

# **AGENCY AGREEMENT**

**15 JUNE 2018**

**BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY**  
as Issuer

and

**CITIBANK, N.A., LONDON BRANCH**  
as Agent

and

**CITIBANK, N.A., LONDON BRANCH**  
**BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME**  
as Paying Agents

and

**THE LAW DEBENTURE TRUST CORPORATION p.l.c.**  
as Trustee

in respect of a  
**€20,000,000,000**  
**EURO MEDIUM TERM NOTE PROGRAMME**  
(amended and restated)

**ALLEN & OVERY**

Allen & Overy LLP

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**AGENCY AGREEMENT**  
**(amended and restated)**

**in respect of a**

**EURO MEDIUM TERM NOTE PROGRAMME**

**THIS AGREEMENT** is made on 15 June 2018

**BETWEEN:**

- (1) **BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY** of 81 Newgate Street, London EC1A 7AJ (the **Issuer**);
- (2) **CITIBANK, N.A., LONDON BRANCH** of 6th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **Agent**, which expression shall include any successor agent appointed in accordance with Clause 21);
- (3) **BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME** of 69, route d'Esch, L-2953 Luxembourg (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agent appointed in accordance with Clause 21, and **Paying Agent** shall mean any of the Paying Agents); and
- (4) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** of Fifth Floor, 100 Wood Street, London EC2V 7EX (the **Trustee**, which expression shall include all persons for the time being the trustee or the trustees of the Trust Deed).

**WHEREAS:**

- (A) The Issuer has entered into an amended and restated Programme Agreement dated 15 June 2018 (the **Programme Agreement**) with the Dealer named therein pursuant to which the Issuer may issue Euro Medium Term Notes (the **Notes**) in an aggregate nominal amount of up to €20,000,000,000 (or its equivalent in other currencies).
- (B) Each issue of Notes will be initially represented by a temporary global Note exchangeable in whole for definitive Notes or for a permanent global Note which in turn will be exchangeable for definitive Notes (as indicated by the applicable Final Terms).
- (C) The Notes will be constituted by a trust deed dated 12 December 1997 (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer and the Trustee.
- (D) This Agreement amends and restates the amended and restated Agency Agreement dated 29 May 2015. Any Notes issued under the Programme on or after the date hereof shall be issued pursuant to this Agreement. This does not affect any Notes issued under the Programme prior to the date of this Agreement.

## IT IS AGREED:

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions defined in the Programme Agreement, the Trust Deed or the Notes or used in the applicable Final Terms shall have the same meanings in this Agreement, except where the context requires otherwise or unless otherwise stated and provided that, in the event of inconsistency between this Agreement and the Trust Deed, the Trust Deed shall prevail and, in the event of inconsistency between this Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms shall prevail.

- 1.2 Without prejudice to the foregoing:

**CGN** means a Temporary Global Note or a Permanent Global Note where the Final Terms specify that the Notes are not in New Global Note Form;

**Code** means the U.S. Internal Revenue Code of 1986;

**Eurosystem-eligible NGN** means an NGN which is intended to be held in a manner which would allow Eurosystem eligibility, as stated in the applicable Final Terms;

**FATCA Withholding** means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or any withholding or deduction otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations, agreements or undertakings thereunder or official interpretations thereof or similar law implementing an intergovernmental approach thereto;

**NGN** means a Temporary Global Note or a Permanent Global Note where the applicable Final Terms specify that the Notes are in New Global Note form;

**Put Notice** means a notice in the form set out in Schedule 2;

**Specified Time** means 11.00 a.m. (London time, in the case of a determination by LIBOR, or Brussels time, in the case of a determination by EURIBOR); and

**TARGET2 System** means the Trans European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

- 1.3 In this Agreement, unless the contrary intention appears, a reference to the **records** of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customer's interest in the Notes.
- 1.4 Words denoting the singular number only shall include the plural number also and *vice versa*;  
words denoting one gender only shall include the other gender; and  
words denoting persons only shall include firms and corporations and *vice versa*.
- 1.5 All references in this Agreement to costs or charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof.
- 1.6 For the purposes of this Agreement, the Notes of each Series shall form a separate series of Notes and the provisions of this Agreement shall apply *mutatis mutandis* separately and independently to

the Notes of each Series and in this Agreement the expressions **Notes**, **Noteholders**, **Coupons**, **Couponholders** and **Talons** shall be construed accordingly.

- 1.7 All references in this Agreement to principal and/or interest or both in respect of the Notes or to any moneys payable by the Issuer under this Agreement shall be construed in accordance with Condition 4.6.
- 1.8 All references in this Agreement to the **relevant currency** shall be construed as references to the currency in which the relevant Notes and/or Coupons are denominated.
- 1.9 In this Agreement, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement. All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted or to any statutory instrument, order or regulation made thereunder or under such re-enactment.
- 1.10 All references in this Agreement to an agreement, instrument or other document (including, without limitation, this Agreement, the Programme Agreement, the Trust Deed, the Procedures Memorandum, the Notes and the Conditions appertaining thereto) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied or supplemented from time to time.
- 1.11 Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agent. In the case of NGNs, such alternative clearing system must also be authorised to hold the Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.
- 1.12 Any references to Notes shall, unless the context otherwise requires, include any Global Note(s) representing such Notes.
- 1.13 All references in this Agreement to a Directive include any relevant implementing measure of each Member State of the European Economic Area which has implemented such Directive.
- 1.14 As used herein, in relation to any Notes which are to have a "listing" or be "listed" (a) on the London Stock Exchange, **listing** and **listed** shall be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market and (b) on any other Stock Exchange within the European Economic Area, **listing** and **listed** shall be construed to mean that Notes have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

## **2. APPOINTMENT OF AGENT AND PAYING AGENTS**

- 2.1 The Agent is hereby appointed, and the Agent hereby agrees to act, as agent of the Issuer (and, for the purposes of subclause 2.3 below, the Trustee,) upon the terms and subject to the conditions set out below, for the purposes of, *inter alia*:
  - (a) completing, authenticating and delivering Global Notes and (if required) completing, authenticating and delivering Definitive Notes;
  - (b) giving effectuation instructions in respect of each Global Note which is Eurosystem-eligible NGN;

- (c) exchanging Temporary Global Notes for Permanent Global Notes and/or Definitive Notes, as the case may be, in accordance with the terms of such Temporary Global Notes and, in respect of any such exchange, (i) making all notations on Global Notes which are CGNs as required by their terms and (ii) instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Global Notes which are NGNs;
- (d) exchanging Permanent Global Notes for Definitive Notes in accordance with the terms of such Permanent Global Notes and, in respect of any such exchange, (i) making all notations on Permanent Global Notes which are CGNs as required by their terms and (ii) instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Permanent Global Notes which are NGNs;
- (e) paying sums due on Global Notes, Definitive Notes and Coupons and instructing Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Global Notes which are NGNs;
- (f) exchanging Talons for Coupons in accordance with the Conditions;
- (g) determining the end of the distribution compliance period applicable to each Tranche in accordance with Clause 4;
- (h) arranging on behalf of the Issuer for notices to be communicated to the Noteholders in accordance with the Conditions;
- (i) ensuring that, as directed by the Issuer, all necessary action is taken to comply with any reporting requirements of any competent authority in respect of any relevant currency as may be in force from time to time with respect to the Notes to be issued under the Programme;
- (j) subject to the Procedures Memorandum, submitting to the relevant Stock Exchange such number of copies of each Final Terms which relates to Notes which are to be listed as it may reasonably require;
- (k) acting as Calculation Agent in respect of Notes where named as such in the relevant Final Terms;
- (l) sending a copy of each Final Terms to the other Paying Agents, if appropriate; and
- (m) performing all other obligations and duties imposed upon it by the Conditions and this Agreement.

2.2 Each Paying Agent is hereby appointed as paying agent of the Issuer (and, for the purposes of subclause 2.4 below, the Trustee), upon the terms and subject to the conditions set out below, for the purposes of paying sums due on Notes and Coupons and of performing all other obligations and duties imposed upon it by the Conditions and this Agreement.

2.3 In relation to each issue of Eurosystem-eligible NGNs, the Issuer hereby authorises and instructs the Agent to elect Euroclear or Clearstream, Luxembourg as common safekeeper. From time to time, the Issuer and the Agent may agree to vary this election. The Issuer acknowledges that any such election is subject to the right of Euroclear and Clearstream, Luxembourg to jointly determine that the other shall act as common safekeeper in relation to any such issue and agrees that no liability shall attach to the Agent in respect of any such election made by it.

