the relevant Reset Date, which is based on a reset mid-swap rate, may be affected. If such rate is not available, the rate of interest on the Securities will be determined by the fall-back provisions applicable to the Securities. This may in certain circumstances result in the effective application of a fixed rate based on the rate which was last observed on the relevant Screen Page.

In addition, any changes to the administration of the applicable annualised mid-swap rate for swap transactions in euro with a term of five years as referred to in the relevant Conditions or the emergence of alternatives to such mid-swap rate as a result of these potential reforms, may cause such rate to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of such rate or changes to its administration could require changes to the way in which the relevant Reset Interest

Rate is calculated on the Securities from (and including) the relevant Reset Date. Uncertainty as to the nature of alternative reference rates and as to potential changes to the relevant mid-swap rate may adversely affect the relevant Reset Interest Rate, the return on the Securities and the trading market for securities (such as the Securities) based on the same mid-swap rate. The development of alternatives to the relevant mid-swap rate may result in the Securities performing differently than would otherwise have been the case if such alternatives to the relevant mid-swap rate had not developed. Any such consequence could have a material adverse effect on the value of, and return on, the Securities.

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

If a Benchmark Event (as defined in Condition 4(j) of the relevant Conditions (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 relevant Conditions provide that the Issuer may vary the relevant 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 relevant 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 euro 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 relevant 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 NC6 Securities—Interest Payments—Subsequent Fixed Interest Rates*” and “*Terms and Conditions of the NC10 Securities—Interest Payments—Subsequent Fixed Interest Rates*”, respectively.

### ***Limited Remedies***

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

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 relevant 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 relevant 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 relevant 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) of the relevant Securities. 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 of the relevant Conditions, 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 relevant 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 relevant 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 relevant Conditions will contain provisions for calling meetings of Holders (including Virtual Meetings) to consider matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions will permit defined majorities of Holders of a Series of the Securities to bind all Holders of such Series, including those Holders of such Series who did not attend and vote at the relevant meetings or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Holders of such Series who voted in a manner contrary to the majority.

The relevant Conditions and each Trust Deed in respect of the relevant Securities will also provide that the Trustee may, without the consent of the relevant 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 in respect of the relevant Securities or the relevant 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 in respect of the relevant Securities or the relevant Securities (except as mentioned in the Trust Deed in respect of the relevant Securities), 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 in respect of the relevant Securities or the relevant Securities which is, in the opinion of the Trustee, not materially prejudicial to the interests of the relevant Holders, (iii) the substitution on a subordinated basis equivalent to that referred to in Conditions 2 and 3 of the relevant Securities of certain other entities in place of the Issuer (or any previous substitute) as a new principal debtor under the relevant Trust Deed and the relevant Securities, Coupons and Talons or (iv) either (a) substitute all, but not some only, of the relevant Securities for, or (b) vary the terms of the relevant Securities with the effect that they remain or become, as the case may be, Qualifying Securities, in each case in accordance with Condition 7 of the relevant Securities, 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 of the relevant Securities.

### ***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**

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

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 euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro, 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 euro, would decrease (1) the Investor's Currency equivalent yield on the relevant Securities, (2) the Investor's Currency equivalent value of the principal payable on the relevant Securities and (3) the Investor's Currency equivalent market value of the relevant 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.

## OVERVIEW

The following overview refers to certain provisions of the “*Terms and Conditions of the NC6 Securities*” and the “*Terms and Conditions of the NC10 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 NC6 Securities*” or, as the case may be, the “*Terms and Conditions of the NC10 Securities*”.

<b>Issuer</b>	Vodafone Group Plc
<b>Legal Entity Identifier of the Issuer</b>	213800TB53ELEUKM7Q61
<b>Website of the Issuer</b>	<a href="https://www.vodafone.com/">https://www.vodafone.com/</a>
<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>	€1,000,000,000 of NC6 Securities; and €1,000,000,000 of NC10 Securities.
<b>Issue Date</b>	27 August 2020
<b>Joint Bookrunners</b>	Banco Santander, S.A. BNP Paribas Deutsche Bank AG, London Branch Goldman Sachs International Merrill Lynch International
<b>Maturity</b>	Unless previously redeemed, purchased and cancelled or substituted in accordance with the relevant Conditions, the NC6 Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 27 August 2080.  Unless previously redeemed, purchased and cancelled or substituted in accordance with the relevant Conditions, the NC10 Securities will be redeemed at their principal amount, together with any accrued and unpaid interest and any outstanding Arrears of Interest, on 27 August 2080.
<b>Interest</b>	The NC6 Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 27 August 2026 (the “ <b>First NC6 Securities Reset Date</b> ”) at a rate of 2.625 per cent. per annum, payable annually in arrear on 27 August in each year. The Interest Payment (as defined in the “ <i>Terms and Conditions of the NC6 Securities</i> ” (the “ <b>NC6 Conditions</b> ”)) in respect of each Interest Period (as defined in the NC6 Conditions) commencing before the First NC6 Securities Reset Date will amount to €26.25 per €1,000 in principal amount of the NC6 Securities. Thereafter, unless previously redeemed, the NC6 Securities will bear interest from (and including) the First NC6 Securities Reset Date to (but excluding) 27 August 2031 at

a rate per annum which shall be 3.002 per cent. above the 5 year Swap Rate (as defined in the NC6 Conditions) for the relevant Reset Period (as defined in the NC6 Conditions), payable annually in arrear on 27 August in each year. From (and including) 27 August 2031 to (but excluding) 27 August 2046, the NC6 Securities will bear interest at a rate per annum which shall be 3.252 per cent. above the 5 year Swap Rate for the relevant Reset Period (as defined in the NC6 Conditions), payable annually in arrear on 27 August in each year. From (and including) 27 August 2046 up to (but excluding) 27 August 2080 (the “**NC6 Securities Maturity Date**”), the NC6 Securities will bear interest at a rate per annum which shall be 4.002 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 27 August in each year, all as more particularly described in “*Terms and Conditions of the NC6 Securities—Interest Payments*”.

The NC10 Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 27 August 2030 (the “**First NC10 Securities Reset Date**”) at a rate of 3.000 per cent. per annum, payable annually in arrear on 27 August in each year. The Interest Payment (as defined in the “*Terms and Conditions of the NC10 Securities*” (the “**NC10 Conditions**” and, together with the NC6 Conditions, the “**Conditions**”)) in respect of each Interest Period (as defined in the NC10 Conditions) commencing before the First NC10 Securities Reset Date will amount to €30.00 per €1,000 in principal amount of the NC10 Securities. Thereafter, unless previously redeemed, the NC10 Securities will bear interest from (and including) the First NC10 Securities Reset Date to (but excluding) 27 August 2050 at a rate per annum which shall be 3.477 per cent. above the 5 year Swap Rate (as defined in the NC10 Conditions) for the relevant Reset Period (as defined in the NC10 Conditions), payable annually in arrear on 27 August in each year. From (and including) 27 August 2050 up to (but excluding) 27 August 2080 (the “**NC10 Securities Maturity Date**”), the NC10 Securities will bear interest at a rate per annum which shall be 4.227 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 27 August in each year, all as more particularly described in “*Terms and Conditions of the NC10 Securities—Interest Payments*”.

**Issue Price**

100.00 per cent. in respect of the NC6 Securities.

100.00 per cent. in respect of the NC10 Securities.

**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 relevant Trust Deed) of the Issuer, (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 relevant Trust Deed) and do not provide for a claim to be made in the winding-up or administration of the Issuer in respect of the Securities pursuant to Condition 11; or (y) which substitution will be effected in accordance with Condition 14(c)) 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 relevant Securities or the relevant 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 either Series 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 relevant 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 relevant 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 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) of the relevant Securities, 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 relevant Securities or for any other purpose, unless such payment is required in accordance with Condition 5(b) of the relevant Securities.

#### **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 a Series of Securities on any date in the period commencing on any date from (and including) the relevant First Call Date to (and including) the relevant 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 relevant Series.