- 2.4 At any time after an Event of Default or any condition, event or act which with the giving of notice and/or the lapse of time and/or the issue of a certificate as provided in Condition 8.1 would constitute an Event of Default shall have occurred or the Notes shall have become repayable and shall not have been repaid, the Trustee may:
- (a) by notice in writing to the Issuer, the Agent and the other Paying Agents require the Agent and the other Paying Agents pursuant to this Agreement:
    - (i) to act thereafter as Agent and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of the Trust Deed *mutatis mutandis* on the terms provided in this Agreement (save that the Trustee's liability under any provisions of this Agreement for the indemnification of the Paying Agents shall be limited to the amounts for the time being held by the Trustee on the terms of the Trust Deed relating to the relevant Notes and Coupons) and thereafter to hold all Notes, Coupons and Talons and all sums, documents and records held by them in respect of Notes, Coupons and Talons on behalf of the Trustee; or
    - (ii) to deliver up all Notes, Coupons and Talons and all sums, documents and records held by them in respect of Notes, Coupons and Talons in each case held by them in their capacity as Agent or, as the case may be, other Paying Agents to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Agent or the relevant other Paying Agent is obliged not to release by any law or regulation; and
  - (b) by notice in writing to the Issuer require the Issuer to make all subsequent payments in respect of the Notes and Coupons to or to the order of the Trustee and not to the Agent.

### **3. ISSUE OF GLOBAL NOTES**

- 3.1 Subject to subclause 3.4 below, following receipt of a faxed copy of the applicable Final Terms signed by the Issuer, the Issuer hereby authorises the Agent and the Agent hereby agrees to take the steps required of the Agent in the Procedures Memorandum.
- 3.2 For the purposes of subclause 3.1, the Agent will, *inter alia*, on behalf of the Issuer if specified in the applicable Final Terms that a Temporary Global Note will initially represent the Tranche of Notes:
- (a) prepare a Temporary Global Note by attaching a copy of the applicable Final Terms to a copy of the applicable master Temporary Global Note;
  - (b) authenticate such Temporary Global Note in accordance with the provisions of the Trust Deed;
  - (c) deliver such Temporary Global Note to the specified common depositary (if the Temporary Global Note is a CGN) or a specified common safekeeper (if the Temporary Global Note is an NGN) for Euroclear and/or Clearstream, Luxembourg and in the case of a Temporary Global Note which is a Eurosystem-eligible NGN, to instruct the common safekeeper to effectuate the same;
  - (d) unless the Issuer otherwise directs, to ensure that the Notes of each Tranche are assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until 40 days after the completion of the distribution of the Notes of such Tranche as notified by the Agent to the relevant Dealer; and

- (e) if the Temporary Global Note is a NGN, instruct Euroclear and Clearstream, Luxembourg to make the appropriate entries in their records to reflect the initial outstanding aggregate principal amount of the relevant Tranche of Notes.

3.3 For the purpose of subclause 3.1, the Agent will, *inter alia*, on behalf of the Issuer if specified in the applicable Final Terms that a Permanent Global Note will represent the Notes on issue:

- (a) in the case of the first Tranche of any Series of Notes, prepare a Permanent Global Note by attaching a copy of the applicable Final Terms to a copy of the master Permanent Global Note;
- (b) in the case of the first Tranche of any Series of Notes, authenticate the Permanent Global Note in accordance with the provisions of the Trust Deed;
- (c) in the case of the first Tranche of any Series of Notes, deliver the Permanent Global Note to the specified common depositary (if the Permanent Global Note is a CGN) or specified common safekeeper (if the Permanent Global Note is a NGN) for Euroclear and/or Clearstream, Luxembourg and in the case of a Permanent Global Note which is a Eurosystem-eligible NGN, to instruct the common safekeeper to effectuate the same;
- (d) if the Permanent Global Note is a NGN, instruct Euroclear and Clearstream, Luxembourg to make the appropriate entries in their records to reflect the initial outstanding aggregate principal amount of the relevant Tranche of Notes;
- (e) in the case of a subsequent Tranche of any Series of Notes deliver the applicable Final Terms to the specified common depositary (or common safekeeper, as the case may be,) for attachment to the Permanent Global Note and, in the case where the Permanent Global Note is a CGN, make all appropriate entries on the relevant Schedule to the Permanent Global Note to reflect the increase in its nominal amount or, in the case where the Permanent Global Note is a NGN, instruct Euroclear and Clearstream, Luxembourg to make the appropriate entries on their records to reflect the increased outstanding aggregate principal amount of the relevant Series; and
- (f) ensure that the Notes of each Tranche are assigned, as applicable, security numbers (including, but not limited to, common codes and ISINs) which are different from the security numbers assigned to the Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period in respect of the Tranche.

3.4 The Agent shall only be required to perform its obligations under this Clause 3 and subclause 4.2 if it holds:

- (a) a master Temporary Global Note duly executed by a person or persons duly authorised to execute the same on behalf of the Issuer, which may be used by the Agent for the purpose of preparing Temporary Global Notes in accordance with subclause 3.2;
- (b) a master Permanent Global Note duly executed by a person or persons duly authorised to execute the same on behalf of the Issuer, which may be used by the Agent for the purpose of preparing Permanent Global Notes in accordance with subclause 3.3 and Clause 4.

#### **4. EXCHANGE OF GLOBAL NOTES**

4.1 The Agent shall determine the Exchange Date for each Temporary Global Note in accordance with the terms thereof. Forthwith upon determining the Exchange Date in respect of any Tranche, the



Agent shall notify such determination to the Issuer, the relevant Dealer, Euroclear and Clearstream, Luxembourg.

4.2 Subject to subclause 3.4, where a Temporary Global Note is to be exchanged for a Permanent Global Note, the Agent is hereby authorised on behalf of the Issuer and instructed:

- (a) in the case of the first Tranche of any Series of Notes, to prepare and complete a Permanent Global Note in accordance with the terms of the Temporary Global Note applicable to such Tranche by attaching a copy of the applicable Final Terms to a copy of the applicable master Permanent Global Note;
- (b) in the case of the first Tranche of any Series of Notes, to authenticate such Permanent Global Note in accordance with the provisions of the Trust Deed;
- (c) in the case of the first Tranche of any Series of Notes (if the Permanent Global Note is a CGN), to deliver such Permanent Global Note to the common depositary which is holding the Temporary Global Note applicable to such Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg to hold on behalf of the Issuer pending its exchange for such Temporary Global Note;
- (d) in the case of the first Tranche of any Series of Notes (if the Permanent Global Note is a NGN), to deliver the Permanent Global Note to the common safekeeper which is holding the Temporary Global Note representing the Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg to effectuate (in the case of a Permanent Global Note which is a Eurosystem-eligible NGN) and to hold on behalf of the Issuer pending its exchange for the Temporary Global Note;
- (e) in the case of a subsequent Tranche of any Series of Notes if the Permanent Global Note is a CGN, to attach a copy of the applicable Final Terms to the Permanent Global Note applicable to the relevant Series and entering details of any exchange as aforesaid; and
- (f) in the case of a subsequent Tranche of any Series of Notes if the Permanent Global Note is a NGN, to deliver the applicable Final Terms to the specified common safekeeper for attachment to the Permanent Global Note applicable to the relevant series.

4.3 Upon any exchange of all or a part of an interest in a Temporary Global Note for an interest in a Permanent Global Note or upon any exchange of all or a part of an interest in a Global Note for Definitive Notes, the Agent shall (i) procure that the relevant Global Note shall, if it is a CGN, be endorsed by or on behalf of the Agent to reflect the reduction of its nominal amount by the aggregate nominal amount so exchanged and, where applicable, the Permanent Global Note shall be endorsed by or on behalf of the Agent to reflect the increase in its nominal amount as a result of any exchange for an interest in the Temporary Global Note or (ii) in the case of any Global Note which is a NGN, instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such exchange. Until exchanged in full, the holder of an interest in any Global Note shall in all respects be entitled to the same benefits under this Agreement as the holder of Definitive Notes and Coupons authenticated and delivered under this Agreement, subject as set out in the Conditions. The Agent is authorised on behalf of the Issuer and instructed (a) in the case of any Global Note which is a CGN, to endorse or to arrange for the endorsement of the relevant Global Note to reflect the reduction in the nominal amount represented by it by the amount so exchanged and, if appropriate, to endorse the Permanent Global Note to reflect any increase in the nominal amount represented by it and, in either case, to sign in the relevant space on the relevant Global Note recording the exchange and reduction or increase, (b) in the case of any Global Note which is a NGN, to instruct Euroclear and Clearstream to make appropriate entries in their records to reflect

such exchange and (c) in the case of a total exchange, to cancel or arrange for the cancellation of the relevant Global Note.

- 4.4
- (a) In the case of a Tranche in respect of which there is only one Dealer, the Agent will, if advised by the relevant Dealer, determine the end of the distribution compliance period in respect of such Tranche as being the fortieth day following the date certified by the relevant Dealer to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.
  - (b) In the case of a Tranche in respect of which there is more than one Dealer but is not issued on a syndicated basis, the Agent will, if advised by the relevant Dealers, determine the end of the distribution compliance period in respect of such Tranche as being the fortieth day following the latest of the dates certified by all the relevant Dealers to the Agent as being the respective dates as of which distribution of the Notes of that Tranche purchased by each such Dealer was completed.
  - (c) In the case of a Tranche issued on a syndicated basis, the Agent will, if advised by the Lead Manager, determine the end of the distribution compliance period in respect of such Tranche as being the fortieth day following the date certified by the Lead Manager to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.
  - (d) Forthwith upon determining the end of the restricted period in respect of any Tranche, the Agent shall notify such determination to the Issuer, the Trustee, Euroclear, Clearstream, Luxembourg and the relevant Dealer(s) (in the case of a non-syndicated issue) or the Lead Manager (in the case of a syndicated issue).

## **5. ISSUE OF DEFINITIVE NOTES**

5.1 Pursuant to the terms of a Temporary Global Note or a Permanent Global Note, as the case may be, the Agent shall deliver the relevant Definitive Note(s) in accordance with the terms of the relevant Global Note. For this purpose the Agent is hereby authorised on behalf of the Issuer:

- (a) to authenticate such Definitive Note(s) in accordance with the provisions of the Trust Deed; and
- (b) to deliver such Definitive Note(s) to or to the order of Euroclear and/or Clearstream, Luxembourg in exchange for such Global Note.

The Agent shall notify the Issuer forthwith upon receipt of a request for issue of (a) Definitive Note(s) in accordance with the provisions of a Temporary Global Note or Permanent Global Note, as the case may be, (and the aggregate nominal amount of such Temporary Global Note or Permanent Global Note, as the case may be, to be exchanged in connection therewith which, in the case of a Permanent Global Note, shall be its full aggregate nominal amount).

5.2 The Issuer undertakes to deliver to the Agent sufficient numbers of executed Definitive Notes with, if applicable, Coupons and Talons attached to enable the Agent to comply with its obligations under this clause.

## **6. TERMS OF ISSUE**

6.1 The Agent shall cause all Temporary Global Notes, Permanent Global Notes and Definitive Notes delivered to and held by it under this Agreement to be maintained in safe custody and shall ensure that such Notes are issued only in accordance with the provisions of this Agreement, the Trust Deed, the relevant Global Note and the Conditions.

- 6.2 Subject to the procedures set out in the Procedures Memorandum, for the purposes of Clause 3.1 the Agent is entitled to treat a telephone or facsimile communication from a person purporting to be (and who the Agent believes in good faith to be) the authorised representative of the Issuer named in the list referred to in, or notified pursuant to, Clause 19.8 as sufficient instructions and authority of the Issuer for the Agent to act in accordance with Clause 3.1.
- 6.3 In the event that a person who has signed on behalf of the Issuer any Note not yet issued but held by the Agent in accordance with Clause 3.1 ceases to be authorised as described in Clause 19.8, the Agent shall (unless the Issuer gives notice to the Agent that Notes signed by that person do not constitute valid and binding obligations of the Issuer or otherwise until replacements have been provided to the Agent) continue to have authority to issue any such Notes, and the Issuer hereby warrants to the Agent that such Notes shall, unless notified as aforesaid, be valid and binding obligations of the Issuer. Promptly upon such person ceasing to be authorised, the Issuer shall provide the Agent with replacement Notes and upon receipt of such replacement Notes the Agent shall cancel and destroy the Notes held by it which are signed by such person and shall provide to the Issuer a confirmation of destruction in respect thereof specifying the Notes so cancelled and destroyed.
- 6.4 If the Agent pays an amount (the **Advance**) to the Issuer on the basis that a payment (the **Payment**) has been, or will be, received from a Dealer and if the Payment is not received by the Agent on the date the Agent pays the Advance to the Issuer, the Issuer shall repay to the Agent the Advance and shall pay interest on the Advance (or the unreimbursed portion thereof) from (and including) the date such Advance is made to (but excluding) the earlier of repayment of the Advance and receipt by the Agent of the Payment (at a rate quoted at that time by the Agent as its cost of funding the Advance provided that evidence of the basis of such rate is given to the Issuer).
- 6.5 Except in the case of issues where the Agent does not act as receiving bank for the Issuer in respect of the purchase price of the Notes being issued, if on the relevant Issue Date a Dealer does not pay the full purchase price due from it in respect of any Note (the **Defaulted Note**) and, as a result, the Defaulted Note remains in the Agent's distribution account with Euroclear and/or Clearstream, Luxembourg after such Issue Date, the Agent will continue to hold the Defaulted Note to the order of the Issuer. The Agent shall notify the Issuer forthwith of the failure of the Dealer to pay the full purchase price due from it in respect of any Defaulted Note and, subsequently, shall notify the Issuer forthwith upon receipt from the Dealer of the full purchase price in respect of such Defaulted Note.

## 7. PAYMENTS

- 7.1 The Issuer will, before 10.00 a.m. (local time in the relevant financial centre of the payment or Brussels time in the case of a payment in euro), on each date on which any payment in respect of any Note becomes due, transfer or procure that there is transferred to such account specified by the Agent such amount in the relevant currency as shall be sufficient for the purposes of such payment in funds settled through such payment system as the Agent and the Issuer may agree.
- 7.2 The Issuer will ensure that no later than 10.00 a.m. (London time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the Agent pursuant to subclause 7.1, the Agent shall receive written confirmation from the Issuer that payment is to be made to the Agent on the date on which payment is to be made.

For the purposes of this clause **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is New Zealand dollars, shall be Auckland) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is operating.

- 7.3 The Agent shall ensure that payments of both principal and interest in respect of a Temporary Global Note will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations has been received from Euroclear and/or Clearstream, Luxembourg in accordance with the terms of the Temporary Global Note.
- 7.4 The Agent shall notify by facsimile each of the Issuer, the other Paying Agents and the Trustee forthwith (a) if it has not by the due date for payment of any principal and/or interest, as the case may be, in respect of the Notes or Coupons received unconditionally the full amount required for such payment and (b) if it receives unconditionally the full amount of any sum due in respect of the Notes or Coupons after the due date for payment thereof. The Agent will, at the expense of the Issuer, forthwith upon receipt of any amount as described in (b) above cause notice thereof to be published in accordance with Condition 12.
- 7.5 Subject to the payments to the Agent provided for by subclause 7.1 being duly made, the Agent or the relevant Paying Agent will act as paying agents of the Issuer in respect of the Notes and will pay or cause to be paid all amounts due in respect of the Notes on behalf of the Issuer in accordance with the Conditions and the provisions of the Trust Deed and this Agreement. If any payment provided for in subclause 7.1 is made late but otherwise in accordance with the provisions of this Agreement, the Agent and each Paying Agent shall nevertheless act as paying agents as aforesaid. However, unless and until the full amount of any such payment as provided for in subclause 7.1 has been made to the Agent, the Paying Agents are not bound to make payments in respect of the Notes as aforesaid.
- 7.6 Without prejudice to subclauses 7.4 and 7.5, if the Agent pays any amounts to the holders of Notes or Coupons or to any Paying Agent at a time when it has not received payment in full in respect of the relevant Notes in accordance with subclause 7.1 (the excess of the amounts so paid over the amounts so received being the **Shortfall**), the Issuer will, in addition to paying amounts due under subclause 7.1, pay to the Agent on demand interest (at a rate which represents the Agent's cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Agent of the Shortfall.
- 7.7 The Agent shall on demand promptly reimburse each Paying Agent for payments in respect of Notes properly made by such Paying Agent in accordance with this Agreement and the Conditions unless the Agent has notified the Paying Agent, prior to the opening of business in the location of the office of the Paying Agent through which payment in respect of the Notes can be made on the due date of a payment in respect of the Notes, that the Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of such Notes.
- 7.8 Whilst any Notes are represented by Global Notes, all payments due in respect of such Notes shall be made to, or to the order of, the holder of the Global Notes, subject to and in accordance with the provisions of the Global Notes. On the occasion of any such payment, (i) in the case of a CGN, the Paying Agent to which such Global Note was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Global Note to be annotated so as to evidence the amounts and dates of such payments of principal and/or interest as applicable or (ii) in the case of any Global Note which is a NGN, the Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