#### **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 relevant 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 relevant 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 relevant 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 relevant Series.

#### **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 relevant Series at any time at 101 per cent. of the principal amount of the relevant 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 relevant Series.

If the Issuer does not elect to redeem the relevant Series of Securities following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate, on the relevant 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 NC6 Securities—Interest Payments—Step-up after Change of Control Event*” and “*Terms and Conditions of the NC10 Securities—Interest Payments—Step-up after Change of Control Event*”, respectively.

#### **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 of the relevant Series, the Issuer may either (i) substitute all, but not some only, of the relevant Securities for, or (ii) vary the terms of the relevant Securities with the effect that they remain or become, as the case may be, Qualifying Securities, in each case in accordance with Condition 7 thereof 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 either Series and which is due, then the Issuer shall without notice from the Trustee be deemed to be in default under the relevant Trust Deed, the relevant Securities and the relevant Coupons and the Trustee at its sole discretion may, or shall, if so requested by an Extraordinary Resolution of the relevant Holders or in writing by the Holders of at least one-quarter in principal amount of such relevant 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 and/or claim in the winding-up or administration of the Issuer for such payment and/or give notice to the Issuer that such 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 relevant Series.

#### **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 NC6 Securities—Taxation*" and "*Terms and Conditions of the NC10 Securities—Taxation*", respectively.

#### **Replacement Intention**

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Securities, it will so redeem or repurchase the Securities only to the extent that the aggregate principal amount of the Securities to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by Standard & Poor's at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by Standard & Poor's from time to time) that is equal to or greater than the "equity credit" assigned to the Securities to be redeemed or repurchased 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), unless:*

*(i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancing without net new issue) 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*

*(ii) in the case of a repurchase or redemption, taken together with relevant repurchases or redemptions of hybrid securities of*

*the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile; or*

*(iii) 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*

*(iv) the Securities are redeemed pursuant to a Tax Event, a Withholding Tax Event, an Accounting Event, a Capital Event or a Change of Control Event; or*

*(v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology; or*

*(vi) such repurchase or redemption occurs on or after: (x) in the case of the NC6 Securities, 27 August 2046; and (y) in the case of the NC10 Securities, 27 August 2050.*

## **Form**

The Securities will be in bearer form and each Series will initially be represented by a Temporary Global Security, without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Each 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 6 October 2020, 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 €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000 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 €199,000.

## **Denominations**

The Securities have denominations consisting of a minimum of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000.

**Listing and Admission to Trading** Application has been made to the FCA 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 BB+ (stable outlook) by Fitch, BB+ (stable outlook) by Standard & Poor's and Ba1 (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.

***Rating agency designations:***

***Fitch:*** an obligation rated "BB" indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. The modifier "+" appended to the rating denotes relative status within major rating categories.

Source: <https://www.fitchratings.com/products/rating-definitions>

***Standard & Poor's:*** an obligation rated "BB" is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. The "+" sign shows relative status within the rating categories.

Source: [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)

***Moody's:*** an obligation rated "Ba" is judged to be speculative and subject to substantial credit risk. The modifier '1' indicates a ranking in the higher end of that generic rating category.

Source: <https://www.moodys.com/ratings-process/Ratings-Definitions/002002>

As at the date of this Prospectus, Fitch is a credit rating agency established in the UK and registered under the CRA Regulation and each of Standard & Poor's and Moody's are credit rating agencies established in the EU and are registered under the CRA Regulation. As such each such credit rating agency is included in the list of credit rating agencies published by the European

Securities and Markets Authority on its website in accordance with such CRA Regulation.

**Use and Estimated Net Amount of Proceeds**

The net proceeds of the issue of the Securities will be applied by the Issuer for general corporate purposes, which may include funding repurchases of ordinary shares issued in connection with the £1,720,000,000 1.20 per cent. Subordinated Mandatory Convertible Bonds due 2021.

The estimated net amount of proceeds are expected to be €1,990,400,000.

**Selling Restrictions**

The United States, the United Kingdom, the EEA, Hong Kong, Japan, the Republic of Italy and Singapore. 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**

XS2225157424 in respect of the NC6 Securities.

XS2225204010 in respect of the NC10 Securities.

**Common Code**

222515742 in respect of the NC6 Securities.

222520401 in respect of the NC10 Securities.

## TERMS AND CONDITIONS OF THE NC6 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 €1,000,000,000 Capital Securities due 27 August 2080 (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 24 March 2020. The Securities are constituted by a trust deed (the “**Trust Deed**”) dated 27 August 2020 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 “**Holder**s”). 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 (the “**Paying Agency Agreement**”) dated 27 August 2020 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, and copies may be sent by electronic mail upon written request to (subject to the Trustee or the Paying Agents (as relevant) being supplied by the Issuer with electronic copies), 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 €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, each with Coupons and one Talon attached on issue. No definitive Securities will be issued with a denomination above €199,000. 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, (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) and do not provide for a claim to be made in the winding-up or administration of the Issuer in respect of the Securities pursuant to Condition 11; or (y) which substitution will be effected in accordance with Condition 14(c)); 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 (and, in the case of an administration, on the assumption that holders of preference shares were entitled to claim and recover in respect of their preference shares to the same degree as in a winding-up).

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 to be issued – 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. Notwithstanding the preceding sentence, if any of the rights and claims of any Holder or Couponholder in respect of or arising under or in connection with the Securities are discharged by set-off, such Holder or Couponholder, as the case may be, will, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the Issuer’s winding-up or administration. Accordingly, any such discharge will be deemed not to have taken place.

#### **4 Interest Payments**

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

The Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 27 August 2020 (the “**Issue Date**”) in accordance with the provisions of this Condition 4.

Subject to Condition 5, interest shall be payable on the Securities 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 year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

Where it is necessary to calculate an amount of interest in respect of any Security for a period of more than one year, such interest shall be the aggregate of the interest payable in respect of a full year 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 €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 on or before the First Reset Date, the Securities bear interest, subject to Condition 5, at the rate of 2.625 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 €26.25 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 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 applicable annualised mid-swap rate for swap transactions in euro with a maturity of 5 years as displayed on the Reset Screen Page as at approximately 11:00 a.m. (Central European time) on 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 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 annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro 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 6-month Euro Interbank Offered Rate (“**EURIBOR**”) rate (calculated on an Actual/360 day count basis);

“**Margin**” means in respect of (i) the Reset Period ending on (but excluding) 27 August 2031, 3.002 per cent., (ii) each Reset Period which falls in the period commencing on (and including) 27 August 2031 and ending on (but excluding) 27 August 2046, 3.252 per cent.; and (iii) each Reset Period which falls on or after 27 August 2046, 4.002 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 the Reset Reference Banks to the Agent Bank at approximately 11:00 a.m. (Central European 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 euro swap transactions, expressed as a rate, on the Reset Screen Page; and

“**Reset Screen Page**” means Reuters screen “ICESWAP2” or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Issuer, for the purpose of displaying the annual swap rates for euro swap transactions with a five-year maturity.

The Subsequent Fixed Interest Rate shall be determined as provided above in respect of each Reset Period, provided that the Subsequent Fixed Interest Rate shall never be lower than 0 (zero) per cent., 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. (Central European 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 manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence of wilful default and negligence) no liability to the Holders, the Couponholders, the Issuer or the Trustee 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.

Without prejudice to the Issuer's right to redeem the Securities in accordance with Condition 6(g) following the occurrence of any Change of Control Event, this Condition 4(i) shall only apply in relation to the first Change of Control Event to occur while any of the Securities remain outstanding.

**(j) Benchmark Event**

**(i) Independent Adviser**

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Subsequent Fixed Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, 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 and any Benchmark Amendments (in accordance with Condition 4(j)(iv)).

In making such determination, an Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith and in a commercially reasonable manner 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, 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 date which is 10 Business Days prior to the relevant Reset Interest Determination Date in respect of a relevant Reset Period, the relevant 5 year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last annualised mid-swap rate with a term of five years displayed on the Reset Screen Page as determined by the Agent Bank. 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 the relevant next succeeding Reset Period only and any 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 and the applicable Adjustment Spread shall 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 subsequent operation of this Condition 4(j)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall 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*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

*(iv) Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser determines (i) that amendments to these Conditions, the Trust Deed and/or the Paying Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable 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, the Trust Deed and/or the Paying Agency Agreement 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 and the Agents of a certificate signed by any two Authorised Signatories of the Issuer pursuant to Condition 4(j)(v), the Trustee and the Agents 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 and/or the Paying Agency Agreement), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or any Agent (as applicable) 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 it in these Conditions and/or any documents to which it is a party (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 will any Adjustment Spread be 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 at least 10 Business Days prior to the relevant Reset Interest Determination Date by the Issuer to the Trustee, the Agent Bank, the other Agents and, in accordance with Condition 17, to the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Trustee and the Agents 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, (3) the applicable Adjustment Spread and, (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(j); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee and the Agents 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 and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Agents' 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 and the Trustee and the Agents have been notified of the Successor Rate or the Alternative Rate (as the case may be), and the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 4(j)(v).

(vii) *Definitions:*

As used in this Condition 4(j):

**“Adjustment Spread”** means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to 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 customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread, formula or methodology is customarily applied)
- (iii) 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).

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser, determines in accordance with Condition 4(j)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining resettable rates of interest (or the relevant component part thereof) in euro.

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

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to 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 has ceased or that it will 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 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; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is (or is deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for the Agent Bank, any other Agent, the Issuer or other party to calculate any payments due to be made to any Holder or Couponholder using the Original Reference Rate,

*provided that*, the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv)

above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of subparagraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee and the Agents. For the avoidance of doubt, neither the Trustee nor any Agent shall have any responsibility for making such determination.

**“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 European Central Bank, 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 European Central Bank, (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.

**“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 27 August 2080. 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 10 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 during the period commencing on (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 10 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 10 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 10 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 10 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 10 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).*

**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 and subject as aforesaid, 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 any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party in any way and, separately, against which it is not indemnified and/or secured and/or prefunded to its satisfaction, if it shall so require. 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 in the European Economic Area or the United Kingdom 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 and Substitution and Variation**

Prior to the giving 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) or 6(g) 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 any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control Event or Change of Control, 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 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 euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.
- (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 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 (i) any fiscal or other laws and regulations applicable thereto in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. 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 euro 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 and/or claim in the winding-up or administration 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 to prove or claim in the winding-up or administration of the Issuer unless the Trustee, having become so bound to proceed, institute, prove or claim, fails or is unable to do so within 60 days and such failure or inability 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.

The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, its fees and remuneration and the expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The provisions as to subordination and the restrictions on commencing proceedings described above will not apply to any such claims.

## **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 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 (including Virtual Meetings (as defined in the Trust Deed)) 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 and/or the Paying Agency Agreement 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 and/or the Paying Agency Agreement approved by the Trustee in connection with any such Benchmark Amendments or 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.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Holders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion which may be based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion which may be based upon such legal advice (if applicable), it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

## **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 falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank; 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;

“**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 the TARGET System is operating;

“**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 (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit



in part or in full as a result thereof, the Securities would no longer have been eligible as a result of such change had they not been re-financed) 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);

“**euro**”, “**€**” or “**cent**” means 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;

“**Euro-zone**” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**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 27 May 2026;

“**First Reset Date**” means 27 August 2026;

“**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 27 August in each year, commencing on (and including) 27 August 2021;

“**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 27 August 2080;

“**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;

*As at the Issue Date (and for so long as the same remain outstanding), Parity Obligations include the Issuer's:*

1. £1,720,000,000 1.20 per cent. Subordinated Mandatory Convertible Bonds due 2021 (ISIN: XS1960588850);
2. £1,720,000,000 1.50 per cent. Subordinated Mandatory Convertible Bonds due 2022 (ISIN: XS1960589668);
3. €500,000,000 Capital Securities due 2078 (ISIN: XS 1888179550);
4. €500,000,000 Capital Securities due 2078 (ISIN: XS1888180996);
5. U.S.\$1,300,000,000 Capital Securities due 2078 (ISIN: XS1888180640);
6. €2,000,000,000 Capital Securities due 2079 (ISIN: XS1888179477);
7. U.S.\$2,000,000,000 Capital Securities due 2079 (ISIN: US92857WBQ24); and
8. €1,000,000,000 Capital Securities due 2080 issued on or around the Issue Date (ISIN: XS2225204010).

“**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 Limited, Moody’s Investors Service Limited (“**Moody’s**”) or S&P Global Ratings Europe (“**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 Interest Determination Date**” means the second Business Day prior to the relevant Reset Date;

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

“**Reset Reference Banks**” means the principal Euro-zone office of five major banks in the Euro-zone interbank market as selected by the Issuer and notified to the Agent Bank, the Trustee and the Paying Agents;

“**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 Relevant Jurisdiction or such entitlement is materially reduced or materially delayed (a “**disallowance**”);
- (ii) the Securities are prevented from being treated as loan relationships for tax purposes in the Relevant Jurisdiction; 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 tax purposes in the Relevant Jurisdiction (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;

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

“**Tax Law Change**” means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the Relevant Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the Relevant Jurisdiction 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; 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:*

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Securities, it will so redeem or repurchase the Securities only to the extent that the aggregate principal amount of the Securities to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by Standard & Poor’s at the time of sale or issuance, an aggregate “equity credit” (or such similar nomenclature used by Standard & Poor’s from time to time) that is equal to or greater than the “equity credit” assigned to the Securities to be redeemed or repurchased 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), unless:*

*(i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancing without net new issue) 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*

*(ii) in the case of a repurchase or redemption, taken together with relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer’s outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer’s outstanding hybrid securities in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer’s credit profile; or*

*(iii) 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*

*(iv) the Securities are redeemed pursuant to a Tax Event, a Withholding Tax Event, an Accounting Event, a Capital Event or a Change of Control Event; or*

*(v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer’s hybrid capital to which S&P then assigns equity content under its prevailing methodology; or*

*(vi) such repurchase or redemption occurs on or after 27 August 2046.*

## TERMS AND CONDITIONS OF THE NC10 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 €1,000,000,000 Capital Securities due 27 August 2080 (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 24 March 2020. The Securities are constituted by a trust deed (the “**Trust Deed**”) dated 27 August 2020 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 (the “**Paying Agency Agreement**”) dated 27 August 2020 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, and copies may be sent by electronic mail upon written request to (subject to the Trustee or the Paying Agents (as relevant) being supplied by the Issuer with electronic copies), 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 €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000, each with Coupons and one Talon attached on issue. No definitive Securities will be issued with a denomination above €199,000. 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, (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) and do not provide for a claim to be made in the winding-up or administration of the Issuer in respect of the Securities pursuant to Condition 11; or (y) which substitution will be effected in accordance with Condition 14(c)); 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 (and, in the case of an administration, on the assumption that holders of preference shares were entitled to claim and recover in respect of their preference shares to the same degree as in a winding-up).

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 to be issued – 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. Notwithstanding the preceding sentence, if any of the rights and claims of any Holder or Couponholder in respect of or arising under or in connection with the Securities are discharged by set-off, such Holder or Couponholder, as the case may be, will, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the Issuer’s winding-up or administration. Accordingly, any such discharge will be deemed not to have taken place.



#### **4 Interest Payments**

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

The Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 27 August 2020 (the “**Issue Date**”) in accordance with the provisions of this Condition 4.