- 7.9 If the amount of principal and/or interest then due for payment is not paid in full (otherwise than by reason of (a) FATCA Withholding or (b) any other deduction required by law to be made therefrom), (i) the Paying Agent to which a Note is presented for the purpose of making such payment shall, unless the Note is a NGN, make a record of such Shortfall on the Note and such record shall, in the absence of manifest error, be *prima facie* evidence that the payment in question has not to that extent been made or (ii) in the case of any Global Note which is a NGN, the Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such shortfall in payment.
- 7.10 If the Issuer determines in its sole discretion that it will be required to withhold or deduct any FATCA Withholding in connection with any payment due on the Notes, then the Issuer will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without FATCA Withholding provided that any such redirection or reorganisation is made through a recognised institution of international standing and such payment is otherwise made in accordance with this Agreement and the Trust Deed. The Issuer will promptly notify the Agent and the Trustee of any such redirection or reorganisation.
- 7.11 Each of the Paying Agents shall be entitled to deduct any applicable FATCA Withholding and shall have no obligation to gross-up any payment hereunder or to pay any additional amount as a result of such applicable FATCA Withholding.
- 8. DETERMINATIONS AND NOTIFICATIONS IN RESPECT OF NOTES AND INTEREST DETERMINATION**
- 8.1 The Agent shall, unless otherwise specified in the applicable Final Terms, act as Calculation Agent and shall make all such determinations and calculations (howsoever described) as it is required to do under the Conditions, all subject to and in accordance with the Conditions.
- 8.2 The Agent shall not be responsible to the Issuer, the Trustee or to any third party (except in the event of negligence, default or bad faith of the Agent, as the case may be) as a result of the Agent having acted on any quotation given by any Reference Bank which subsequently may be found to be incorrect.
- 8.3 The Agent shall promptly notify (and confirm in writing to) the Issuer, the Trustee, the other Paying Agents and (in respect of a Series of Notes listed on a Stock Exchange) the relevant Stock Exchange of, *inter alia*, each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions as soon as practicable after the determination thereof and of any subsequent amendment thereto pursuant to the Conditions.
- 8.4 The Agent shall use its best endeavours to cause each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions to be published as required in accordance with the Conditions as soon as possible after their determination or calculation.
- 8.5 If the Agent at any time defaults in its obligation to determine and/or calculate and/or publish the Rate of Interest, Interest Amount and/or Interest Payment Date in respect of any Interest Period or any other amount, rate or date as provided in this clause, it shall forthwith notify the Issuer, the Trustee and the other Paying Agents of such fact.
- 8.6 Determinations with regard to Notes (including, without limitation, Index Linked Notes) shall be made by the Agent or such other Calculation Agent specified in the applicable Final Terms in the manner specified in the applicable Final Terms. Unless otherwise agreed between the Issuer and the relevant Dealer or unless the Agent is the Calculation Agent (in which case the provisions of this

Agreement shall apply), such determinations shall be made on the basis of a Calculation Agency Agreement substantially in the form of Schedule 1 to this Agreement.

## **9. NOTICE OF ANY WITHHOLDING OR DEDUCTION**

If the Issuer is, in respect of any payment, compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the Conditions, the Issuer shall give notice thereof to the Agent and the Trustee as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Agent such information as it shall require to enable it to comply with such requirement and the Agent shall comply with such requirement.

## **10. DUTIES OF THE AGENT IN CONNECTION WITH EARLY REDEMPTION**

- 10.1 If the Issuer decides to redeem any Notes for the time being outstanding prior to their Maturity Date in accordance with the Conditions, the Issuer shall give notice of such decision to the Agent and the Trustee not less than 15 days before the date on which the Issuer is required to give notice to the Noteholders in accordance with the Conditions of such redemption in order to enable the Agent to undertake its obligations herein and in the Conditions.
- 10.2 If some only of the Notes are to be redeemed on such date, the Agent shall make the required drawing in accordance with the Conditions but shall give the Issuer and the Trustee reasonable notice of the time and place proposed for such drawing and the Issuer and the Trustee shall be entitled to send representatives to attend such drawing.
- 10.3 The Agent shall publish the notice required in connection with any such redemption and shall at the same time also publish a separate list of the serial numbers of any Notes previously drawn and not presented for redemption. Such notice shall specify the date fixed for redemption, the redemption amount, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers of the Notes to be redeemed. Such notice will be published in accordance with the Conditions. The Agent will also notify the other Paying Agents and the Trustee of any date fixed for redemption of any Notes.
- 10.4 Each Paying Agent will keep a stock of Put Notices and will make such notices available on demand to holders of Notes, the Conditions of which provide for redemption at the option of Noteholders. Upon receipt of any Note deposited in the exercise of such option in accordance with the Conditions, the Paying Agent with which such Note is deposited shall hold such Note (together with any Coupons and Talons relating to it deposited with it) on behalf of the depositing Noteholder (but shall not, save as provided below, release it) until the due date for redemption of the relevant Note consequent upon the exercise of such option, when, subject as provided below, it shall present such Note (and any such Coupons and Talons) to itself for payment of the amount due thereon together with any interest due on such date in accordance with the Conditions and shall pay such moneys in accordance with the directions of the Noteholder contained in the relevant Put Notice. If, prior to such due date for its redemption, such Note becomes immediately due and payable or if upon due presentation payment of such redemption moneys is improperly withheld or refused, the Paying Agent concerned shall post such Note (together with any such Coupons and Talons) by uninsured post to, and at the risk of, the relevant Noteholder unless the Noteholder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Notes at such address as may have been given by the Noteholder in the relevant Put Notice. At the end of each period for the exercise of such option, each Paying Agent shall promptly notify the Agent of the nominal amount of the Notes in respect of which such option has been exercised with it together with their serial numbers and the Agent shall promptly notify such details to the Issuer and the Trustee.

## **11. RECEIPT AND PUBLICATION OF NOTICES AND VOTING**

- 11.1 Forthwith upon the receipt by the Agent of a demand or notice from any Noteholder in accordance with the Conditions the Agent shall forward a copy thereof to the Issuer and the Trustee.
- 11.2 On behalf of and at the request and expense of the Issuer, the Agent shall cause to be published all notices required to be given by the Issuer or the Trustee to the Noteholders in accordance with the Conditions.
- 11.3 Each Paying Agent on the request of any Noteholder shall issue voting certificates and/or block voting instructions (together, if required by the Trustee, with proof satisfactory to the Trustee of due execution thereof on behalf of the Agent) in accordance with the provisions of Schedule 3 to the Trust Deed and shall forthwith give to the Issuer and the Trustee, by facsimile transmission, notice of any revocation of or amendment to any block voting instruction. Each Paying Agent shall keep a full and complete record of all voting certificates and block voting instructions issued by it and will, not less than 24 hours before the time (as notified to the Paying Agents by the Issuer) appointed for holding any meeting or adjourned meeting deposit at such place as may be notified to the Agents by the Issuer and approved by the Trustee full particulars of all voting certificates and block voting instructions issued by it in respect of such meeting or adjourned meeting. Forms for this purpose shall be made available to the Agent by the Issuer for distribution to the other Paying Agents.

## **12. CANCELLATION OF NOTES, COUPONS AND TALONS**

- 12.1 All Notes which are redeemed, all Coupons which are paid and all Talons which are exchanged shall be cancelled by the Agent or Paying Agent by which they are redeemed, paid or exchanged. In addition, all Notes which are purchased by or on behalf of the Issuer or any of its Subsidiaries and are surrendered to a Paying Agent for cancellation, together (in the case of Definitive Notes) with all unmatured Coupons or Talons (if any) attached thereto or surrendered therewith, shall be cancelled by the Paying Agent to which they are surrendered. Each of the other Paying Agents shall give to the Agent details of all payments made by it and shall deliver all cancelled Notes, Coupons and Talons to the Agent.
- 12.2 A certificate stating:
  - (a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amounts in respect of Coupons which have been paid;
  - (b) the serial numbers of such Notes in definitive form;
  - (c) the total numbers (where applicable, of each denomination) by maturity date of such Coupons;
  - (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Notes;
  - (e) the aggregate nominal amount of Notes (if any) which have been purchased for cancellation by or on behalf of the Issuer or any of its Subsidiaries and cancelled (subject to delivery thereof to the Agent) and the serial numbers of such Notes in definitive form and the total number (where applicable, of each denomination) by maturity date of the Coupons and Talons (if any) attached thereto or surrendered therewith;
  - (f) the aggregate nominal amounts of Notes and the aggregate amounts in respect of Coupons which have been so surrendered and replaced and the serial numbers of such Notes in definitive form and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons (if any);

- (g) the total number (where applicable, of each denomination) by maturity date of unmatured Coupons missing from Notes in definitive form bearing interest at a fixed rate which have been redeemed or surrendered and replaced and the serial numbers of the Notes in definitive form to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons,

shall be given to the Issuer and the Trustee by the Agent as soon as possible and in any event within four months after the date of such repayment or, as the case may be, payment or exchange.

- 12.3 The Agent shall (unless otherwise instructed by the Issuer in writing) destroy all cancelled Notes, Coupons and Talons and, forthwith upon destruction, furnish the Issuer and the Trustee with a certificate of the serial numbers of the Notes (in the case of Notes in definitive form) and the number by maturity date of Coupons and Talons so destroyed.
- 12.4 Without prejudice to the obligations of the Agent pursuant to subclause 12.2, the Agent shall keep a full and complete record of all Notes, Coupons and Talons (other than serial numbers of Coupons) and of their redemption, purchase by or on behalf of the Issuer or any of its Subsidiaries and cancellation or payment and of all replacement Notes, Coupons or Talons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes, Coupons or Talons. The Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of six years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged. The Agent shall at all reasonable times make such records available to the Issuer, the Trustee and any persons authorised by either of them for inspection and for the taking of copies thereof or extracts therefrom.
- 12.5 All records and certificates made or given pursuant to this clause and Clause 13 shall make a distinction between Notes, Coupons and Talons of each Series.
- 12.6 The Agent is authorised by the Issuer and instructed to (a) in the case of a Global Note which is a CGN, to endorse or to arrange for the endorsement of the relevant Global Note to reflect the reduction in the nominal amount represented by it by the amount so redeemed or purchased and cancelled and (b) in the case of a Global Note which is a NGN, to instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such redemption or purchase and cancellation, as the case may be; provided that, in the case of a purchase or cancellation, the Issuer has notified the Agent of the same in accordance with Clause 10.1.

### **13. ISSUE OF REPLACEMENT NOTES, COUPONS AND TALONS**

- 13.1 The Issuer will cause a sufficient quantity of additional forms of Notes, Coupons and Talons to be available, upon request, to the Agent at its specified office for the purpose of issuing replacement Notes, Coupons and Talons as provided below.
- 13.2 The Agent will, subject to and in accordance with the Conditions and the following provisions of this clause, cause to be delivered any replacement Notes, Coupons and Talons which the Issuer may determine to issue in place of Notes, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.
- 13.3 In the case of a mutilated or defaced Note, the Agent shall ensure that (unless otherwise covered by such indemnity as the Issuer may require) any replacement Note will only have attached to it Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Note which is presented for replacement.



- 13.4 The Agent will obtain verification, in the case of an allegedly lost, stolen or destroyed Note or Coupon in respect of which the serial number is known, that such Note or Coupon has not previously been redeemed or paid. The Agent shall not issue any replacement Note, Coupon or Talon unless and until the applicant therefor shall have:
- (a) paid such costs, taxes, duties and expenses as may be incurred in connection therewith;
  - (b) furnished it with such evidence and indemnity as the Issuer and the Agent may reasonably require; and
  - (c) in the case of any mutilated or defaced Note, Coupon or Talon, surrendered it to the Agent.
- 13.5 The Agent shall cancel any mutilated or defaced Notes, Coupons and Talons in respect of which replacement Notes, Coupons and Talons have been issued pursuant to this clause. The Agent shall furnish the Issuer and the Trustee with a certificate stating the serial numbers of the Notes, Coupons and Talons so cancelled and, unless otherwise instructed by the Issuer in writing, shall destroy such cancelled Notes, Coupons and Talons and furnish the Issuer and the Trustee with a destruction certificate containing the information specified in subclause 12.3.
- 13.6 The Agent shall, on issuing any replacement Note, Coupon or Talon, forthwith inform the Issuer, the Trustee and the other Paying Agents of the serial number of such replacement Note, Coupon or Talon issued and (if known) of the serial number of the Note, Coupon or Talon in place of which such replacement Note, Coupon or Talon has been issued. Whenever replacement Coupons or Talons are issued pursuant to the provisions of this clause, the Agent shall also notify the Trustee and the other Paying Agents of the maturity dates of the lost, stolen, mutilated, defaced or destroyed Coupons or Talons and of the replacement Coupons or Talons issued.
- 13.7 The Agent shall keep a full and complete record of all replacement Notes, Coupons and Talons issued and shall make such record available at all reasonable times to the Issuer, the Trustee and any persons authorised by either of them for inspection and for the taking of copies thereof or extracts therefrom.
- 13.8 Whenever any Note, Coupon or Talon for which a replacement Note, Coupon or Talon has been issued and in respect of which the serial number is known is presented to the Agent or any of the other Paying Agents for payment, the Agent or, as the case may be, the relevant other Paying Agent shall immediately send notice thereof to the Issuer and the other Paying Agents.

#### **14. COPIES OF DOCUMENTS AVAILABLE FOR INSPECTION**

The Issuer shall supply, and the Paying Agents shall hold available for inspection at their specified offices during normal business hours, copies of all documents required to be so available by the Trust Deed and the Conditions of any Notes or the rules of any relevant Stock Exchange.

#### **15. COMMISSIONS AND EXPENSES**

- 15.1 The Issuer will pay to the Agent such commissions in respect of the services of the Paying Agents under this Agreement as shall be agreed between the Issuer and the Agent. The Issuer shall not be concerned with the apportionment of payment among the Paying Agents.
- 15.2 In respect of the said commissions the Issuer shall also pay to the Agent such sum as shall be appropriate in respect of value added tax together with all reasonable expenses (including, *inter alia*, legal, advertising and postage expenses) incurred by the Paying Agents in connection with their said services.

- 15.3 The Agent will arrange for payment of the commissions due to the Paying Agents and arrange for the reimbursement of their expenses promptly after receipt of the relevant moneys from the Issuer.
- 15.4 At the request of the Agent, the parties hereto may from time to time during the continuance of this Agreement review the commissions agreed initially pursuant to 15.1 above with a view to determining whether the parties hereto can mutually agree upon changes therein.

## **16. INDEMNITY**

- 16.1 The Issuer will indemnify and keep indemnified the Agent and each of the other Paying Agents against any losses, liabilities, costs, claims, actions or demands which it may incur or which may be made against the Agent or any other Paying Agent as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except such as may result from its own wilful default, negligence or bad faith or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.
- 16.2 Each of the Paying Agents will severally indemnify the Issuer against any losses, liabilities, costs, claims, actions or demands which the Issuer may incur or which may be made against the Issuer as a result of the wilful default, negligence or bad faith of that Paying Agent or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.
- 16.3 The above indemnities shall survive the termination of this Agreement.

## **17. REPAYMENT BY THE AGENT**

Any sums paid by or by arrangement with the Issuer to the Agent pursuant to the terms of this Agreement shall not be required to be repaid to the Issuer unless and until any Note or Coupon becomes void under the provisions of the Conditions but in that event the Agent shall forthwith repay to the Issuer sums equivalent to the amounts which would otherwise have been payable on or in respect of the relevant Note or Coupon.

## **18. RIGHTS OF ACCOUNTHOLDERS**

- 18.1 If the Agent becomes aware that an Accountholder is seeking to exercise any rights in its capacity as Noteholder where the Conditions make no specific provision for the exercise of such rights by Accountholders, it shall promptly notify the Issuer of this fact, who will then promptly notify the Agent whether or not the rights are of a kind that should only be exercised against endorsement on the Global Note.
- 18.2 The Agent shall then take the following action:
- (a) if the rights require such endorsement, the Agent shall require the presentation of the Global Note to or to the order of the Agent in order that the Global Note may be endorsed by or on behalf of the Agent to reflect the exercise of such rights; or
  - (b) if the rights do not require such endorsement, the Agent shall require the production of an undertaking from the Clearing Systems that they will not debit or transfer Notes from the account of that Accountholder until a certain time or date or before the occurrence of any identified condition precedent each as specified by the Agent.

## **19. CONDITIONS OF APPOINTMENT**

- 19.1 The Agent shall be entitled to deal with money paid to it by the Issuer for the purpose of this Agreement in the same manner as other money paid to a banker by its customers and shall not be liable to account to the Issuer for any interest thereon except:
- (a) that it may not exercise any right of set-off, lien or similar claim in respect of money paid to it by the Issuer;
  - (b) moneys held by any Paying Agent need not be segregated except as required by law; and
  - (c) as provided in subclause 19.2 below.
- 19.2 Notwithstanding 19.1 above:
- (a) any sums paid to the Agent in respect of any payment of principal and/or interest under the Notes which are received by the Agent pursuant to the terms of this Agreement prior to the due date therefor shall (provided prior notice of such payment is given to the Agent) be placed on deposit by the Agent from the date of receipt to such due date at the rate of interest offered by Citibank, N.A., London Branch, at its London office for overnight deposits and the Agent shall account to the Issuer in respect of any interest earned thereon; and
  - (b) where any payment of principal is made to the Agent after the due date therefor or on or after accelerated maturity following an Event of Default, the Agent shall (provided prior notice of such payment is given to the Agent) place the amount of such payment on deposit from the date of such payment to the date on and after which payment is to be made to the Noteholders in respect thereof pursuant to proviso (b) to clause 2.2 of the Trust Deed at the rate of interest offered by Citibank, N.A., London Branch, at its London office for overnight deposits and the Agent shall account to the Issuer (or, if so required by the Trustee pursuant to clause 2.3(a) of the Trust Deed, to the Trustee) in respect of any interest earned thereon.
- 19.3 In acting hereunder and in connection with the Notes, the Agent and the other Paying Agents shall act solely as agents of the Issuer (or, in the circumstances described in Clause 2.3 above, the Trustee) and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes, Coupons or Talons.
- 19.4 The Agent and the other Paying Agents shall be obliged to perform such duties and only such duties, as are herein (including Schedule 3 in the case of the Agent), in the Conditions and in the Procedures Memorandum specifically set forth, and no implied duties or obligations shall be read into this Agreement, the Trust Deed or the Notes against the Agent and the other Paying Agents. Each of the Paying Agents (other than the Agent) agrees that if any information that is required by the Agent to perform the duties set out in Schedule 3 becomes known to it, it will promptly provide such information to the Agent. The obligations of the Paying Agents are several and not joint.
- 19.5 The Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers save for manifest error and negligence.
- 19.6 Each of the Agent and the other Paying Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or the Trustee, or any Note or Coupon, notice, resolution, direction, consent, certificate, affidavit, statement, cable or other paper or document which it reasonably believes to be

genuine and to have been delivered, signed or sent by the proper party or parties and which is not manifestly wrong or upon written instructions from the Issuer or the Trustee.