Subject to Condition 5, interest shall be payable on the Securities 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 year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

Where it is necessary to calculate an amount of interest in respect of any Security for a period of more than one year, such interest shall be the aggregate of the interest payable in respect of a full year 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 €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 on or before the First Reset Date, the Securities bear interest, subject to Condition 5, at the rate of 3.000 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 €30.00 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 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 applicable annualised mid-swap rate for swap transactions in euro with a maturity of 5 years as displayed on the Reset Screen Page as at approximately 11:00 a.m. (Central European time) on 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 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 annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro 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 6-month Euro Interbank Offered Rate (“**EURIBOR**”) rate (calculated on an Actual/360 day count basis);

“**Margin**” means in respect of (i) each Reset Period which falls in the period commencing on (and including) 27 August 2030 and ending on (but excluding) 27 August 2050, 3.477 per cent.; and (ii) each Reset Period which falls on or after 27 August 2050, 4.227 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 the Reset Reference Banks to the Agent Bank at approximately 11:00 a.m. (Central European 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 euro swap transactions, expressed as a rate, on the Reset Screen Page; and

“**Reset Screen Page**” means Reuters screen “ICESWAP2” or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Issuer, for the purpose of displaying the annual swap rates for euro swap transactions with a five-year maturity.

The Subsequent Fixed Interest Rate shall be determined as provided above in respect of each Reset Period, provided that the Subsequent Fixed Interest Rate shall never be lower than 0 (zero) per cent., 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. (Central European 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 manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence of wilful default and negligence) no liability to the Holders, the Couponholders, the Issuer or the Trustee 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.

Without prejudice to the Issuer's right to redeem the Securities in accordance with Condition 6(g) following the occurrence of any Change of Control Event, this Condition 4(i) shall only apply in relation to the first Change of Control Event to occur while any of the Securities remain outstanding.

**(j) Benchmark Event**

**(i) Independent Adviser**

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Subsequent Fixed Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, 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 and any Benchmark Amendments (in accordance with Condition 4(j)(iv)).

In making such determination, an Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith and in a commercially reasonable manner 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, 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 date which is 10 Business Days prior to the relevant Reset Interest Determination Date in respect of a relevant Reset Period, the relevant 5 year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last annualised mid-swap rate with a term of five years displayed on the Reset Screen Page as determined by the Agent Bank. 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 the relevant next succeeding Reset Period only and any 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 and the applicable Adjustment Spread shall 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 subsequent operation of this Condition 4(j)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall 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*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

*(iv) Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser determines (i) that amendments to these Conditions, the Trust Deed and/or the Paying Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable 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, the Trust Deed and/or the Paying Agency Agreement 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 and the Agents of a certificate signed by any two Authorised Signatories of the Issuer pursuant to Condition 4(j)(v), the Trustee and the Agents 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 and/or the Paying Agency Agreement), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or any Agent (as applicable) 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 it in these Conditions and/or any documents to which it is a party (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 will any Adjustment Spread be 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 at least 10 Business Days prior to the relevant Reset Interest Determination Date by the Issuer to the Trustee, the Agent Bank, the other Agents and, in accordance with Condition 17, to the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Trustee and the Agents 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, (3) the applicable Adjustment Spread and, (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(j); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee and the Agents 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 and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Agents' 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 and the Trustee and the Agents have been notified of the Successor Rate or the Alternative Rate (as the case may be), and the Adjustment Spread and any Benchmark Amendments, in accordance with Condition 4(j)(v).

(vii) *Definitions:*

As used in this Condition 4(j):

**“Adjustment Spread”** means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to 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 customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread, formula or methodology is customarily applied)
- (iii) 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).

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser, determines in accordance with Condition 4(j)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining resettable rates of interest (or the relevant component part thereof) in euro.

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

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to 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 has ceased or that it will 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 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; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is (or is deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for the Agent Bank, any other Agent, the Issuer or other party to calculate any payments due to be made to any Holder or Couponholder using the Original Reference Rate,

*provided that*, the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be

(or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee and the Agents. For the avoidance of doubt, neither the Trustee nor any Agent shall have any responsibility for making such determination.

**“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 European Central Bank, 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 European Central Bank, (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.

**“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 27 August 2080. 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 10 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 during the period commencing on (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 10 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 10 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 10 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 10 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 10 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).*

**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 and subject as aforesaid, 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 any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party in any way and, separately, against which it is not indemnified and/or secured and/or prefunded to its satisfaction, if it shall so require. 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 in the European Economic Area or the United Kingdom 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 and Substitution and Variation**

Prior to the giving 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) or 6(g) 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 any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control Event or Change of Control, 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 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 euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.
- (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 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 (i) any fiscal or other laws and regulations applicable thereto in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. 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 euro 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 and/or claim in the winding-up or administration 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 to prove or claim in the winding-up or administration of the Issuer unless the Trustee, having become so bound to proceed, institute, prove or claim, fails or is unable to do so within 60 days and such failure or inability 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.

The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, its fees and remuneration and the expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The provisions as to subordination and the restrictions on commencing proceedings described above will not apply to any such claims.

## **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 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 (including Virtual Meetings (as defined in the Trust Deed)) 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 and/or the Paying Agency Agreement 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 and/or the Paying Agency Agreement approved by the Trustee in connection with any such Benchmark Amendments or 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.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Holders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion which may be based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion which may be based upon such legal advice (if applicable), it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

## **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 falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank; 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;

“**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 the TARGET System is operating;

“**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 (or if the Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit

in part or in full as a result thereof, the Securities would no longer have been eligible as a result of such change had they not been re-financed) 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);

“**euro**”, “**€**” or “**cent**” means 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;

“**Euro-zone**” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**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 27 May 2030;

“**First Reset Date**” means 27 August 2030;

“**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 27 August in each year, commencing on (and including) 27 August 2021;

“**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 27 August 2080;

“**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;

*As at the Issue Date (and for so long as the same remain outstanding), Parity Obligations include the Issuer's:*

1. £1,720,000,000 1.20 per cent. Subordinated Mandatory Convertible Bonds due 2021 (ISIN: XS1960588850);
2. £1,720,000,000 1.50 per cent. Subordinated Mandatory Convertible Bonds due 2022 (ISIN: XS1960589668);
3. €500,000,000 Capital Securities due 2078 (ISIN: XS 1888179550);
4. €500,000,000 Capital Securities due 2078 (ISIN: XS1888180996);
5. U.S.\$1,300,000,000 Capital Securities due 2078 (ISIN: XS1888180640);
6. €2,000,000,000 Capital Securities due 2079 (ISIN: XS1888179477);
7. U.S.\$2,000,000,000 Capital Securities due 2079 (ISIN: US92857WBQ24); and
8. €1,000,000,000 Capital Securities due 2080 issued on or around the Issue Date (ISIN: XS2225157424).

“**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 Limited, Moody’s Investors Service Limited (“**Moody’s**”) or S&P Global Ratings Europe (“**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 Interest Determination Date**” means the second Business Day prior to the relevant Reset Date;

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

“**Reset Reference Banks**” means the principal Euro-zone office of five major banks in the Euro-zone interbank market as selected by the Issuer and notified to the Agent Bank, the Trustee and the Paying Agents;

“**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 Relevant Jurisdiction or such entitlement is materially reduced or materially delayed (a “**disallowance**”);
- (ii) the Securities are prevented from being treated as loan relationships for tax purposes in the Relevant Jurisdiction; 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 tax purposes in the Relevant Jurisdiction (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;

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

“**Tax Law Change**” means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the Relevant Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the Relevant Jurisdiction 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; 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:*

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Securities, it will so redeem or repurchase the Securities only to the extent that the aggregate principal amount of the Securities to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by Standard & Poor’s at the time of sale or issuance, an aggregate “equity credit” (or such similar nomenclature used by Standard & Poor’s from time to time) that is equal to or greater than the “equity credit” assigned to the Securities to be redeemed or repurchased 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), unless:*

*(i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancing without net new issue) 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*

*(ii) in the case of a repurchase or redemption, taken together with relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer’s outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer’s outstanding hybrid securities in any period of 10 consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer’s credit profile; or*

*(iii) 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*

*(iv) the Securities are redeemed pursuant to a Tax Event, a Withholding Tax Event, an Accounting Event, a Capital Event or a Change of Control Event; or*

*(v) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer’s hybrid capital to which S&P then assigns equity content under its prevailing methodology; or*

*(vi) such repurchase or redemption occurs on or after 27 August 2050.*



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

Each Temporary Global Security and each Permanent Global Security will contain provisions which apply to the relevant Securities while they are in global form, some of which modify the effect of the Conditions of the relevant Security. The following is a summary of certain of those provisions as they relate to the relevant 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 6 October 2020, 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 on which the TARGET System is operating.

### **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 €1,000 in principal amount of the relevant 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

### Background

The Issuer was incorporated as a private limited company on 17 July 1984 under the laws of England and Wales with registration number 1833679 and re-registered as a public limited company on 14 September 1988. The registered office of the Issuer is at Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, its telephone number is +44 (0) 1635 33251 and its website is <https://www.vodafone.com>. The Issuer and its subsidiary undertakings, joint ventures, associated undertakings and investments are collectively referred to as the “Group”.

The Issuer is, directly or indirectly, the ultimate holding company of all the companies in the Group and its assets are substantially comprised of shares in such companies. It does not conduct any other business and is accordingly dependent on the other members of the Group and revenues received from them.

The Issuer had a market capitalisation of approximately £30.3 billion as at 31 March 2020.

### Principal Activities

The Group is a leading technology communications company.

The Group is focussed on two scaled and differentiated regional platforms in Europe and Africa. The Group operates mobile and fixed networks in 22 countries and partners with mobile networks in 43 more. As at 31 March 2020, the Group had over 330 million mobile customers, more than 27 million fixed broadband customers and over 22 million TV customers.

### Strategy

The Issuer’s strategy is to be a converged communications technology leader, enabling the digital society. The Group has identified four key priorities for the business in order to extend its competitive advantage and improve returns. These are:

- (i) deepening customer engagement;
- (ii) accelerating digital transformation;
- (iii) improving asset utilisation; and
- (iv) optimising the portfolio.

#### ***Deepening customer engagement:***

*Consumer:* The Issuer aims to deepen the relationship it has with its customers by selling additional products and services, particularly fixed and converged products in Europe and mobile data and financial services in Africa. This will drive revenue growth and improve customer loyalty.

*Business:* The Issuer’s strategy in the Business segment is to drive growth and deepen engagement with its existing mobile customers by cross-selling additional total communications products including next generation (NGN) fixed, IoT and cloud services.

#### ***Accelerating digital transformation:***

The Issuer has a clear ambition to strengthen its differentiation and lead the industry in capturing the benefits of digital. As a result, it is systematically transforming its operating model by being ‘Digital First’ – delivering a fundamentally improved customer experience whilst also structurally lowering its cost base. The Issuer has three primary areas of focus: digital customer management, digital technology management and digital operations.

### ***Improving asset utilisation:***

The Issuer aims to improve the utilisation of all of the Group’s assets as part of its focus on improving the Group’s return on capital.

### ***Optimising the portfolio:***

The Issuer’s aim has been to actively manage its portfolio in order to strengthen its market positions, simplify the Group and reduce its financial leverage.

### **Share Capital**

As at 31 March 2020, the issued share capital of the Issuer comprised 50,000 7 per cent. cumulative fixed rate shares of £1.00 each (the “**Fixed Rate Shares**”) and 26,772,164,544 ordinary shares (excluding treasury shares) of U.S.\$0.20 20/21 each. All the Fixed Rate Shares and the ordinary shares of the Issuer are fully paid.

Holder of the Fixed Rate Shares are entitled to be paid in respect of each financial year, or other accounting period of the Issuer, a fixed cumulative preferential dividend of 7 per cent. per annum on the nominal value of the Fixed Rate Shares. The Fixed Rate Shares do not have any other right to share in the Issuer’s profits. Holders of the Fixed Rate Shares are only entitled to vote on any resolution to vary or abrogate the rights attached to the Fixed Rate Shares. Holders have one vote for every fully-paid Fixed Rate Share. In the event of the liquidation of the Issuer, after payment of all liabilities and deductions in accordance with English law, the holders of the Fixed Rate Shares would be entitled to a sum equal to the capital paid up on such shares, together with certain dividend payments, in priority to holders of the Issuer’s ordinary shares.

### **Recent Developments and Principal Investments**

On 27 April 2020, the Group completed the sale of equity shares in Infrastruttura Wireless Italiane S.p.A. (“**INWIT**”), equivalent to 4.3 per cent. of INWIT’s share capital, for €400 million. The Group continues to hold 33.2 per cent. of INWIT’s equity shares and INWIT continues to be a joint venture of the Group.

### **Recent Trends, Uncertainties and Demands**

Save as disclosed under “*Risk Factors—Factors that may affect the Issuer’s ability to fulfil its obligations under Securities*” and “*General Information—Legal Proceedings*”, the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects for the current financial year.

### **Management**

The directors of the Issuer, their functions in the Group and an indication of the principal activities performed by them outside the Group, where these are significant with respect to the Group, are as follows as at the date of this Prospectus:

#### **Vodafone Group Plc Board of Directors**

<b>Name</b>	<b>Position</b>	<b>Outside Directorships/Activities</b>
Gerard Kleisterlee <sup>1</sup>	Chairman	• Royal Dutch Shell, deputy chair, senior independent director, chair of the

<sup>1</sup> It was announced on 22 May 2020 that Jean-Francois Van Boxmeer will be appointed as a Non-Executive Director following the Issuer’s Annual General Meeting on 28 July 2020, subject to shareholder approval. It is the intention that he will succeed Gerard Kleisterlee as Chairman of the Board on 3 November 2020.

## Vodafone Group Plc Board of Directors

Name	Position	Outside Directorships/Activities
		remuneration committee and member of the nomination and succession committee
		<ul style="list-style-type: none"> <li>• ASML Holding NV, chairman of supervisory board, chairman of the selection and nomination committee and member of the technology committee</li> </ul>
Nicholas Read	Chief Executive Officer	<ul style="list-style-type: none"> <li>• Booking Holdings Inc., non-executive director and member of the nominating and corporate governance committee</li> </ul>
Margherita Della Valle	Chief Financial Officer	<ul style="list-style-type: none"> <li>• Reckitt Benckiser Group plc, non-executive director</li> </ul>
Sanjiv Ahuja	Non-Executive Director	<ul style="list-style-type: none"> <li>• Tillman Global Holdings LLC, chairman</li> <li>• JCDecaux Smalls Cells Limited, director</li> </ul>
Sir Crispin Davis	Non-Executive Director	<ul style="list-style-type: none"> <li>• Hasbro Inc., non-executive director</li> <li>• CVC Capital Partners, adviser</li> <li>• WhizKidz charity, chairman</li> </ul>
Michel Demaré	Non-Executive Director	<ul style="list-style-type: none"> <li>• AstraZeneca Plc, non-executive director</li> <li>• Louis Dreyfus Company Holdings BV, non-executive director</li> <li>• IMD Business School in Lausanne, vice chairman of the supervisory board</li> <li>• Department of Banking and Finance at the University of Zurich, advisory board member</li> </ul>
Dame Clara Furse, DBE	Non-Executive Director	<ul style="list-style-type: none"> <li>• HSBC UK Bank Plc, non-executive chairman</li> <li>• Amadeus IT Group SA, non-executive director, chair of the audit committee and member of the nomination committee and remuneration committee</li> </ul>
Valerie Gooding	Non-Executive Director	<ul style="list-style-type: none"> <li>• Aviva UK Insurance, chairman</li> <li>• Royal Botanic Gardens, Kew, Queen's trustee</li> </ul>
Renée James	Non-Executive Director	<ul style="list-style-type: none"> <li>• US President's National Security Telecommunications Advisory Committee, chairman</li> <li>• Carlyle Group, operating executive</li> <li>• Ampere Computing, chairman and chief executive</li> <li>• Oracle Corporation, non-executive director</li> </ul>