- 19.7 Any of the Agent and the other Paying Agents and their officers, directors and employees may become the owner of, or acquire any interest in, any Notes, Coupons or Talons with the same rights that it or he would have if the Agent or the relevant other Paying Agent, as the case may be, concerned were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons or in connection with any other obligations of the Issuer as freely as if the Agent or the relevant other Paying Agent, as the case may be, were not appointed hereunder.
- 19.8 The Issuer shall provide the Agent with a certified copy of the list of persons authorised to execute documents and take action on its behalf in connection with this Agreement and shall notify the Agent immediately in writing if any of such persons ceases to be so authorised or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Agent that such person has been so authorised.
- 19.9 Except as ordered by a court of competent jurisdiction or as required by law and subject as provided in the next sentence, the Issuer, the Trustee, the Agent and any other Paying Agent may deem and treat the bearer of any Note, Coupon or Talon as the absolute owner thereof (whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes but, in the case of a Global Note, without prejudice to the provisions as set out in the next sentence. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Trustee, the Agent and the other Paying Agents as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder**, **holder of Notes** and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be. In order to exercise any rights in their capacity as Noteholders, Accountholders must exercise such rights through Euroclear or Clearstream, Luxembourg, either against presentation of the Global Note to or to the order of the Agent and against its endorsement by or on behalf of the Agent to reflect the exercise of such rights or, at the option of the Agent, by the production to the Agent of an undertaking from Euroclear and/or Clearstream, Luxembourg that they will not debit or transfer Notes from the account of that Accountholder until a certain time or date or before the occurrence of an identified condition precedent.
- 19.10 The Issuer shall forthwith give notice to the Agent of any change of the Trustee.
- 19.11 Notwithstanding anything else herein contained, the Agent may refrain without liability from doing anything that would or might in its reasonable opinion be contrary to any applicable law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it and England & Wales) or any applicable directive or regulation of any agency of any such

state or jurisdiction and may without liability do anything which is, in its reasonable opinion, necessary to comply with any such applicable law, directive or regulation.

## **20. COMMUNICATION BETWEEN THE PARTIES**

A copy of all communications relating to the subject matter of this Agreement between the Issuer or the Trustee and the Noteholders or Couponholders and any of the Paying Agents (other than the Agent) shall be sent to the Agent by the other relevant Paying Agent.

## **21. CHANGES IN AGENT AND OTHER PAYING AGENTS**

21.1 The Issuer agrees that, for so long as any Note is outstanding, or until moneys for the payment of all amounts in respect of all outstanding Notes have been made available to the Agent and have been returned to the Issuer as provided herein:

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

In addition, the Issuer shall appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4.4. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency (as provided in subclause 21.5 below), when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and to the Noteholders in accordance with the Conditions.

21.2 Any Paying Agent may (subject as provided in subclause 21.4 below) at any time resign as Paying Agent by giving at least 90 days' written notice to the Issuer, the Trustee and, if applicable, the Agent of such intention on its part, specifying the date on which its desired resignation shall become effective.

21.3 Any Paying Agent may (subject as provided in subclause 21.4 below) be removed at any time by the Issuer on at least 90 days' notice to the Trustee and, if applicable, the Agent by the filing with it of an instrument in writing signed on behalf of the Issuer specifying such removal and the date when it shall become effective.

21.4 Any resignation under subclause 21.2 or removal under subclauses 21.3 or 21.5 shall only take effect upon the appointment by the Issuer as hereinafter provided, of a successor Paying Agent approved by the Trustee and (other than in cases of insolvency of a Paying Agent) on the expiry of the notice to be given under Clause 23. The Issuer agrees with the Agent and the Trustee that if, by the day falling ten days before the expiry of any notice under subclause 21.2, the Issuer has not appointed a successor Agent, then the Agent shall be entitled, on behalf of the Issuer, to appoint as a successor Agent in its place a reputable financial institution of good standing which the Issuer and the Trustee shall approve (such approval not to be unreasonably withheld or delayed).

21.5 In case at any time any Paying Agent resigns, or is removed, or becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or a substantial part of its property, or if an administrator,

liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its debts as they mature or suspends payment of its debts, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a public officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, administration or liquidation, a successor Paying Agent, which shall be a reputable financial institution of good standing approved by the Trustee, may be appointed by the Issuer by an instrument in writing filed with the successor Paying Agent. Upon the appointment as aforesaid of a successor Paying Agent and acceptance by the latter of such appointment and (other than in case of insolvency of the Paying Agent when it shall be of immediate effect) upon expiry of the notice to be given under Clause 23 the Paying Agent so superseded shall cease to be a Paying Agent hereunder.

21.6 Upon its resignation or removal becoming effective, the Agent or the relevant Paying Agent:

- (a) shall forthwith transfer all moneys held by it hereunder and, if applicable, the records referred to in clauses 12.4 and 13.7 to the successor Agent hereunder; and
- (b) shall be entitled to the payment by the Issuer of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of Clause 15.

21.7 Upon its appointment becoming effective, a successor Agent and any new Paying Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor or, as the case may be, a Paying Agent with like effect as if originally named as Agent or (as the case may be) a Paying Agent hereunder.

## **22. MERGER AND CONSOLIDATION**

Any corporation into which the Agent or any other Paying Agent may be merged or converted, or any corporation with which the Paying Agent or any of the other Paying Agents may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Agent or any of the other Paying Agents shall be a party, or any corporation to which the Agent or any of the other Paying Agents shall sell or otherwise transfer all or substantially all the assets of the Agent or any other Paying Agent shall, on the date when such merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Agent or, as the case may be, other Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto and after the said effective date all references in this Agreement to the Agent or, as the case may be, such other Paying Agent shall be deemed to be references to such corporation. Notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuer and the Trustee by the relevant Agent or other Paying Agent.

## **23. NOTIFICATION OF CHANGES TO PAYING AGENTS**

Following receipt of notice of resignation from the Agent or any other Paying Agent and forthwith upon appointing a successor Agent or, as the case may be, further or other Paying Agents or on giving notice to terminate the appointment of any Agent or, as the case may be, other Paying Agent, the Agent (on behalf of and at the expense of the Issuer) shall give or cause to be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Conditions.

## **24. CHANGE OF SPECIFIED OFFICE**

If the Agent or any other Paying Agent determines to change its specified office it shall (after having, in any such case other than a change of specified office within the same city, obtained the

prior written approval of the Issuer and the Trustee thereto) give to the Issuer, the Trustee and (if applicable) the Agent written notice of such determination giving the address of the new specified office which shall be in the same city and stating the date on which such change is to take effect, which shall not be less than 45 days thereafter. The Agent (on behalf and at the expense of the Issuer) shall within 15 days of receipt of such notice (unless the appointment of the Agent or the other relevant Paying Agent, as the case may be, is to terminate pursuant to Clause 21 on or prior to the date of such change) give or cause to be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Conditions.

## **25. NOTICES**

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at time of receipt; or
- (b) if sent by email to the relevant address specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered when received as evidenced by written confirmation of receipt from the intended recipient (for the avoidance of doubt an automatically generated "received" or "read" receipt will not constitute written confirmation), provided that any email which is received (or deemed to take effect in accordance with the foregoing) after 5:00 p.m. on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place; or
- (c) if sent by facsimile to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided an acknowledgement of receipt is received.

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

## **26. TAXES AND STAMP DUTIES**

The Issuer agrees to pay any and all stamp and other documentary taxes or duties which may be payable in the United Kingdom, Belgium and Luxembourg in connection with the execution, delivery, performance and enforcement of this Agreement.