## Vodafone Group Plc Board of Directors

Name	Position	Outside Directorships/Activities
Maria Amparo Moraleda Martinez	Non-Executive Director	<ul style="list-style-type: none"> <li>• Citigroup Inc., non-executive director and member of the risk management committee and operations &amp; technology committee</li> <li>• Sabre Corporation, non-executive director and member of the technology committee and audit committee</li> <li>• University of Oregon, member of advisory board</li> <li>• Airbus Group SE, senior independent director and chair of the nominations and governance committee and remunerations committee and member of ethics &amp; compliance committee</li> <li>• CaixaBank S.A., non-executive director and chair of remuneration committee and member of innovation committee</li> <li>• Solvay SA, non-executive director and chair of nomination committee and member of compensation committee</li> <li>• SAP Iberica, advisory board member</li> <li>• Spencer Stuart, advisory board member</li> <li>• Member of the Royal Academy of Economy &amp; Financial Sciences</li> </ul>
David Nish	Non-Executive Director	<ul style="list-style-type: none"> <li>• HSBC Holdings Plc, senior independent director and chair of the audit committee and member of remuneration committee, risk committee and nominating &amp; corporate governance committee</li> <li>• University of Dundee, honorary professor</li> <li>• DAVCAR60 Limited, director</li> </ul>

### Board Committees

The Board has established an Audit and Risk Committee, a Nominations and Governance Committee and a Remuneration Committee, each of which has formal terms of reference approved by the Board. The Board is satisfied that the terms of reference for each of these committees satisfy the requirements of the 2018 UK Corporate Governance Code and are reviewed internally on an ongoing basis by the Board. The terms of reference for all Board committees are reviewed internally on an ongoing basis by the Board and can be found on the Issuer's website at <https://www.vodafone.com/governance>. Alternatively, a copy can be obtained by application to the Company Secretary at the Issuer's registered office.

### **Audit and Risk Committee**

Under its terms of reference, the Audit and Risk Committee, whose membership is made up entirely of independent directors, is required, amongst other things, to review the Issuer's results and financial statements, review the activity of the internal and external auditors and monitor compliance with statutory and listing requirements. The members of the Audit and Risk Committee are set out below:

David Nish, Chairman and financial expert  
Sir Crispin Davis  
Maria Amparo Moraleda Martinez  
Sanjiv Ahuja  
Michel Demaré

### **Nominations and Governance Committee**

The Nominations and Governance Committee, whose membership is made up entirely of independent directors, provides a formal and transparent procedure for the appointment of new directors to the Board and normally engages external consultants to advise on prospective Board appointees. The Nominations and Governance Committee meets periodically when required. The Nominations and Governance Committee reports to the Board on a regular basis and has the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities. The members of the Nominations and Governance Committee are set out below:

Gerard Kleisterlee, Chairman  
Sir Crispin Davis  
Valerie Gooding  
Renée James

### **Remuneration Committee**

The Remuneration Committee, whose membership is made up entirely of independent directors, is responsible to the Board for the assessment and recommendation of policy on executive remuneration and packages for individual executive directors. The members of the Remuneration Committee are set out below:

Valerie Gooding, Chairman  
Michel Demaré  
Renée James  
Dame Clara Furse, DBE

### **Executive Committee**

Chaired by the Chief Executive, this committee is responsible for the Group's competitive and financial performance, reviewing strategy and new business opportunities including major acquisitions and disposals, the management of its capital structure and funding and key organisational and policy decisions. The Executive Committee membership comprises the executive directors, details of whom are shown above, and the senior managers who are listed below.

### **Senior Management**

Members of the Executive Committee who are not also executive directors are regarded as senior managers of the Issuer.



## Vodafone Group Plc Senior Management

Name	Position	Outside Directorships/Activities
Dr Hannes Ametsreiter	Chief Executive Officer Germany	None
Aldo Bisio	Chief Executive Officer Italy	None
António Coimbra	Chief Executive Officer Spain	None
Ahmed Essam	Chief Commercial Operations and Strategy Officer	None
Nick Jeffery	Chief Executive Officer United Kingdom	<ul style="list-style-type: none"><li>• Dialog Semiconductor Plc, non-executive director</li></ul>
Rosemary Martin	Group General Counsel and Company Secretary	<ul style="list-style-type: none"><li>• Lloyd's Register Foundation, trustee</li><li>• The Takeover Panel, member</li></ul>
Joakim Reiter	Group External Affairs Director	<ul style="list-style-type: none"><li>• Swedish Space Corporation, member</li></ul>
Serpil Timuray	Chief Executive Officer Europe Cluster	<ul style="list-style-type: none"><li>• Danone Group, non-executive director and member of purpose &amp; engagement committee</li></ul>
Johan Wibergh	Group Technology Officer	<ul style="list-style-type: none"><li>• Trimble Inc, non-executive director and member of compensation committee</li></ul>
Leanne Wood	Chief Human Resources Officer	<ul style="list-style-type: none"><li>• The Go-Ahead Group Plc, non-executive director and chair of remuneration committee</li></ul>
Shameel Joosub	Chief Executive Officer Vodacom	<ul style="list-style-type: none"><li>• Safaricom plc, director</li><li>• Business Leadership South Africa, member</li></ul>
Vinod Kumar	Chief Executive Officer Business	<ul style="list-style-type: none"><li>• None</li></ul>

The business address of the directors and the senior management (as described above) of the Issuer is c/o Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire RG14 2FN. There are no potential conflicts of interest between the duties to the Issuer of the directors or the senior management (as described above) of the Issuer and their private interests and/or other duties.

## Corporate Governance

Throughout the financial year ended 31 March 2020, the Issuer was compliant with the provisions of, and applied the principles of, the 2018 UK Corporate Governance Code.

## **USE AND ESTIMATED NET AMOUNT OF PROCEEDS**

The net proceeds of the issue of the Securities will be used for general corporate purposes, which may include the funding repurchases of ordinary shares issued in connection with the £1,720,000,000 1.20 per cent. Subordinated Mandatory Convertible Bonds due 2021.

The estimated net proceeds of the issue of the Securities, after deduction of commissions, fees and estimated expenses, will be €1,990,400,000.

## 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.

## SUBSCRIPTION AND SALE

Banco Santander, S.A., BNP Paribas, Deutsche Bank AG, London Branch, Goldman Sachs International and Merrill Lynch International (the “**Joint Bookrunners**”) have, pursuant to a Subscription Agreement dated 25 August 2020, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the NC6 Securities at 100.00 per cent. of their principal amount and the NC10 Securities at 100.00 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. 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 relevant Securities, an offer or sale of such 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 and UK 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 or in the UK. 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 Distribution 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 (except for Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than (a) to "professional investors" as defined in the SFO 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 (the "CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; 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 SFO and any rules made under the SFO.

## **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 account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **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, no Securities may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Securities be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Joint Bookrunner has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Securities or distribute any copy of this Prospectus or any other document in relation to the Securities in the Republic of Italy ("**Italy**") except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and applicable Italian laws, including of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and implementing CONSOB regulations; or

- (b) (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of the CONSOB Regulation No. 11971 of 14 May 1999, as amended, and the applicable Italian laws.

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 Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and 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 (including the reporting requirements) as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, 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. Accordingly, each Joint Bookrunner has represented, warranted 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) pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (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; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

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

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 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).

### **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 28 August 2020, subject only to the issue of the relevant Temporary Global Security. Prior to official listing and admission to trading, dealings will be permitted by the Market in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction. 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 in respect of each Series of Securities.

### 2. **Authorisations**

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities. The issue of the Securities was authorised by resolutions of the Board of Directors passed on 24 March 2020.

### 3. **Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Group since 31 March 2020. There has been no material adverse change in the prospects of the Issuer since 31 March 2020.

### 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 below, there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability. 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.