## **27. AMENDMENTS**

This Agreement may be amended in writing by agreement between the Issuer, the Trustee, the Agent and the other Paying Agents, but without the consent of any Noteholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or in any manner which the parties may mutually deem necessary or desirable and which shall not be inconsistent with the Conditions and shall not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

## **28. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **29. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

- 29.1 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of England.
- 29.2 The Paying Agents hereby irrevocably agree, for the exclusive benefit of the Issuer and the Trustee, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (including any dispute relating to non-contractual obligations arising out of or in connection with this Agreement) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with this Agreement (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Agreement) may be brought in such courts.
- 29.3 Each Paying Agent irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.
- 29.4 Nothing contained in this Clause 29 shall limit any right to take Proceedings against any of the Paying Agents in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- 29.5 Each of the Paying Agents hereby appoints the Agent at its place of business for the time being in England to accept service of process on its behalf, which appointments the Agent hereby acknowledges and accepts. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## **30. COUNTERPARTS**

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by email attachment or telecopy shall be an effective mode of delivery.



**SCHEDULE 1**

**FORM OF CALCULATION AGENCY AGREEMENT**

**CALCULATION AGENCY AGREEMENT**

[       ]

**BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY**

**EURO MEDIUM TERM NOTE PROGRAMME**

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## CALCULATION AGENCY AGREEMENT

in respect of a

### EURO MEDIUM TERM NOTE PROGRAMME

**THIS AGREEMENT** is made on [     ]

#### **BETWEEN:**

- (1) **BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY** of 81 Newgate Street, London EC1A 7AJ (the **Issuer**);
- (2) [     ] of [     ] (the **Calculation Agent**, which expression shall include its successor or successors for the time being as calculation agent hereunder); and
- (3) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** of Fifth Floor, 100 Wood Street, London EC2V 7EX (the **Trustee**).

#### **WHEREAS:**

- (A) The Issuer has entered into a Programme Agreement with the Dealers named therein dated 15 June 2018 (as amended and/or supplemented from time to time) under which the Issuer may issue Euro Medium Term Notes (**Notes**) with an aggregate nominal amount of up to €20,000,000,000 (or its equivalent in other currencies).
- (B) The Notes will be constituted by a trust deed dated 12 December 1997 (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between, the Issuer and the Trustee.

**NOW IT IS HEREBY AGREED** that:

#### **1. APPOINTMENT OF THE CALCULATION AGENT**

The Issuer hereby appoints [     ] as Calculation Agent in respect of each Series of Notes described in the Schedule hereto (the **Relevant Notes**) for the purposes set out in clause 2 below, all upon the provisions hereinafter set out. The agreement of the parties hereto that this Agreement is to apply to each Series of Relevant Notes shall be evidenced by the manuscript annotation and signature in counterpart of the Schedule hereto or by an exchange of correspondence evidencing the agreement.

#### **2. DUTIES OF CALCULATION AGENT**

The Calculation Agent shall in relation to each Series of Relevant Notes perform all the functions and duties imposed on the Calculation Agent by the terms and conditions of the Relevant Notes (the **Conditions**) including endorsing the Schedule hereto appropriately in relation to each Series of Relevant Notes. In addition, the Calculation Agent agrees that it will provide a copy of all calculations made by it which affect the nominal amount outstanding of any Relevant Notes which are identified on the Schedule as being NGNs to Citibank N.A., London Branch, to the contact details set out on the signature page hereof.

#### **3. EXPENSES**

[To be agreed at the time of appointment.]

#### **4. INDEMNITY**

- 4.1 The Issuer will indemnify and keep indemnified the Calculation Agent against any losses, liabilities, costs, claims, actions or demands which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except such as may result from its own wilful default, negligence or bad faith or that of its officers or employees or the breach by it of the terms of this Agreement.
- 4.2 The Calculation Agent will indemnify the Issuer against any losses, liabilities, costs, claims, actions or demands which the Issuer may incur or which may be made against the Issuer as a result of the wilful default, negligence or bad faith of the Calculation Agent or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.

#### **5. CONDITIONS OF APPOINTMENT**

- 5.1 In acting hereunder and in connection with the Relevant Notes the Calculation Agent shall act as agent of the Issuer and shall not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Relevant Notes or coupons (if any) appertaining thereto (the **Coupons**).
- 5.2 In relation to each issue of Relevant Notes, the Calculation Agent shall be obliged to perform such duties and only such duties as are herein and in the Conditions specifically set forth and no implied duties or obligations shall be read into this Agreement or the Conditions against the Calculation Agent.
- 5.3 The Calculation Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers save for manifest error.
- 5.4 The Calculation Agent shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer or any notice, resolution, direction, consent, certificate, affidavit, statement, cable or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties and which is not manifestly wrong or upon written instructions from the Issuer.
- 5.5 The Calculation Agent and any of its officers, directors and employees may become the owner of, or acquire any interest in, any Notes or Coupons or Talons (if any) with the same rights that it or he would have if the Calculation Agent were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons (if any) or in connection with any other obligations of the Issuer as freely as if the Calculation Agent were not appointed hereunder.

#### **6. TERMINATION OF APPOINTMENT**

- 6.1 The Issuer may, with the prior written approval of the Trustee, terminate the appointment of the Calculation Agent at any time by giving to the Calculation Agent at least 45 days' prior written notice to that effect, provided that, so long as any of the Relevant Notes is outstanding:
- (a) no such notice relating to the termination of appointment of the Calculation Agent shall take effect until a new Calculation Agent approved by the Trustee has been appointed on terms approved by the Trustee;

- (b) such notice shall not expire less than 45 days before any date upon which any payment is due in respect of any Relevant Notes; and
- (c) notice shall be given in accordance with the Conditions, to the holders of the Relevant Notes at least 30 days prior to any removal of the Calculation Agent.

6.2 Notwithstanding the provisions of subclause 6.1 above, if at any time:

- (a) the Calculation Agent becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its debts as they may mature or suspends payment of its debts, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if any public officer takes charge or control of the Calculation Agent or of its property or affairs for the purpose of rehabilitation, administration or liquidation; or
- (b) the Calculation Agent fails duly to perform any function or duty imposed upon it by the Conditions and this Agreement,

the Issuer may forthwith without notice terminate the appointment of the Calculation Agent, in which event notice thereof shall be given to the holders of the Relevant Notes in accordance with the Conditions as soon as practicable thereafter.

- 6.3 The termination of the appointment pursuant to subclause 6.1 or 6.2 above of the Calculation Agent hereunder shall not entitle the Calculation Agent to any amount by way of compensation but shall be without prejudice to any amount then accrued due.
- 6.4 The Calculation Agent may resign its appointment hereunder at any time by giving to the Issuer and the Trustee at least 90 days' prior written notice to that effect. Following receipt of a notice of resignation from the Calculation Agent, the Issuer shall promptly give notice thereof to the holders of the Relevant Notes in accordance with the Conditions.
- 6.5 Notwithstanding the provisions of subclauses 6.1, 6.2 and 6.4 above, so long as any of the Relevant Notes is outstanding, the termination of the appointment of the Calculation Agent (whether by the Issuer or by the resignation of the Calculation Agent) shall not be effective unless upon the expiry of the relevant notice a successor Calculation Agent has been appointed. The Issuer agrees with the Calculation Agent that if, by the day falling ten days before the expiry of any notice under subclause 6.1 or 6.4, the Issuer has not appointed a replacement Calculation Agent, the Calculation Agent shall be entitled, on behalf of the Issuer, to appoint as a successor Calculation Agent in its place a reputable financial institution of good standing which the Issuer and the Trustee shall approve (such approval not to be unreasonably withheld or delayed).
- 6.6 Upon its appointment becoming effective, a successor Calculation Agent shall without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as the Calculation Agent hereunder.
- 6.7 Any corporation into which the Calculation Agent may be merged or converted, or any corporation with which the Calculation Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any corporation to which the Calculation Agent shall sell or otherwise transfer all or substantially all of

its assets shall, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Calculation Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto and after the said effective date all references in this Agreement to the Calculation Agent shall be deemed to be references to such corporation. Notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuer, the Trustee and the Agent.

## **7. NOTICES**

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at time of receipt; or
- (b) if sent by email to the relevant address specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered when received as evidenced by written confirmation of receipt from the intended recipient (for the avoidance of doubt an automatically generated “received” or “read” receipt will not constitute written confirmation), provided that any email which is received (or deemed to take effect in accordance with the foregoing) after 5:00 p.m. on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place; or
- (c) if sent by facsimile to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided an acknowledgement of receipt is received.

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

## **8. DESCRIPTIVE HEADINGS**

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

## **9. COUNTERPARTS**

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by email attachment or telecopy shall be an effective mode of delivery.

## **10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **11. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

- 11.1 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of England.

- 11.2 [The Calculation Agent hereby irrevocably agrees for the exclusive benefit of the Issuer and the Trustee, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement (including any dispute relating to non-contractual obligations arising out of or in connection with this Agreement) and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with this Agreement (including any Proceedings relating to non-contractual obligations arising out of or in connection with this Agreement) may be brought in such courts.