#### *Indian tax cases*

In August 2007 and September 2007, Vodafone India Limited ("**Vodafone India**") and Vodafone International Holdings BV ("**VIHBV**") respectively received notices from the Indian tax authority alleging potential liability in connection with an alleged failure by VIHBV to deduct withholding tax from consideration paid to the Hutchison Telecommunications International Limited group ("**HTIL**") in respect of HTIL's gain on its disposal to VIHBV of its interests in a wholly-owned Cayman Island incorporated subsidiary that indirectly holds interests in Vodafone India. Following approximately five years of litigation in the Indian courts in which VIHBV sought to set aside the tax demand issued by the Indian tax authority, in January 2012 the Supreme Court of India handed down its judgement, holding that VIHBV's interpretation of the Income Tax Act 1961 was correct, that the HTIL transaction in 2007 was not taxable in India, and that consequently, VIHBV had no obligation to withhold tax from

consideration paid to HTIL in respect of the transaction. The Supreme Court of India quashed the relevant notices and demands issued to VIH BV in respect of withholding tax and interest.

On 28 May 2012 the Finance Act 2012 became law. The Finance Act 2012, which amended various provisions of the Income Tax Act 1961 with retrospective effect, contained provisions intended to tax any gain on transfer of shares in a non-Indian company, which derives substantial value from underlying Indian assets, such as VIH BV's transaction with HTIL in 2007. Further, it sought to subject a purchaser, such as VIH BV, to a retrospective obligation to withhold tax. VIH BV received a letter on 3 January 2013 from the Indian tax authority reminding it of the tax demand raised prior to the Supreme Court of India's judgement and purporting to update the interest element of that demand to a total amount of INR142 billion, which included principal and interest as calculated by the Indian tax authority but did not include penalties.

On 10 January 2014, VIH BV served an amended trigger notice on the Indian Government under the Netherlands-India Bilateral Investment Treaty ("**Dutch BIT**"), supplementing a trigger notice filed on 17 April 2012, immediately prior to the Finance Act 2012 becoming effective, to add claims relating to an attempt by the Indian Government to tax aspects of the transaction with HTIL under transfer pricing rules. A trigger notice announces a party's intention to submit a claim to arbitration and triggers a cooling off period during which both parties may seek to resolve the dispute amicably. Notwithstanding their attempts, the parties were unable to amicably resolve the dispute within the cooling off period stipulated in the Dutch BIT. On 17 April 2014, VIH BV served its notice of arbitration under the Dutch BIT, formally commencing the Dutch BIT arbitration proceedings.

In June 2016, the tribunal was fully constituted with Sir Franklin Berman KCMG QC appointed as presiding arbitrator. The Indian Government raised objections to the application of the treaty to VIH BV's claims and to the jurisdiction of the tribunal under the Dutch BIT. On 19 June 2017, the tribunal decided to try both these jurisdictional objections along with the merits of VIH BV's claim in February 2019. Further attempts by the Indian Government to have the jurisdiction arguments heard separately also failed. VIH BV filed its response to India's defence in July 2018 and India responded in December 2018. The arbitration hearing took place in February 2019, and a decision is expected mid to late 2020.

Separately, on 15 June 2015, the Issuer and Vodafone Consolidated Holdings Limited served a trigger notice on the Indian Government under the United Kingdom-India Bilateral Investment Treaty ("**UK BIT**") in respect of retrospective tax claims under the Income Tax Act 1961 (as amended by the Finance Act 2012). Although relating to the same underlying facts as the claim under the Dutch BIT, the claim brought by the Issuer and Vodafone Consolidated Holdings Limited is a separate and distinct claim under a different treaty. On 24 January 2017, the Issuer and Vodafone Consolidated Holdings Limited served a Notice of Arbitration on the Indian Government formally commencing the arbitration.

The Indian Government has indicated that it considers the arbitration under the UK BIT to be an abuse of process but this is strongly denied by the Issuer. On 22 August 2017, the Indian Government obtained an injunction from the Delhi High Court preventing the Issuer from progressing the UK BIT arbitration. The Issuer was not present when India obtained this injunction and applied to dismiss it. On 26 October 2017, the Delhi High Court varied its order to permit the Issuer to participate in the formation of the UK BIT tribunal. The UK BIT tribunal now consists of Marcelo Kohen, an Argentinian national and professor of international law in Geneva (appointed by India), Neil Kaplan, a British national (appointed by the Issuer) and Professor Campbell McLachlan QC, a New Zealand national (appointed by the parties as presiding arbitrator). On 7 May 2018, the Delhi High Court dismissed the injunction. The Indian Government appealed the decision and hearings took place in 2018 and 2019, with frequent adjournments. The case will be heard once the court reopen after the COVID-19 lockdown has passed.

In the meantime, the Issuer has undertaken to take no steps advancing the UK BIT pending resolution of the Indian Government's appeal.

On 12 February 2016, VIHBV received a notice dated 4 February 2016 of an outstanding tax demand of INR221 billion (which included interest accruing since the date of the original demand) along with a statement that enforcement action, including against VIHBV's indirectly held assets in India, would be taken if the demand was not satisfied. On 29 September 2017, VIHBV received an electronically generated demand in respect of alleged principal, interest and penalties in the amount of INR190.7 billion. This demand does not appear to have included any element for alleged accrued interest liability.

Separate proceedings in the Bombay High Court taken against VIHBV to seek to treat it as an agent of HTIL in respect of its alleged tax on the same transaction, as well as penalties of up to 100% of the assessed withholding tax for the alleged failure to have withheld such taxes, were listed for hearing at the request of the Indian Government on 21 April 2016 despite the issue having been ruled upon by the Supreme Court of India. The hearing has since been periodically listed and then adjourned or not reached hearing. VIHBV and the Issuer will continue to defend vigorously any allegation that VIHBV or Vodafone India is liable to pay tax in connection with the transaction with HTIL and will continue to exercise all rights to seek redress including pursuant to the Dutch BIT and the UK BIT. The Issuer has not recorded a provision in respect of the retrospective provisions of the Income Tax Act 1961 (as amended by the Finance Act 2012) and any tax demands based upon such provisions.

#### ***Other Indian tax cases***

Vodafone India and Vodafone India Services Private Limited ("VISPL") (formerly 3GSPL) is involved in a number of tax cases with total claims exceeding €450 million plus interest, and penalties of up to 300 per cent. of the principal.

#### ***VISPL tax claims***

VISPL has been assessed as owing tax of approximately €258 million (plus interest of €521 million) in respect of (i) a transfer pricing margin charged for the international call centre of HTIL prior to the 2007 transaction with the Issuer for HTIL assets in India; (ii) the sale of the international call centre by VISPL to HTIL; and (iii) the acquisition of and/or the alleged transfer of options held by VISPL for Vodafone India. The first two of the three heads of tax are subject to an indemnity by HTIL. The larger part of the potential claim is not subject to any indemnity. VISPL unsuccessfully challenged the merits of the tax demand in the statutory tax tribunal and the jurisdiction of the tax office to make the demand in the High Court. The Tax Appeal Tribunal heard the appeal and ruled in the Tax Office's favour. VISPL lodged an appeal (and stay application) in the Bombay High Court which was concluded in early May 2015. On 13 July 2015 the tax authorities issued a revised tax assessment reducing the tax VISPL had previously been assessed as owing in respect of (i) and (ii) above. In the meantime, (i) a stay of the tax demand on a deposit of £20 million and (ii) a corporate guarantee by VIHBV for the balance of tax assessed remain in place. On 8 October 2015, the Bombay High Court ruled in favour of the Issuer in relation to the options and the call centre sale. The Tax Office has appealed to the Supreme Court of India. A hearing has been adjourned with no specified date.

#### ***Indian regulatory cases***

Litigation remains pending in the Telecommunications Dispute Settlement Appellate Tribunal ("TDSAT"), High Courts and the Supreme Court of India in relation to a number of significant regulatory

issues including mobile termination rates (“MTRs”), spectrum and licence fees, licence extension and 3G intra-circle roaming (“ICR”).

#### *Vodafone Idea*

As part of the agreement to merge Vodafone India and Idea Cellular, the parties agreed a mechanism for payments between the Group and Vodafone Idea Limited (“VIL”) pursuant to the crystallisation of certain identified contingent liabilities in relation to legal, regulatory, tax and other matters, including the AGR case (see below), and refunds relating to Vodafone India and Idea Cellular. Cash payments or cash receipts relating to the aforementioned matters must have been made or received by VIL before any amount becomes due from or owed to the Group. Any future payments by the Group to VIL as a result of this agreement would only be made after satisfaction of this and other contractual conditions. The Group’s potential exposure under this mechanism is capped at INR 84 billion (approximately €1 billion). Having considered the payments made and refunds received by VIL in relation to certain contingent liabilities relating to Vodafone India and Idea Cellular, including those relating to the AGR case, and the significant uncertainties in relation to VIL’s ability to settle all liabilities relating to the AGR judgement, the Group has assessed a cash outflow of €235 million under the agreement to be probable at this time. On 22 April 2020, the Group announced that it has made an advance payment of US\$200 million to VIL for amounts likely to be due under the terms of this mechanism.

#### *Adjusted Gross Revenue (“AGR”) dispute before the Supreme Court of India: VIL and others v Union of India*

The Department of Telecommunications (“DoT”) has been in dispute with telecom service providers in India for over a decade concerning the correct interpretation of licence provisions for fees based on AGR, a concept that is used in the calculation of licence and other fees payable by telecom service providers. On an appeal to the Supreme Court from a decision of the TDSAT substantially upholding the telecom service providers’ interpretation of AGR, the Supreme Court on 24 October 2019 held against the telecom service providers, including VIL. The Supreme Court’s ruling in favour of the DoT rendered the telecom service providers, including VIL, liable for principal, interest, penalties and interest on penalties on demands of the DoT in relation to licence fees. The DoT demands became due and payable within three months of the Supreme Court judgement.

In November 2019, the DoT issued an order for the AGR judgement debt to be determined through self-assessment and paid on or before 23 January 2020. VIL and other operators filed review petitions against the judgement, which were heard and dismissed on 16 January 2020. On 23 January 2020, the DoT announced that it would not take coercive action against telecom service providers which have not repaid their respective AGR judgement debts. Consequently, VIL and others did not pay any amount to the DoT. On 14 February 2020, after hearing applications from VIL and other operators, the Supreme Court ordered the DoT to withdraw its non-coercive order as well as requiring all directors of VIL and other relevant operators to show cause as to why contempt proceedings should not be brought against them. VIL filed its response on 6 March 2020. In another hearing on 18 March 2020, the Supreme Court ordered that no exercise of self-assessment/re-assessment should be performed and that the dues, as calculated by the DoT, should apply as per their original ruling in October 2019.

Based on submissions of the DoT in the Supreme Court proceedings (which the Group is unable to confirm as to their accuracy), VIL’s current liability appears to be INR 514 billion (€6.2 billion). The

next hearing, where the Supreme Court is expected to consider the DoT's request to give a reasonable time for payment to be made, has been delayed as a result of the COVID-19 related restrictions.

### ***Other cases in the Group***

#### *Italy: Iliad v Vodafone Italy*

In August 2019, Iliad filed a claim for €500 million against Vodafone Italy in the Civil Court of Milan. The claim alleges anti-competitive behaviour in relation to portability and certain advertising campaigns by Vodafone Italy. A number of preliminary hearings have taken place, and in May 2020 the Court rejected Iliad's requests for interim measures. Iliad did not appeal. The next hearing on damages will take place in October 2020.

#### *Netherlands: Consumer credit/handset case*

In February 2016, the Dutch Supreme Court ruled on the Dutch implementation of the EU Consumer Credit Directive and "instalment sales agreements" (a Dutch law concept), holding that bundled "all-in" mobile subscription agreements (i.e. device along with mobile services) are considered consumer credit agreements. As a result, VodafoneZiggo, together with the industry, has been working with the Ministry of Finance and the Competition Authority on compliance requirements going forward for such offers. The ruling also has retrospective effect. A number of small claims were submitted by individual customers in the small claims courts. On 15 February 2018, Consumentenbond (a claims agency) initiated collective claim proceedings against VodafoneZiggo, Tele2, T-Mobile and KPN. A preliminary understanding has been reached with the claims agency and the Dutch Consumer Federation, to be finalised during 2020. As a result, the collective claim proceedings against VodafoneZiggo have been withdrawn.

#### *UK: Phones 4U in Administration v Vodafone Limited and the Issuer and Others*

In December 2018 the administrators of former UK indirect seller Phones 4U sued the three main UK mobile network operators ("MNOs"), including the Issuer, and their parent companies. The administrators allege a conspiracy between the MNOs to pull their business from Phones 4U thereby causing its collapse. The value of the claim is not pleaded but the Issuer understands it to be the total value of the Phones 4U business, possibly around £1 billion. The Group's alleged share of the liability is also not pleaded. The Issuer filed its defence on 18 April 2019, along with several other defendants, and the administrators filed their replies in October 2019. A case management hearing took place in March 2020, with another one scheduled for July 2020 dealing with, among other things, disclosure and security for costs. A tentative trial date has been set for June 2022 though the assigned judge has yet to decide whether there will be a split trial dealing with issues of liability and quantum separately.

#### *Greece: the Papistas Group case*

In December 2013, Mr. and Mrs. Papistas, and companies owned or controlled by them, brought three claims in the Greek court in Athens against Vodafone Greece, Vodafone Group Plc and certain Directors and officers of Vodafone Greece and Vodafone Group Plc for purported damage caused by the alleged abuse of dominance and wrongful termination of a franchise arrangement with a Papistas company. Approximately €1.0 billion of the claim was directed exclusively at two former Directors of the Issuer. The balance of the claim (approximately €285.5 million) was sought from Vodafone Greece and Vodafone Group Plc on a joint and several basis. Both cases were adjourned to a hearing in September 2018, at which the plaintiffs withdrew all of their claims against the Issuer and its Directors. On 31 December 2018, the plaintiff filed a new, much lower value claim against Vodafone Greece, dropping

the individual Directors and Vodafone Group Plc as defendants. On 5 April 2019, Mr Papistas withdrew this latest lawsuit, but in October 2019 filed several new cases against Vodafone Greece with a total value of approximately €330 million. The Issuer filed a counter claim and all claims were heard in February 2020, although Mr Papistas did not make the stamp duty payments required by the Court to have his case considered. In June 2020, the Court issued judgment in respect of the first part of Mr Papistas' claims, dismissing them all for non-payment of the court stamp duty.

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. In respect of the NC6 Securities, the International Securities Identification Number (“ISIN”) is XS2225157424 and the Common Code is 222515742. In respect of the NC10 Securities, the ISIN is XS2225204010 and the Common Code is 222520401.

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.

7. **Legal Entity Identifier**

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

8. **Website of the Issuer**

The website of the Issuer is <https://www.vodafone.com>. The information on <https://www.vodafone.com> does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

9. **Third party information**

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

10. **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 inspection at <https://investors.vodafone.com/investors-analysts/debt-section/bonds-outstanding>:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the Documents Incorporated by Reference;
- (c) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and

- (d) the Trust Deeds dated the Issue Date between the Issuer and the Trustee relating to each Series and the Paying Agency Agreements dated the Issue Date between the Issuer, the Trustee and the agents named therein relating to each Series.

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/prices-and-news/news/market-news/market-news-home.html>.

#### 11. **Auditors**

The auditor of the Issuer is Ernst & Young 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 year ended 31 March 2020.

PricewaterhouseCoopers LLP 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 year ended 31 March 2019.

The Issuer's consolidated financial statements for the financial years ended 31 March 2020 and 31 March 2019 were prepared in accordance with IFRS.

#### 12. **Yield**

For the period from (and including) the Issue Date to (but excluding) the relevant First Call Date, the yield on the NC6 Securities will be 2.625 per cent. per annum and for the period from (and including) the Issue Date to (but excluding) the relevant First Reset Date, the yield on the NC10 Securities will be 3.000 per cent. per annum. Each such yield is calculated at the Issue Date on the basis of the relevant Issue Price. It is not an indication of future yield.

#### 13. **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.

14. **Material Contracts**

There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders in respect of the Securities.

15. **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 relevant Securities.



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*To the Issuer as to English law*

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

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