The Calculation Agent irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon the Calculation Agent and may be enforced in the courts of any other jurisdiction.

Nothing contained in this clause 11 shall limit any right to take Proceedings against the Calculation Agent in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.]\*

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement.

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\* Only for non-English Calculation Agent.

## **SIGNATORIES**

### **BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY**

81 Newgate Street  
London EC1A 7AJ

E-mail: [derivatives@bt.com](mailto:derivatives@bt.com)

Attention: Treasurer BT Group

By:

[Name of Calculation Agent]

[Address of Calculation Agent]

Telefax No: [ ]

Attention: [ ]

By:

### **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**

Fifth Floor

100 Wood Street

London EC2V 7EX

Telefax No: (0207) 606 0643

Attention: the Manager, Trust Management

By:

### **Contact Details**

#### **CITIBANK N.A., LONDON BRANCH**

6th Floor, Citigroup Centre

Canada Square

Canary Wharf

London E14 5LB

Telefax No: +353 1 622 2031

Attention: Agency and Trust



## **SCHEDULE TO THE CALCULATION AGENCY AGREEMENT**

<b>Series Number</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Title and Nominal Amount</b>	<b>NGN Yes/No</b>	<b>Annotation by Calculation Agent/Issuer</b>
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## SCHEDULE 2

### FORM OF PUT NOTICE

#### BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY

[title of relevant Series of Notes]

By depositing this duly completed Notice with any Paying Agent for the above Series of Notes (the **Notes**) the undersigned holder of such Notes surrendered with this Notice and referred to below irrevocably exercises its option to have such Notes redeemed in accordance with Condition 5.4 on [redemption date].

This Notice relates to Notes in the aggregate nominal amount of .....

bearing the following serial numbers:

.....

.....

.....

If the Notes referred to above are to be returned (1) to the undersigned under Clause 10.4 of the Agency Agreement, if not tendered by or on behalf of Euroclear/Clearstream, Luxembourg/any other clearing system they should be returned by post to:

.....

.....

.....

#### Payment Instructions

Please make payment in respect of the above-mentioned Notes by [cheque posted to the above address/transfer to the following bank account/transfer to the following Clearing System account] (2):

Bank: .....

Branch Address: .....

Branch Code: .....

Account Number: .....

Clearing system: .....

Signature of holder: .....

Duly authorised on behalf of [ ]

[To be completed by recipient Paying Agent]

Details of missing unmatured Coupons ..... (3)

Received by: .....

[Signature and stamp of Paying Agent]

At its office at: .....

On: .....

**Notes**

- (1) The Agency Agreement provides that Notes so returned will be sent by post, uninsured and at the risk of the Noteholder, unless the Noteholder otherwise requests and pays the costs of such insurance to the relevant Paying Agent at the time of depositing the Note referred to above.
- (2) Delete as applicable.
- (3) Only relevant for Fixed Rate Notes (which are not also Index-Linked Redemption Amount Notes) in definitive form.

N.B. The Paying Agent with whom the above-mentioned Notes are deposited will not in any circumstances be liable to the depositing Noteholder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Notes or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

This Put Notice is not valid unless all of the paragraphs requiring completion are duly completed and, if the Notes which are the subject of this Put Notice are represented by a Global Note, this Put Notice is accompanied by evidence from either Euroclear or Clearstream, Luxembourg of the holder's entitlement to the Notes and that the holder's account with Euroclear or Clearstream, Luxembourg in which such Notes are held has been blocked. Once validly given this Put Notice is irrevocable except in the circumstances set out in Clause 10.4 of the Agency Agreement.

### **SCHEDULE 3**

#### **ADDITIONAL DUTIES OF THE AGENT**

In relation to each Series of Notes that are NGNs, the Agent will comply with the following provisions;

1. The Agent will inform each of Euroclear and Clearstream, Luxembourg (the **ICSDs**), through the common service provider appointed by the ICSDs to service the Notes (the **CSP**), of the initial issue outstanding amount (**IOA**) for each Tranche on or prior to the relevant Issue Date.
2. If any event occurs that requires a mark up or mark down of the records which an ICSD holds for its customers to reflect such customers' interest in the Notes, the Agent will (to the extent known to it) promptly provide details of the amount of such mark up or mark down, together with a description of the event that requires it, to the ICSDs (through the **CSP**) to ensure that the IOA of the Notes remains at all times accurate.
3. The Agent will at least once every month perform a reconciliation process with the ICSDs (through the CSP) with respect to the IOA for the Notes and will promptly inform the ICSDs (through the CSP) of any discrepancies.
4. The Agent will promptly assist the ICSDs (through the CSP) in resolving any discrepancy identified in the IOA of the Notes.
5. The Agent will promptly provide to the ICSDs (through the CSP) details of all amounts paid by it under the Notes (or, where the Notes provide for delivery of assets other than cash, of the assets so delivered).
6. The Agent will (to the extent known to it) promptly provide to the ICSDs (through the CSP) notice of any changes to the Notes that will affect the amount of, or date for, any payment due under the Notes.
7. The Agent will (to the extent known to it) promptly provide to the ICSDs (through the CSP) copies of all information that is given to the holders of the Notes.
8. The Agent will promptly pass on to the Issuer all communications it receives from the ICSDs directly or through the CSP relating to the Notes.
9. The Agent will (to the extent known to it) promptly notify the ICSDs (through the CSP) of any failure by the Issuer to make any payment or delivery due under the Notes when due.

## SIGNATORIES

**THIS AGREEMENT** has been entered into on the date stated at the beginning of the Agreement.

### The Issuer

#### **BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY**

81 Newgate Street  
London EC1A 7AJ

Telephone: (0207) 356 5282  
E-mail: [derivatives@bt.com](mailto:derivatives@bt.com)  
Attention: Treasurer BT Group

By:



LES WINNISTER, TREASURER BT GROUP

### The Agent

#### **CITIBANK, N.A., LONDON BRANCH**

6th Floor  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

Telephone: +353 1 622 0866  
Telefax: +353 1 622 4030  
Attention: Agency and Trust

By:

### The other Paying Agents

#### **BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME**

69, route d'Esch  
L-2953 Luxembourg

Telephone: (352) 4590 1  
Telefax: (352) 4590 4227

By:

## SIGNATORIES

**THIS AGREEMENT** has been entered into on the date stated at the beginning of the Agreement.

### The Issuer

#### **BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY**

81 Newgate Street  
London EC1A 7AJ

Telephone: (0207) 356 5282

E-mail: [derivatives@bt.com](mailto:derivatives@bt.com)

Attention: Treasurer BT Group

By:

### The Agent

#### **CITIBANK, N.A., LONDON BRANCH**

6th Floor  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

Telephone: +353 1 622 0866

Telefax: +353 1 622 4030

Attention: Agency and Trust

By:



Beth Kuhn  
Vice President

### The other Paying Agents

#### **BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME**

69, route d'Esch  
L-2953 Luxembourg

Telephone: (352) 4590 1

Telefax: (352) 4590 4227

By:

## SIGNATORIES

**THIS AGREEMENT** has been entered into on the date stated at the beginning of the Agreement.

### The Issuer

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E-mail: [derivatives@bt.com](mailto:derivatives@bt.com)  
Attention: Treasurer BT Group

By:

### The Agent

#### **CITIBANK, N.A., LONDON BRANCH**

6th Floor  
Citigroup Centre  
Canada Square  
Canary Wharf  
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Telephone: +353 1 622 0866  
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Attention: Agency and Trust

By:

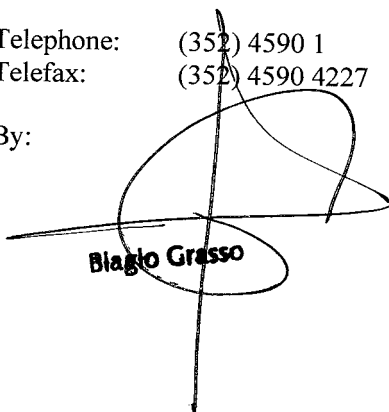
### The other Paying Agents

#### **BANQUE INTERNATIONALE À LUXEMBOURG, SOCIÉTÉ ANONYME**

69, route d'Esch  
L-2953 Luxembourg

Telephone: (352) 4590 1  
Telefax: (352) 4590 4227

By:



Biagio Grasso



Monique Moillat  
Assistant Manager

**The Trustee**

**THE LAW DEBENTURE TRUST CORPORATION p.l.c.**

Fifth Floor

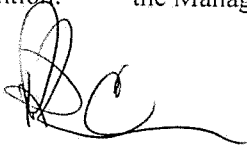
100 Wood Street

London EC24 7EX

Telefax No: (0207) 606 0643

Attention: the Manager, Commercial Trusts

By:

A handwritten signature in black ink, appearing to be 'RC' with a long horizontal flourish extending to the right.